SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the entire document 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 the section headed "Risk Factors" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are one of the leading companies committed to providing big data solutions to corporate clients in China's healthcare industry, driven by big data and technologies. According to the iResearch Report, we ranked first for the medical products and channels segment of healthcare big data solutions in the PRC in 2020 in terms of (i) revenue; (ii) number of top medical product manufacturers (based on lists of top medical product manufacturers in 2020 compiled by Torreya and Yaozh.com); and (iii) number of corporate clients served. By application scenarios, the medical products and channels segment is one of the three major segments of China's healthcare big data solutions market, accounting for approximately 30.3% of the overall China's healthcare big data solutions in terms of revenue in 2020 (in which we ranked 8th in terms of revenue), based on the iResearch Report.

Our integrated healthcare big data solutions include:

(i)   **Data Insight Solutions** — tailor-made business growth or investment solutions in the form of customized data insights report to help clients make their business decisions and data-driven marketing solutions for promotion of clients' products to retail pharmacies and consumers;

(ii) **Data-driven Publications and Connections** — customized publications in the form of reports, speeches and presentations by us and our clients based on our data insights as well as precision connections coordinated by us among our business participants (including our clients and non-clients who participate in our events); and

(iii) **SaaS** — user-friendly software embedded with functionalities such as data insights on medical products, consumer portrait, retail market and the industry, store and retail management tools, health and disease management tools and clinic management tools,

to a diverse group of our clients with a particular focus on medical product manufacturers, empowered by our big data and technologies.

Since 2008, we have been committed to driving the digital transformation of China's healthcare industry. Through a combination of deep industry knowledge and continuous product innovations, we have developed comprehensive healthcare big data solutions which include customized (Data Insight Solutions and Data-driven Publications and Connections) and standardized (SaaS) solutions and products for healthcare industry participants under a wide range of application scenarios. As at the Latest Practicable Date, we offer mainly marketing oriented solutions and products targeting the sales and marketing functions of our medical product manufacturer clients.

SUMMARY

Our business model is supported by three core pillars, namely, (i) Sinohealth Engine (our technology and data platform supporting all of our business segments which improves our product development efficiency and consistency through a cluster of common application modules and technologies and contains our data warehouse); (ii) Healthcare Industry Participant Networks (consisting of various sizeable and revenue-generating events and media channels organized and managed by us to provide business and networking opportunity to participants, promote our offerings and understand our clients' business needs for new product development); and (iii) Big Data & AI Lab (our research and development team which supports our technologies through internal research efforts and collaboration with external parties with a focus on data and AI technologies and feed the well-developed technologies to Sinohealth Engine).

During the Track Record Period, our business continued to grow steadily. Our revenue increased by approximately 8.1% from approximately RMB164.4 million for the year ended 31 December 2018 to approximately RMB177.8 million for the year ended 31 December 2019, and by approximately 13.7% to approximately RMB202.1 million for the year ended 31 December 2020. Our revenue also increased by 66.3% from approximately RMB144.6 million for the nine months ended 30 September 2020 to approximately RMB240.4 million for the nine months ended 30 September 2021. Our profit was approximately RMB61.1 million, RMB54.4 million, RMB65.3 million and RMB61.5 million for the years ended 31 December 2018, 2019 and 2020 and the nine months ended 30 September 2021, respectively. For the same periods, our net profit margin was approximately 37.2%, 30.6%, 32.3% and 25.6%, respectively. Our net profit margin decreased to 25.6% for the nine months ended 30 September 2021, primarily due to the [**REDACTED**] we incurred. See "Financial Information" in this document. Our adjusted net profit margin (which is a non-HKFRS measure) for the nine months ended 30 September 2021 was 31.5%. See "Financial Information—Non-HKFRS Measures" in this document.

Healthcare Big Data Solutions Industry

Healthcare big data solutions are created to support the information and digitization needs of various organizations, institutions and enterprises in the healthcare industry. They lead to better services for medical institutions, medical product manufacturers, healthcare managers, healthcare regulators, insurance institutions, patients, and other participants in the healthcare industry chain. Tangible results that can be achieved include reduced clinical research and development costs, enhanced quality of medical diagnosis and treatment services, and more efficient institutional management and operations. This market can be divided into three segments being (i) medical products and channels, mainly relating to solutions such as data insight solutions, real-world data of medical products and pharmaceutical SaaS services based on big data of medical products, purchasing behavior and circulation of medical products; (ii) medical services, mainly relating to smart medical services, electronic medical records and medical imaging; and (iii) government supervision, mainly relating to policy-making support and regional epidemiological research services. Currently, in terms of market size, the medical services segment is the largest and the medical products and channels segment enjoys the highest growth potential. Players in the healthcare big data solutions industry generally offer solutions that fall within marketing oriented or research and development oriented categories.

Currently, we primarily operate in the medical products and channels segment of the healthcare big data solutions market.

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OUR BUSINESS MODEL

Our business model is client-centric and our comprehensive and integrated Data Insight Solutions, Data-driven Publications and Connections and SaaS offerings allow us to accommodate the needs of our clients for various scenarios (particularly related to sales and marketing aspects) and cover the full vertical healthcare industry chain.

Data Insights Solutions

As at the Latest Practicable Date, our Data Insight Solutions included Growth and Investment Decision Solutions and Data-driven Marketing Solutions, both of which are empowered by our big data and data analytics capability. Under our Growth and Investment Decision Solutions, we offer tailor-made business growth or investment decision solutions in the form of one-time or periodic customized reports. With our customized reports, we provide our clients with a clear view on the market performance of relevant medical products and channels, and assist them in making their business decisions. Under our Data-driven Marketing Solutions, we engage in the provision of multi-channel marketing solutions mainly used by our clients in promotion of the sales of their products to their end-consumers. Our customized marketing solutions cover marketing campaigns coordination and management and advertisement placement, which are based on our precision marketing, media content production and training services.

Our Data Insight Solutions primarily target medical product manufacturers, enabling them to form decisions in an effective manner, manage internal resources and achieve their business goals. Based on our diversified and multi-dimensional big data and our in-depth understanding and experience in the healthcare big data industry, our Data Insight Solutions are tailor-made solutions designed to cater for clients' needs for specific combination of data analytics, application scenarios, objectives and preferences. Our Data Insight Solutions clients are mainly international and domestic manufacturers of medical products such as prescription and OTC drugs, medical equipment and Chinese medicine. Due to the nature of data insight solutions, once our clients benefit from the value of our Data Insight Solutions that help them expand their business scale, they are inclined to become our long-term clients.

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The following diagram illustrates the business model of our Data Insights Solutions segment.
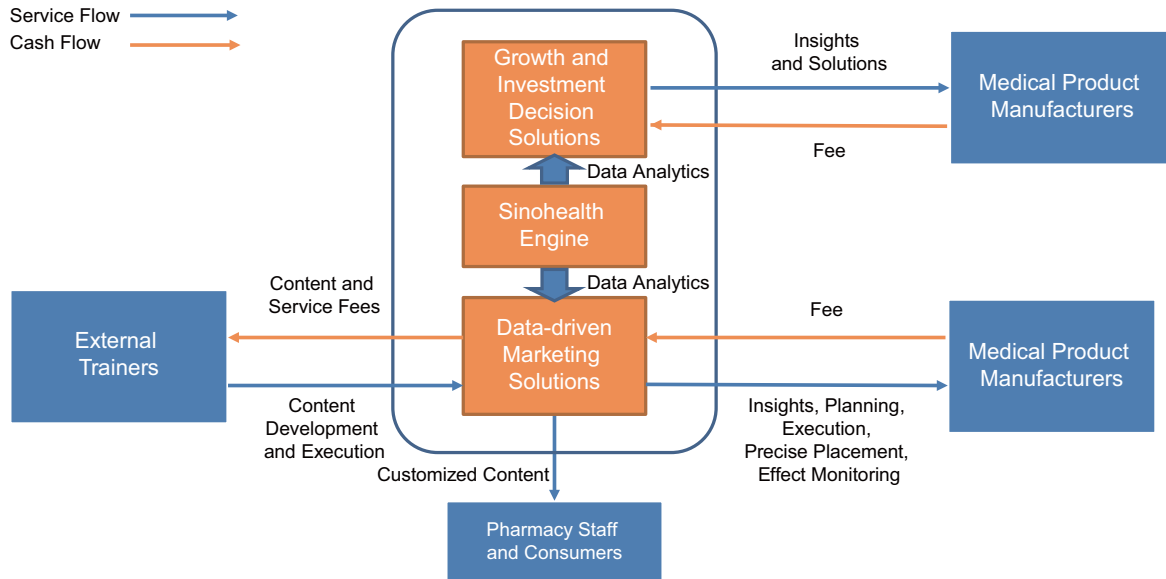
Data-driven Publications and Connections

We provide a combination of publications (in the form of speeches, reports or presentations by us or our clients), precision connections (including brand promotion campaigns, roadshows or one-on-one business meetings we coordinate for our clients targeting to their potential business partners and investors) and exhibitions through our Industry Events (the events we organize and host for the healthcare industry participants). Our Industry Events aim at promoting our own solutions and products and assisting our clients, mainly medical product manufacturers, in promoting their brand value and products and connecting with other industry participants. We also provide our clients with data insights on the latest market patterns, emerging trends and potential business opportunities through the delivery of speeches, reports and presentations during the Industry Events.

Our Data-driven Publications and Connections are an integral part of our business operation. Our Data-driven Publications and Connections clients are mainly medical product manufacturers, pharmacies and investment institutions. Our Industry Events are our channels to deliver our Data-driven Publications and Connections, through which we mainly generate revenue by offering sponsorship opportunities, promotional campaigns and road show coordination and exhibition booth arrangement through the provision of our publications, precision connection activities and exhibitions.

SUMMARY

The following diagrams illustrates the business model of our Data-driven Publications and Connections segment.
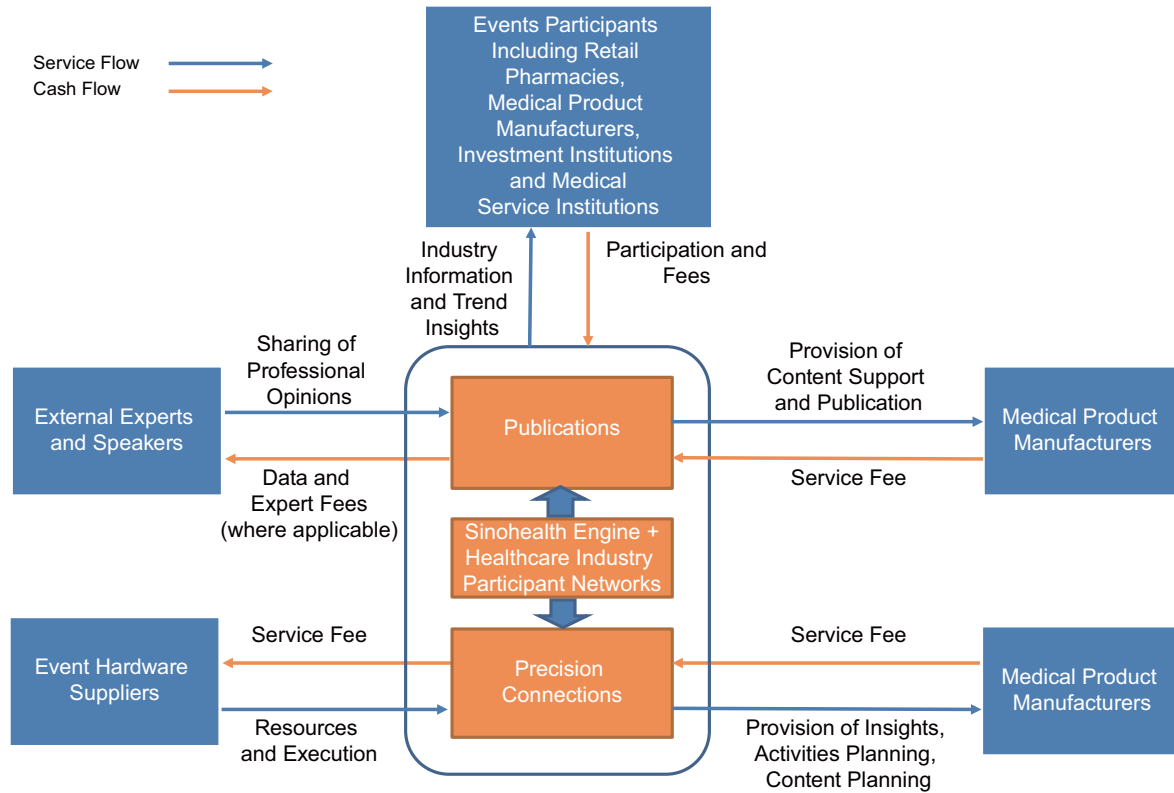
SaaS

We develop our SaaS products to provide our clients with user-friendly software embedded with functionalities such as data insights on medical products, consumer portrait, retail market and the industry, store and retail management tools, health and disease management tool and clinic management tool.

Our SaaS products enable our clients to rapidly digitalize their business operations. Through our SaaS products, our clients have a steady and regular access to our latest and ready-to-use data insights as well as built-in functionalities that are added-in to serve different application scenarios.
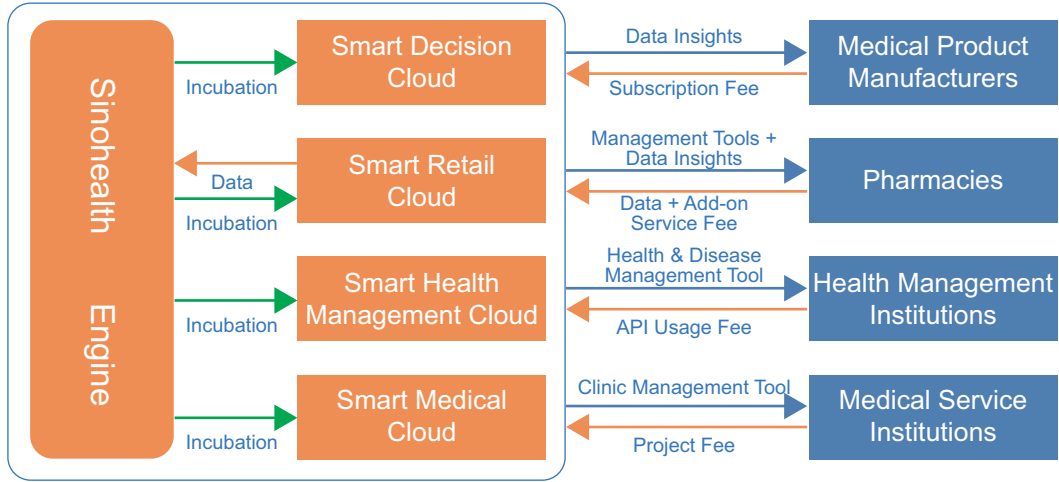
SUMMARY

The following table sets forth the major products and main functions, application scenarios and targeted clients of each of our SaaS product categories.

SaaS	Major Products and Main Function	Application Scenario	Target Client
Smart Decision Cloud	i. CHIS — provision of data insights mainly based on drug information analytics ii. LinkedSee — provision of data insights mainly based on consumer portrait analytics iii. Pharmacy Connect — provision of data insights mainly based on pharmacy information analytics	Focusing on marketing management and retail channel management with data insights of the medical product supply chain	Medical product manufacturers, medical research institutions, suppliers of raw materials of medical products
Smart Retail Cloud	i. SIC — store and retail management tool	Focusing on integrated management tools with data insights of the medical product retail chain	Pharmacies
Smart Health Management Cloud	i. AI-MDT — health and disease management tool	Focusing on disease screening and prevention, sub-health intervention and chronic disease management	Physical examination institutions and medical service institutions
Smart Medical Cloud	i. Woodpecker Clinic — clinic management tool (limited to certain developed modules)	Focusing on digitalization solutions for medical consultation and treatment processes, covering online medical appointments, out-patient consultation, hospitalization, diagnosis, medical treatments, prescription and dispensing, follow-up consultations and medical product logistics	Medical service institutions and public health agencies

SUMMARY

The following diagram illustrates the business model of our SaaS segment.

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The following table sets forth our portfolio of comprehensive and integrated offerings for each business segment as at the Latest Practicable Date.

Business segment	Offering	Application Scenarios	Value to clients	Deliverable	Monetization
Data Insight Solutions					
• Growth and Investment Decision Solutions	• Tailor-made business growth and investment solutions on demand based on our data insights	• Business operation of medical product manufacturers, such as their production, sales and strategies • Investment decision-making	• Helping clients especially medical product manufacturers form the basis for decision-making, marketing strategies, problem-solving, investment and strategic business development	• Provision of one-time and/or periodic customized reports, and if required, report interpretations of data analytics and problem-solving recommendations	Service fees on a case-by-case basis depending on scope of services and services period
• Data-driven Marketing Solutions	• Customized marketing consultation and campaigns coordination, media content production and training services which are supported by our big data and data technology	• Precision connection and promotion for clients' products • Retail channel training for medical product manufacturers	• Helping clients analyze demand, preference and behavior of end-consumers, identify more suitable marketing channels, formulate more effective marketing plans and create more targeted media content for clients to achieve the ultimate goal of driving sales	• Delivery of marketing strategies and proposals • Production of media content • Customized training	
Data-driven Publications and Connections	Publications of data insights through reports, speeches or presentations, precision connection and associated brand promotion and exhibitions	Understanding of industry developments, brand and product promotion and networking opportunities for medical product manufacturers, pharmacies as well as other business participants	Providing clients with data insights regarding the healthcare industry as well as precision connection with target business partners, publications of views and ideas, exhibition, marketing and business exposure	Conventions, summits, forums, seminars, exhibitions, promotion campaigns, roadshows organized by us	Lump sum services fees on a case-by-case basis depending on the scope of services and associated costs

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Business segment	Offering	Application Scenarios	Value to clients	Deliverable	Monetization
SaaS					
• Smart Decision Cloud (mainly CHIS, LinkedSee and Pharmacy Connect)	• Right of use to our proprietary cloud-based software	• Marketing and retail channel management with data insights of the medical product supply chain	• Supporting mainly medical product manufacturers with market surveillance, bid preparation, consumer analysis, and sales and promotion channel selection	• Granting access to our proprietary cloud-based software, together with additional reports on an ad-hoc demand	• Annual subscription fee depending on number of user accounts, product purchased and extent of access rights
• Smart Retail Cloud (mainly SIC)	• Right of use to our proprietary cloud-based software	• Integrated management tools with data insights of medical product retail chain	• Supporting pharmacies with membership and marketing management, staff training, store management and data insights	• Granting access to our proprietary cloud-based software	• Our SIC users are not required to pay us installation and subscription fee during the Track Record Period and we only charged for customized add-on services such as category management and onsite training
• Smart Health Management Cloud (AI-MDT)	• API use of physical examination report analysis	• Disease screening and prevention, sub-health intervention and chronic disease management	• Supporting our clients such as physical examination institutions to provide customized diagnosis experience to more users in an efficient manner at lower cost and online follow-up and health management program through patient-end mini-program	• Customized healthcare reports	• Usage-based subscriptions for APIs
• Smart Medical Cloud (revenue generated since 2021 with certain completed modules while research and development of the entire project is yet to complete)	• Construction of internet hospital	• Aiming to apply to medical service consultation and treatment processes, covering online medical appointments, out-patient consultation, hospitalization, diagnosis, medical treatments, prescription and dispensing, follow-up consultations and medical product logistics	• Aiming to support medical service institutions with construction of internet hospitals covering the whole medical treatment process	• Delivery of application software	• On project basis with reference to the services modules constructed and associated technology and services provided

SUMMARY

Interaction among Our Core Pillars, Our Solutions and Products and Our Clients

Our Sinohealth Engine, Healthcare Industry Participant Networks and Big Data & AI Lab are the core pillars of our business model:

- *Sinohealth Engine.* It is our technology and data platform which comprises (i) a large number of application modules and technologies developed by our Big Data & AI Lab and (ii) our data warehouse "Tiangong No.1", to support all of our business segments. There are three main application modules which respectively supports our capabilities in AI, big data and technology development. Our developers are able to quickly assemble these technologies into end-user-oriented features or products so as to improve our product development efficiency and ensure synergy and consistency among our offerings. We mainly collect our big data from our network of partnering pharmacies in respect of retail market data as well as from official sources published by government authorities for other healthcare industry data, which are processed and stored in our data warehouse. See "Business—Our Technologies and Big Data" in this document.

- *Healthcare Industry Participant Networks.* These networks consist of various sizeable and revenue-generating events and media channels focusing on healthcare industry organized and managed by us. Our Healthcare Industry Participant Networks not only provide business and networking opportunities for our business participants, but also help us quickly and accurately understand their business needs for further development of our Data Insight Solutions and SaaS products. In addition, they are our promotion platform for our Data Insight Solutions and SaaS products, helping us access to a large number of potential clients at a low cost and enhance our brand recognition, client loyalty and reputation in the healthcare industry. See "Business—Healthcare Industry Participant Networks" in this document.

- *Big Data & AI Lab.* Our Big Data & AI Lab is our research and development team for conducting research on big data and AI technologies through internal research efforts and collaboration with external parties. It supports us in our fundamental technologies and cultivates more research and development projects, and feed the well-developed technologies to Sinohealth Engine. It focuses on the technical research of AI and big data processing and analytics, with a medical and healthcare-specific perspective to enhance our core competence. See "Business—Research and Development" in this document.

These core pillars interact with each other through the following: (i) Big Data & AI Lab provides technologies to Sinohealth Engine through its research and development on big data and AI technologies. Its research and development projects and collaboration with external experts form part of the publication content and participants of our Healthcare Industry Participant Networks; (ii) Sinohealth Engine supports the content development and publication for Healthcare Industry Participant Networks by making available its technologies and data warehouse; and (iii) Healthcare Industry Participant Networks collect the needs of our business participants and inspire the research initiatives of Big Data & AI Lab, and help promote the well-developed research and development projects of Big Data & AI Lab by way of publication.

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Our different business segments create synergies: (i) our Data-driven Publications and Connections collect business needs of our other business segments while assisting in their business development at the same time; (ii) our Data Insight Solutions support content requirements for our Data-driven Publications and Connections and drive the development of our SaaS products through standardizing certain customary industry needs as software products; and (iii) our SaaS product (SIC) provides data sources for our Data Insight Solutions and Data-driven Publications and Connections, and our SaaS clients also become participants of our Data Insight Solutions and Data-driven Publications and Connections.

The following diagram illustrates our core competence, our solutions/products and our business participants and how they are interconnected.
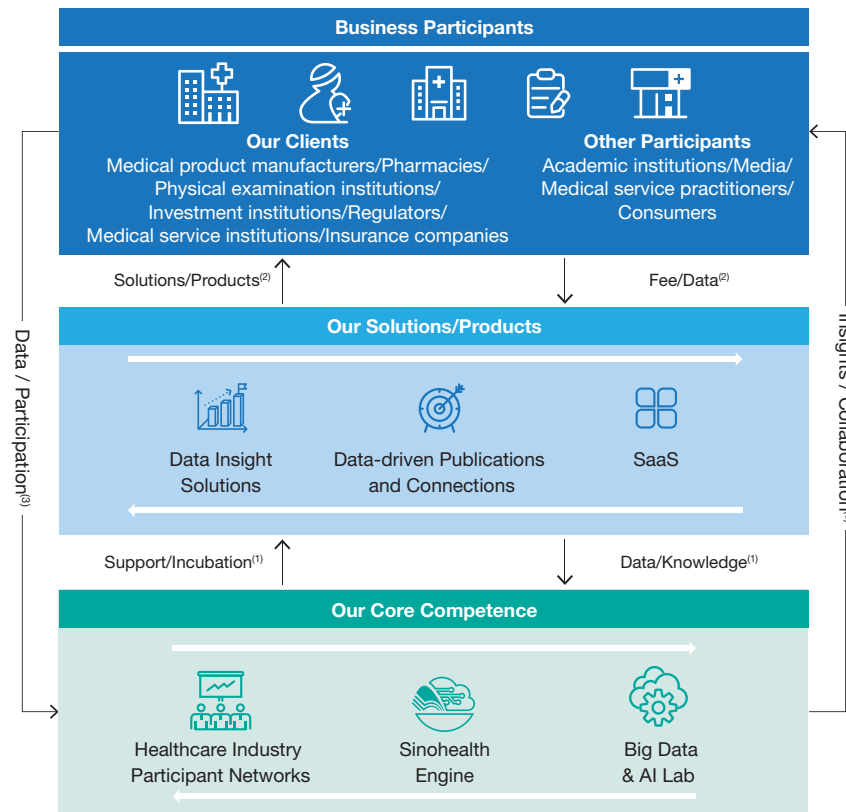
Notes:

(1) As described above, our core pillars Sinohealth Engine, Healthcare Industry Participant Networks and Big Data & AI Lab represent our core competence and support the development, promotion and delivery of our solutions and products. Knowledge about the business needs of our clients is derived from interaction with them through delivery of our solutions and products, in particular, our Data-driven Publications and Connections. Retail, store management and de-identified consumer data is collected from retail pharmacies which are our SIC users and stored in the Sinohealth Engine.

(2) We primarily provide our products and solutions to our clients including medical product manufacturers, pharmacies, physical examination institutions, investment institutions, regulators, medical service institutions and insurance companies, and we collect fees in return. Retail, store management and de-identified consumer data is collected from retail pharmacies which are our SIC users and ultimately stored in the Sinohealth Engine. Through participation in our Data-driven Publication Connections, background information of participants is collected in our Healthcare Link. In particular, we have commenced offering our Smart Medical Cloud products to medical service institutions in return for a fee in 2021.

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(3) We publish our data insights and media content through our Healthcare Industry Participant Networks to participants including consumers, medical services practitioners, academic institutions and media who may not be our clients. In addition, we collaborate with other media outlets in promotion of our Industry Events. Our Big Data & AI Lab also collaborate with academic institutions to enhance our data and AI technologies. Retail data is collected from partnering pharmacies which enter into CMH Cooperation Agreements with us. Through participation in our Healthcare Industry Participant Networks, information of participants is collected by our Healthcare Link.

OUR STRENGTHS

We believe the following key competitive strengths contribute to our business growth and differentiate us from our competitors:

- Largest provider of healthcare big data solutions for medical products and channels in China;

- Pioneer in the healthcare big data solutions industry which has high barriers to entry, and benefiting as a result of strong monetization from vertically-integrated solutions designed for the healthcare industry;

- Powerful, revenue-generating Healthcare Industry Participant Networks that also allow us to enhance our clients' business opportunities through precision connection and marketing, understand clients' needs and enhance sales and marketing efficiency;

- Extensive, prestigious and loyal client base;

- Combination of our extensive network and multi-dimensional and in-depth big data strongly supports our solutions and products;

- Sinohealth Engine is able to incubate Data Insight Solutions and SaaS products effectively and successfully; and

- Visionary management and talented pool of employees with both IT and healthcare expertise.

OUR STRATEGIES

We intend to maintain and continuously solidify our position as a pioneer and leading healthcare data technology company in China, and we plan to pursue the following strategies:

- Continue to invest in and expand our SaaS products in the healthcare industry;

- Focus on innovation and in-depth research of data technology and AI technology;

- Continue to expand our client base and drive sales by leveraging our network effect and synergies among our business segments;

- Enhance our cooperation with key clients in the healthcare industry through resource integration;

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- Seek external research and development opportunities leveraging our Big Data & AI Lab;

- Seek strategic alliances, investments and acquisition opportunities; and

- Expand the construction of our Healthcare Industry Participant Networks to integrate more industry participants.

COMPETITION AND MARKET OPPORTUNITIES

China's healthcare big data solutions is relatively fragmented, according to the iResearch Report, and low concentration benefits leading market players that are well-positioned to compete in the industry. There are approximately 800 to 1,000 companies operating in the market for healthcare big data solutions for medical products and channels. According to the iResearch Report, this fragmentation is expected to be temporary as smaller companies will be gradually eliminated, and high barriers to entry exist due to competition between companies in their abilities to form and leverage networks and channels, to develop and implement data technology, and to hire and retain professional and skilled talent. In terms of entry barriers for competitors to enter the market and the ability to source quality healthcare big data, companies that have accumulated more data and project experience, possess access to a more complete industry chain, retain multi-disciplinary professionals, and have big data processing technology would have substantial advantages.The healthcare big data solutions market will present a more diversified market competition pattern, and the depth, breadth, and diversification of databases will become key elements of industry competition. In addition, the network and number of medical product manufacturers served are the core area of competition of this segmented market.

The key trends and market opportunities for healthcare big data solutions include: (i) the potential growth in the out-of-hospital market for data collection; (ii) integration of big data and medical services to promote the development of internet hospitals; (iii) popularity for SaaS delivery; (iv) potential growth in the value of healthcare aPaaS (a category of cloud service that offers development and deployment environments for application services); (v) closed-loop ecosystems targeting whole-cycle integrated solutions; and (vi) further commercialization opportunities to enable healthcare management and commercial insurance. See "Industry Overview" in this document for a detailed description of the competitive landscape of our industry.

OUR CLIENTS AND SUPPLIERS

We have developed a broad client base covering key stakeholders in the healthcare industry chain, including medical product manufacturers, pharmacies, physical examination institutions, investment institutions, regulators, medical service institutions and insurance companies. For the years ended 2018, 2019 and 2020 and the nine months ended 30 September 2021, we had 584, 630, 702 and 859 corporate clients, respectively. According to the iResearch Report, in 2020, we had 57 top medical product manufacturer clients, of which 80.7% had transactions with us for each of the three years ended 31 December 2018, 2019 and 2020. According to the iResearch Report, for the nine months ended 30 September 2021, we had 63

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top medical product manufacturer clients. We are able to retain our clients through continuously strengthening our capabilities, launching new solutions and products based on the market trends, improving our solutions and product quality and enhancing client services and reputation. For the years ended 31 December 2018, 2019, 2020 and the nine months ended 30 September 2021, our top five clients accounted for 27.9%, 23.7%, 23.6% and 19.0% of our total revenue, respectively.

Our suppliers mainly include (i) some of our partnering pharmacies which provide us with data and charge us fees; (ii) our software and hardware providers; and (iii) hotels, travel agencies and specialized service providers for our Data-driven Publications and Connections. For the years ended 31 December 2018, 2019 and 2020 and the nine months ended 30 September 2021, purchases from our five largest suppliers in aggregate accounted for approximately 33.6%, 36.7%, 31.8% and 39.9% of our total purchases, respectively. See "Business — Our Suppliers" in this document.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set forth in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. Some of the major risks we face include:

- A substantial portion of our revenue was generated from our medical product manufacturer clients during the Track Record Period, and any slowdown in their growth or significant reduction in these clients' demand for healthcare big data solutions may materially and adversely affect our business, results of operations and prospects;

- Raw data may be inaccurately recorded, categorized or synchronized before it is provided to us, which may in turn compromise the quality of our data analysis results;

- Failure to maintain and expand our network of partnering pharmacies could materially and adversely affect our business, financial condition and results of operations;

- If we fail to innovate and adapt to rapid developments in big data, AI and other technologies, our business may become less competitive and our future success may be adversely affected; and

- Potential design or performance defects in our big data and technology infrastructure as well as our solutions and products could materially and adversely affect our business, results of operations and financial performance.

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CONTRACTUAL ARRANGEMENTS

Our Consolidated Affiliated Entities currently operate and may operate in certain industries that are subject to restrictions under current PRC laws and regulations. In order to comply with PRC laws and regulations, while availing ourselves of international capital markets and maintaining effective control over all of our operations, the Contractual Arrangements were entered into on 8 June 2021. As a result, we do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations. See "Contractual Arrangements" in this document.

MOFCOM published the discussion draft of the proposed Foreign Investment Law (《中華人民共和國外國投資法(草案徵求意見稿)》) (the "**Draft Foreign Investment Law**") in January 2015, which set out that variable interest entities that are controlled via contractual arrangements would also be deemed as foreign-invested entities if they are ultimately "controlled" by foreign investors. As at the Latest Practicable Date, the Draft Foreign Investment Law has not yet been effective or legally binding. On 15 March 2019, the NPC promulgated the Foreign Investment Law (中華人民共和國外商投資法) (the "**Foreign Investment Law**"), and on 1 January 2020, the Implementing Regulation of Foreign Investment Law (中華人民共和國外商投資法實施條例) promulgated by the State Council and the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Foreign Investment Law (最高人民法院關於適用《中華人民共和國外商投資法》若干問題的解釋) promulgated by the Supreme People's Court further clarified and elaborated on the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and its implementing regulations both became effective from 1 January 2020 and replaced the major previous laws and regulations governing foreign investments in the PRC. Since the Foreign Investment Law and its implementation and interpretation rules are relatively new, uncertainties exist in relation to their interpretation and implementation. The Foreign Investment Law and its implementing and interpretation rules do not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign invested enterprises if they are ultimately "controlled" by foreign investors. However, the Foreign Investment Law has a catch-all provision under the definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations or the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions of the State Council to provide for contractual arrangements as a form of foreign investment, until when it remains uncertain whether the Contractual Arrangements will be deemed to be in violation of the market access requirements for foreign investment in the PRC and if so, how the Contractual Arrangements should be dealt with. For further details, see "Contractual Arrangements—Impact and Potential Consequences of the FIL" in this document.

For the risks relating to the Contractual Arrangements, see "Risk Factors—Risks Relating to Our Contractual Arrangements" in this document for further details.

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OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [**REDACTED**] and [**REDACTED**] (assuming the [**REDACTED**] is not exercised and without taking into account any Shares which may be issued upon exercise of any options which may be granted under the Share Option Scheme), Wellmark BVI, WLF BVI and Rikan LLP will hold in aggregate approximately [**REDACTED**]% of the issued share capital of our Company.

Wellmark BVI is wholly owned by Mr. Wu. WLF BVI is wholly owned by Ms. Wang, who is Mr. Wu's spouse. Rikan LLP is a limited partnership, the sole general partner of which is Wellmark BVI holding approximately 2.0% interests. Accordingly, Mr. Wu, Ms. Wang, Wellmark BVI, WLF BVI and Rikan LLP are regarded as a group of controlling shareholders of the Company within the meaning of the Listing Rules. See "Relationship with our Controlling Shareholders" in this document.

OUR [REDACTED] INVESTORS

[**REDACTED**] investments in our Company were undertaken by Shanghai Tianyi, Ms. Shu Meizhen, Mr. Xu Haixun and Zhongwei Tengyun. Ms. Shu Meizhen ceased to be our [**REDACTED**] investor after the transfer of all her shares in Sinohealth Information to Zhongwei Tengyun in September 2018. See "History, Reorganization and Corporate Structure—[**REDACTED**] Investments" in this document.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary historical data of financial information set forth below has been derived from, and should be read in conjunction with, our consolidated financial statements, including the accompanying notes, set forth in the section headed "Accountants' Report" in Appendix I to this document, and information set forth in "Financial Information" of this document. Our financial information was prepared in accordance with HKFRSs.

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Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth our consolidated statements of profit or loss and other comprehensive income with line items in absolute amounts and as percentages of our revenue for the periods indicated.

	For the year ended 31 December						For the nine months ended 30 September			
	2018		2019		2020		2020		2021	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Revenue	164,390	100.0%	177,750	100.0%	202,073	100.0%	144,560	100.0%	240,429	100.0%
Cost of sales	(63,334)	(38.5)%	(71,654)	(40.3)%	(71,867)	(35.6)%	(54,406)	(37.6)%	(89,843)	(37.4)%
Gross profit.	101,056	61.5%	106,096	59.7%	130,206	64.4%	90,154	62.4%	150,586	62.6%
Other income and gains	15,087	9.2%	15,662	8.8%	19,026	9.4%	12,719	8.8%	21,067	8.8%
Selling and distribution expenses.	(7,712)	(4.7)%	(10,691)	(6.0)%	(14,833)	(7.3)%	(9,554)	(6.6)%	(17,340)	(7.2)%
Administrative expenses.	(12,605)	(7.7)%	(12,780)	(7.2)%	(16,585)	(8.2)%	(11,601)	(8.0)%	(31,326)	(13.0)%
Research and development costs. .	(22,014)	(13.4)%	(29,262)	(16.5)%	(39,821)	(19.7)%	(29,159)	(20.2)%	(38,381)	(16.0)%
Impairment losses on financial assets, net	537	0.3%	(1,303)	(0.7)%	(691)	(0.3)%	(899)	(0.6)%	(1,614)	(0.7)%
Other expenses	(177)	(0.1)%	(31)	0.0%	(8)	0.0%	(7)	(0.0)%	(437)	(0.2)%
Finance costs	(525)	(0.3)%	(576)	(0.3)%	(1,222)	(0.6)%	(913)	(0.6)%	(412)	(0.2)%
Share of losses of Associates	–	–	–	–	–	–	–	–	(262)	(0.1)%
Profit before tax . . .	**73,647**	**44.8%**	**67,115**	**37.8%**	**76,072**	**37.6%**	**50,740**	**35.1%**	**81,881**	**34.1%**
Income tax expense . .	(12,541)	(7.6)%	(12,736)	(7.2)%	(10,743)	(5.3)%	(7,098)	(4.9)%	(20,428)	(8.5)%
Profit for the year/period	**61,106**	**37.2%**	**54,379**	**30.6%**	**65,329**	**32.3%**	**43,642**	**30.2%**	**61,453**	**25.6%**
Total comprehensive income for the Year/Period	61,106	37.2%	54,379	30.6%	65,329	32.3%	43,642	30.2%	61,453	25.6%
Attributable to: Owners of the parent	62,625	38.1%	56,089	31.6%	67,926	33.6%	46,174	31.9%	67,296	28.0%
Non-controlling interests	(1,519)	(0.9)%	(1,710)	(1.0)%	(2,597)	(1.3)%	(2,532)	(1.8)%	(5,843)	(2.4)%
	61,106	37.2%	54,379	30.6%	65,329	32.3%	43,642	30.2%	61,453	25.6%

SUMMARY

The decrease in our net profit for the year ended 31 December 2019 was primarily due to an increase in our research and development costs by approximately 32.9% from the year ended 31 December 2018 to the year ended 31 December 2019 while our revenue increased at a lower level between the same years. For a detailed discussion of the historical changes in certain key items in our consolidated statements of profit or loss and other comprehensive income, see "Financial Information—Description of Major Components of Our Result of Operations" in this document.

Reconciliation for Non-HKFRS Measures

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also present adjusted net profit as an additional financial measure, which is not required by, nor presented in accordance with, HKFRS. We define adjusted net profit as net profit for the year/period excluding [**REDACTED**]. Adjusted net profit eliminates the effect of our [**REDACTED**], which are not related to our ordinary course of business and are non-recurring in nature. We present this additional financial measure as it is used by our management to evaluate our financial performance by eliminating the impact of an item that our management does not consider indicative of the actual performance of our business. We also believe that this non-HKFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies.

However, our presentation of adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of this non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

The following table sets forth the reconciliation of our non-HKFRS financial measure for each period of the Track Record Period presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	For the year ended 31 December			For the nine months ended 30 September	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Profit for the year/period	61,106	54,379	65,329	43,642	61,453
Add:					
[**REDACTED**][1]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit (Non-HKFRS measure).................	61,106	54,379	65,329	43,642	75,730
Adjusted net profit margin (Non-HKFRS measure) (%)...	37.2	30.6	32.3	30.2	31.5

Notes:

[1] [**REDACTED**] are non-recurring items in nature and commonly not included in similar non-HKFRS financial measures.

SUMMARY

Information about Operating Segments

The following tables set forth the revenue, cost of sales, gross profit and gross profit margin of each of our business segments during the Track Record Period.

Data Insight Solutions	For the year ended 31 December			For the nine months ended 30 September	
	2018	2019	2020	2020	2021
				(Unaudited)	
Revenue *(RMB'000)*	80,325	92,800	98,418	53,269	86,684
Cost of Sales *(RMB'000)* . . .	29,184	32,346	32,124	18,816	35,352
Gross profit *(RMB'000)*	51,141	60,454	66,294	34,453	51,332
Gross profit margin	63.7%	65.1%	67.4%	64.7%	59.2%

Data-driven Publications and Connections	For the year ended 31 December			For the nine months ended 30 September	
	2018	2019	2020	2020	2021
				(Unaudited)	
Revenue *(RMB'000)*	82,149	80,506	96,678	87,341	134,026
Cost of Sales *(RMB'000)* . . .	30,866	33,848	33,323	31,386	46,612
Gross profit *(RMB'000)*	51,283	46,658	63,355	55,955	87,414
Gross profit margin	62.4%	58.0%	65.5%	64.1%	65.2%

SaaS	For the year ended 31 December			For the nine months ended 30 September	
	2018	2019	2020	2020	2021
				(Unaudited)	
Revenue *(RMB'000)*	1,916	4,444	6,977	3,950	19,719
Cost of Sales *(RMB'000)* . . .	3,284	5,460	6,420	4,204	7,879
Gross profit (loss) *(RMB'000)*	(1,368)	(1,016)	557	(254)	11,840
Gross profit (loss) margin . .	(71.4)%	(22.9)%	8.0%	(6.4)%	60.0%

Our cost of sales increased during the Track Record Period primarily due to (i) an increase in staff costs resulting from an increase in our average employee salary and an increase in the average number of our employees; and (ii) an increase in event costs to strengthen our market position of our Data-driven Publications and Connections through our Industry Events. Our cost of sales for our Data Insight Solutions and Data-driven Publications and Connections slightly increased from 2018 to 2019 and remained relatively stable from 2019 to 2020, while our cost of sales for our SaaS increased from 2018 to 2020, primarily due to an increase in staff costs in relation to the operation of our SaaS products.

SUMMARY

Selected Data from the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as at the dates indicated.

	As at 31 December			As at 30 September
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	18,594	17,389	35,046	19,409
Total current assets	364,459	423,462	507,161	483,869
Total assets	**383,053**	**440,851**	**542,207**	**503,278**
Total non-current liabilities . . .	10,543	7,329	22,300	6,158
Total current liabilities	30,963	37,596	55,282	91,734
Total liabilities	**41,506**	**44,925**	**77,582**	**97,892**
Share capital	–	–	–	322
Reserves	338,650	394,739	462,665	405,019
Non-controlling interests	2,897	1,187	1,960	45
Total equity	**341,547**	**395,926**	**464,625**	**405,386**

Our net assets increased from RMB341.5 million as at 31 December 2018 to RMB395.9 million as at 31 December 2019, and further to RMB464.6 million as at 31 December 2020. Our net assets decreased from RMB464.6 million as at 31 December 2020 to RMB405.4 million as at 30 September 2021, primarily due to (i) a dividend payment of approximately RMB120.1 million declared and approved on 27 January 2021; and (ii) the net decrease of approximately RMB1.3 million resulting from (a) a deemed distribution to certain then shareholders of Sinohealth Information of approximately RMB185.5 million for repurchases of the entire interests they held in Sinohealth Information under the reduction of registered capital for Sinohealth Information as part of the Reorganization; and (b) an issue of shares of our Company of approximately RMB184.2 million. See "History, Reorganization and Corporate Structure—Reorganization—Onshore Reorganization—Reduction of Registered Capital of Sinohealth Information" in this document.

SUMMARY

In addition, the following table sets forth the key items in our consolidated statements of financial position as at the dates indicated.

	As at 31 December			As at 30 September
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
CURRENT ASSETS				
Inventories	1,189	599	573	1,680
Trade and notes receivables	14,513	19,536	28,712	63,755
Prepayments, other receivables and other assets	1,355	1,677	5,424	8,563
Financial assets at fair value through profit or loss	–	181,015	356,664	397,754
Due from a director.	–	–	10	–
Due from shareholders	–	–	–	174
Cash and cash equivalents	347,402	220,635	115,778	11,943
Total current assets	**364,459**	**423,462**	**507,161**	**483,869**
CURRENT LIABILITIES				
Trade payables	2,706	2,631	3,669	11,218
Other payables and accruals	21,596	27,961	38,399	58,039
Lease liabilities	3,524	3,214	5,570	4,756
Due to a related party	–	–	1,500	–
Due to a director	–	47	47	–
Tax payable	3,137	3,743	6,097	17,721
Total current liabilities	**30,963**	**37,596**	**55,282**	**91,734**
NET CURRENT ASSETS	**333,496**	**385,866**	**451,879**	**392,135**
NON-CURRENT ASSETS				
Property, plant and equipment	3,221	4,965	4,750	4,776
Advance payments for property, plant and equipment and other intangible assets	–	927	192	–
Other receivables	653	703	1,276	868
Right-of-use assets	13,807	9,980	26,063	10,221
Other intangible assets	713	444	205	1,190
Investment in associates.	–	–	–	338
Deferred tax assets	200	370	2,560	2,016
Total non-current assets	18,594	17,389	35,046	19,409
NON-CURRENT LIABILITIES				
Lease liabilities	10,543	7,329	22,300	6,158
Total non-current liabilities	10,543	7,329	22,300	6,158

SUMMARY

We had net current asset positions (i) as at 31 December 2018, 2019 and 2020, which were primarily attributable to our large balance of cash and cash equivalents and trade and notes receivables, partially offset by our other payables and accruals, which were mainly payroll payables and contract liabilities representing short-term advances received before the services are rendered; and (ii) as at 30 September 2021, which was primarily attributable to our large balance of financial assets at fair value through profit or loss and trade and notes receivables, partially offset by our other payables and accruals, which were also mainly payroll payables and contract liabilities.

As at 30 September 2021, our net current assets were approximately RMB392.1 million, consisting of current assets of approximately RMB483.9 million and current liabilities of approximately RMB91.7 million. Our net current assets decreased by approximately RMB59.7 million from approximately RMB451.9 million as at 31 December 2020 to approximately RMB392.1 million as at 30 September 2021. The decrease was primarily due to decreases in our cash and cash equivalents, as we had paid a dividend of RMB120.1 million in the nine months ended 30 September 2021 and an increase in our other payables and accruals by RMB19.6 million, mainly driven by increases in our contract liabilities and our payroll payables. Within our non-current assets, our right-of-use assets decreased from approximately RMB26.1 million as at 31 December 2020 to approximately RMB10.2 million as at 30 September 2021 as we had terminated a long-term lease agreement in January 2021. See "Financial Information—Discussion of Certain Items from the Consolidated Statements of Financial Position—Lease liabilities" in this document.

Selected Data from the Consolidated Statements of Cash Flows

During the Track Record Period, we funded our cash requirements principally from cash generated from operating activities and capital contribution from shareholders.

SUMMARY

The following table sets forth a summary of our cash flows for the periods indicated.

	For the year ended 31 December			For the nine months ended 30 September	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net cash flows from operating activities	67,823	57,844	61,598	46,446	62,803
Net cash flows used in investing activities	(2,933)	(180,558)	(166,559)	(162,140)	(36,595)
Net cash flows (used in)/from financing activities	(2,117)	(4,053)	103	(252)	(130,178)
Net increase/(decrease) in cash and cash equivalents	62,773	(126,767)	(104,858)	(115,946)	(103,970)
Cash and cash equivalents at beginning of year/period	284,629	347,402	220,635	220,635	115,778
Effect of foreign exchange rate changes, net	–	–	1	2	135
Cash and cash equivalents at end of year/period	347,402	220,635	115,778	104,691	11,943

Net cash flows from operating activities primarily comprised our profit before tax for the year adjusted by interest paid, income tax paid, non-cash and non-operating items, such as depreciation and bank interest income, and adjusted by changes in working capital, such as trade and notes receivables and other payables and accruals. For the nine months ended 30 September 2021, net cash used in financing activities was approximately RMB130.2 million, which was mainly attributable to (i) a dividend payment of approximately RMB120.1 million declared and approved on 27 January 2021; (ii) a payment for [**REDACTED**] of RMB[**REDACTED**]; and (iii) the net effect of approximately RMB1.5 million resulting from (a) a deemed distribution to certain then shareholders of Sinohealth Information of approximately RMB185.5 million for repurchases of the entire interests they held in Sinohealth Information under the reduction of registered capital for Sinohealth Information as part of the Reorganization; and (b) an issue of shares of the Company of approximately RMB184.0 million. See "History, Reorganization and Corporate Structure—Reorganization—Onshore Reorganization—Reduction of Registered Capital of Sinohealth Information" in this document.

For discussion of our liquidity and capital resources, see "Financial Information—Liquidity and Capital Resources" in this document.

SUMMARY

SUMMARY OF KEY FINANCIAL RATIOS

	As at/For the year ended 31 December			As at/For the nine months ended 30 September
	2018	**2019**	**2020**	**2021**
Current ratio[(1)]	11.8	11.3	9.2	5.3
Quick ratio[(2)]	11.7	11.2	9.2	5.3
Return on total assets[(3)]	16.0%	12.3%	12.0%	12.2%
Return on equity[(4)]	18.5%	14.2%	14.7%	16.6%
Gearing ratio[(5)]	12.2%	11.3%	16.7%	24.1%
Net profit margin[(6)]	37.2%	30.6%	32.3%	25.6%

Notes:

(1)   Current ratio is calculated by dividing total current assets by total current liabilities as at the end of each period.

(2)   Quick ratio is calculated by dividing total current assets less inventories by total current liabilities as at the end of each period.

(3)   Return on total assets is calculated by dividing profit for the period by the total assets at the end of each period.

(4)   Return on equity is calculated by dividing profit attributable to owners of our Company for the period by the total equity attributable to owners of our Company at the end of each period.

(5)   Gearing ratio is calculated by dividing total liabilities by total equity as at the end of the relevant period.

(6)   Net profit margin is equal to net profit divided by total revenue for the period.

Our current ratio was approximately 11.8, 11.3, 9.2 and 5.3 as at 31 December 2018, 2019 and 2020 and 30 September 2021, respectively. Our current ratio remained stable as at 31 December 2018 and 2019. Our current ratio decreased from 11.3 as at 31 December 2019 to 9.2 as at 31 December 2020, primarily due to an increase by RMB10.4 million in our other payables and accruals in relation to payroll payables and contract liabilities while our current assets increased primarily due to an increase in financial assets at fair value through profit or loss as we utilized part of our idle cash to purchase wealth management products. Our current ratio decreased to 5.3 as at 30 September 2021, primarily due to decreases in our cash and cash equivalents, as we had paid a dividend of RMB120.1 million in the nine months ended 30 September 2021, and an increase in other payables and accruals of RMB19.6 million, mainly driven by increases in our contract liabilities and our payroll payables. For the years ended 31 December 2018, 2019 and 2020 and the nine months ended 30 September 2021, our net profit margin was approximately 37.2%, 30.6%, 32.3% and 25.6%, respectively. Our net profit margin decreased to 25.6% for the nine months ended 30 September 2021, primarily due to the [**REDACTED**] we incurred.

SUMMARY

CERTAIN OPERATING DATA

The following tables present certain of our operating data as at the dates and for the periods indicated:

	For the years ended			For the nine months ended 30 September
	2018	2019	2020	2021
Total number of corporate clients	584	630	702	859
Data Insight Solutions				
Number of corporate clients[1]	296	220	227	223
Number of corporate clients contributing revenue of more than RMB300,000[1].....	60	60	63	63
Data-driven Publications and Connections				
Number of corporate clients..............	325	311	328	433
Number of corporate clients contributing revenue of more than RMB300,000[2].....	67	70	85	116
Number of events......................	24	36	86	57
SaaS				
Number of corporate clients..............	104	226	283	387

Notes:

(1)   The number of our Data Insight Solutions corporate clients decreased during the Track Record Period as we strategically focused on projects of higher value and gradually reduced our print advertising agency services and placement in relation to our Data-driven Marketing Solutions. Revenue generated from those Data Insight Solutions corporate clients contributing more than RMB300,000 accounted for over 80% of the revenue for the Data Insight Solutions segment for each of the period during the Track Record Period.

(2)   Revenue generated from those Data-driven Publications and Connections corporate clients contributing more than RMB300,000 accounted for over 66% of the revenue for the Data-driven Publications and Connections segment for each of the period during the Track Record Period.

SUMMARY

	As at 31 December			As at 30 September 2021	As at the Latest Practicable Date
	2018	2019	2020		
Network of Our Partnering Pharmacies					
Number of our partnering pharmacies[1]	201	496	759	1,021	1,072
Number of stores covered by our partnering pharmacies[1]	12,726	25,157	37,703	49,463	52,882
Pharmacy staff using our SIC mobile application[5]					173,000
Active pharmacy staff using our SIC mobile application[2][5]					46,000
Pharmacy consumers managed by pharmacies through our SIC[5]					202,000,000
Active pharmacy consumers managed by pharmacies through our SIC[3][5]					29,000,000

	For the month ended 31 December 2021
Total retail sales entries collected through the SIC[4][5]	137,000,000

Notes:

(1) Our partnering pharmacies include all retail pharmacies with whom we enter into CMH Cooperation Agreements or SIC Services Agreements. As at 30 September 2021 and the Latest Practicable Date, the number of the stores of our partnering pharmacies accounted for approximately 8.9% and 9.5% of the total number of pharmacy stores in China in 2020 according to the State Drug Administration. For details of our partnering pharmacies, see "Business—Our Technologies and Big Data—Big Data—Data Sources and Data Collection" in this document.

(2) It refers to the number of pharmacy staff that had used our SIC mobile application within 30 days before the Latest Practicable Date.

(3) It refers to the number of pharmacy consumers that had made purchase in the stores of our partnering pharmacies within 90 days before the Latest Practicable Date.

(4) It refers to the total number of sales transaction entries collected through SIC, from which we extract the retail data.

(5) These numbers are approximate numbers.

SUMMARY

DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including HKFRSs. PRC laws also require a foreign-invested enterprise to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends.

The amount of dividend actually distributed to our Shareholders will depend upon our earnings and financial condition, operating requirements, capital requirements, contractual restrictions and any other conditions that our Directors may deem relevant and will be subject to approval of our Shareholders. Our Board has the absolute discretion to recommend any dividend. As advised by our Cayman Islands counsel, under Cayman Islands law, a Cayman Islands Company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be declared or paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. [**REDACTED**] should not purchase our Shares with the expectation of receiving cash dividends.

No dividend had been declared and paid by us for the years ended 31 December 2018, 2019 and 2020. On 27 January 2021, Sinohealth Information declared and approved a dividend of approximately RMB120.1 million to its then shareholders. We currently do not intend to recommend dividends for distribution to our Shareholders in the foreseeable future.

[**REDACTED**]

This document is published in connection with the [**REDACTED**] as part of the [**REDACTED**]. The [**REDACTED**] comprises:

a)   the [**REDACTED**] of initially [**REDACTED**] Shares (subject to [**REDACTED**]) for subscription by the [**REDACTED**] in Hong Kong; and

b)   the [**REDACTED**] of an aggregate of, initially, [**REDACTED**] Shares (subject to [**REDACTED**] and the [**REDACTED**]) outside the United States (including to professional and institutional [**REDACTED**] within Hong Kong) in offshore transactions in reliance on [**REDACTED**].

The [**REDACTED**] will represent [**REDACTED**]% of the issued share capital of the Company immediately following the completion of the [**REDACTED**] without taking into account the exercise of the [**REDACTED**] and assuming the options which may be granted under the Share Option Scheme are not exercised.

RECENT DEVELOPMENTS

Subsequent to the Track Record Period and up to the Latest Practicable Date, China's healthcare big data solutions industry had not experienced material and adverse changes. Our business continued to grow and we strived to enhance our market leading position. Our business

SUMMARY

segments and cost structure remained stable. We continued to invest in our research and development of big data and AI technologies, supporting our different business segments with a strategic focus on SaaS products. Our unaudited revenue for the 11 months ended 30 November 2021 was higher than the same period in 2020, primarily due to the increases in revenue from each of our business segments driven by recovery of operations and demand as impacts from COVID-19 subsided. We retained existing clients and also attracted new clients for growth of our business when comparing those periods. Based on our preliminary review of the Group's operating data, with a specific focus on the Group's key business segments:

- *Data Insight Solutions.* For the year ended 31 December 2021, we had 248 corporate clients for our Data Insight Solutions. Within our Data Insight Solutions segment, as at 30 September 2021, we had 113 and 57 backlog contracts that have been entered into but not completed with a total outstanding contract value of approximately RMB30.8 million and RMB14.4 million for our Growth and Investment Decision Solutions and Data-driven Marketing Solutions, respectively.

- *Data-driven Publications and Connections.* We held our 2021 Industry Prospect Event in September 2021 which was larger in scale than in 2020, with approximately 3,100 attendees. Subsequent to the Track Record Period and up to 31 December 2021, we held one event for our Data-driven Publications and Connections. For the year ended 31 December 2021, we had 434 corporate clients for our Data-driven Publications and Connections.

- *SaaS.* The number of our clients of our SaaS products continued to increase with our enhanced capabilities, market recognition, marketing efforts and cross-selling opportunities. For the year ended 31 December 2021, we had 416 corporate clients for our SaaS products. As at 30 September 2021, we had 137 backlog contracts that have been entered into but not completed for our SaaS products with a total outstanding contract value of approximately RMB9.4 million.

Subsequent to the Track Record Period, we expect to incur additional [**REDACTED**] expenses in 2021, which will have a negative impact on our profit and financial performance in 2021.

Our Directors confirmed that, up to the date of this document, there has been no material adverse change in our financial, operating or trading conditions since 30 September 2021, being the end date of the periods reported on in the Accountants' Report included in Appendix I to this document.

Establishment of Onshore Subsidiaries

Subsequent to the Track Record Period, we established two onshore subsidiaries under WFOE in contemplation of potential business development, namely Guangzhou Ruishu and Beijing Sinohealth, which were established on 28 October 2021 and 26 November 2021, respectively. See "History, Reorganization and Corporate Structure Reorganization" in this document for further details.

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Recent Regulatory Developments

Recently, the PRC governmental authorities have promulgated, among others, the PIP Law and Data Security Law of the PRC (《中華人民共和國數據安全法》) to ensure cybersecurity, data and personal information protection, which demonstrates that relevant laws and regulations governing such areas are developing towards tightening of relevant regulatory supervision. Specifically, on 28 December 2021, the CAC, jointly with other 12 governmental authorities, promulgated the revised Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**CAC Measures II**"). On 14 November 2021, the CAC promulgated the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft CAC Regulations**"). See "Regulatory Overview—Information Security and Data Privacy" and "Risk Factors—Risks Relating to our Business and Our Industry—Failure to comply with or adapt to changes in data protection, privacy and similar laws or introduction of data tax in China may materially and adversely affect our business and financial conditions." for more details.

Pursuant to the CAC Measures II, online platform operators which possess personal information of more than one million users will be required to apply to the CAC for a cybersecurity review in the event of a "foreign (國外) [**REDACTED**]". However, the CAC Measures II provides no further explanation or interpretation of "foreign listing" and "online platform operators". According to the Exit and Entry Administration Law of the PRC (中華人民共和國出入境管理法), Hong Kong is not a country or region outside of the PRC, and in the event that there is no special explanation for Hong Kong to be included in the scope of "foreign (國外) countries" in the future, after consulting with the PRC Legal Advisers, our Directors are of the view that our [**REDACTED**] in Hong Kong is unlikely to result in our obligation to apply proactively for cybersecurity review according to the Article 7 of CAC Measures II.

According to the Draft CAC Regulations, data processors shall, in accordance with relevant state provisions, apply for cybersecurity review when carrying out certain activities, including when the data processor intends to be [**REDACTED**] in Hong Kong, which affects or may affect national security. However, the Draft CAC Regulations and current PRC laws and regulations provide no further explanation or interpretation for "affects or may affect national security". As advised by our PRC Legal Advisers, the PRC government authorities may have wide discretion in the interpretation of "affects or may affect national security".

Given that (i) the Draft CAC Regulations has been published for comments recently but has not yet formally come into force and its contents are subject to change; (ii) there is substantial uncertainty as to its eventual introduction and entry into force; (iii) we have not been involved in any investigations on cyber security review made by the CAC on such basis and not received any inquiry, notice, warning, or sanctions in such respect; and (iv) we will continuously pay close attention to the latest regulatory developments of data security regulations in the PRC, actively maintain communication with relevant competent authorities to ensure timely compliance with the latest regulatory requirements and implement all necessary measures to ensure continuous regulatory compliance with relevant laws and regulations, after consulting with the PRC Legal Advisers, our Directors are of the view that the [**REDACTED**] is unlikely to result in our obligation to apply proactively for cybersecurity review, and such draft provisions are unlikely to have material adverse impacts on our Group's business operations and financial performance and should not affect our on-going compliance with applicable laws and regulations in any material aspects.

SUMMARY

Impact of the COVID-19 Outbreak

Since December 2019, a novel strain of coronavirus, later named COVID-19, has severely impacted China and many other countries and the global economy. In March 2020, amid the escalating situation, the World Health Organization characterized COVID-19 as a pandemic. In response, governments around the world including the PRC government implemented measures to combat the pandemic such as lockdowns, travel restrictions, closure of workplaces and facilities, quarantines and other related measures. COVID-19 has also caused temporary disruptions to our business operations. For example, the travel restrictions in 2020 meant our employees' business trips had to be temporarily postponed and prevented us from engaging with our clients through in-person meetings. Our Data-driven Publications and Connections were also affected as certain in-person events and large-scale events had to be delayed, such as one Retail Sales Event in 2020, which was canceled and resulted in an estimated loss of approximately RMB5.0 million in revenue, and the 2020 Merchandise Trading Event, which was postponed from March to June of that year. We also recorded a decrease in revenue of approximately RMB10.4 million generated from our Data-driven Marketing Solutions, a subset of our Data Insight Solutions, for 2020 compared to 2019 in part due to a decrease in demand for our precision marketing, media content and training services and related sales as it was impacted by the spread of COVID-19 in China during the first half of 2020. Revenue generated from Data-driven Marketing Solutions was approximately RMB31.8 million for the year ended 31 December 2020, while only approximately 42.1%, or RMB13.4 million, was generated in the first nine months of 2020.

We recorded remarkably higher demand for our Industry Prospect Event in part because our clients were eager to obtain healthcare big data solutions under the COVID-19 pandemic and the upgraded components of our Industry Prospect Event were better received among our clients in 2020 after our initial attempts in 2019. In addition, we launched our Inter-provincial and Regional Dynamic Sales Events and upgraded our other platforms in order to capture market opportunities under COVID-19 in China. In order to facilitate the recovery of the economy of the PRC from the outbreak of COVID-19 pandemic, the PRC Government implemented a series of policies to stimulate economic growth and for corporate relief in 2020. Pursuant to the applicable policies, we were entitled to social insurance premium exemptions and COVID-19-related rent concessions.

With quarantine and other measures taken by the PRC government, there has been a significant decrease in the number of existing confirmed COVID-19 cases in China since mid-February 2020 and domestic travel restrictions and other quarantine measures were gradually lifted. Economic activities began to recover nationwide since the second quarter of 2020. We have resumed normal and full operations since April 2020. As a result of current government measures to combat COVID-19, we held our 2021 Industry Prospect Event that was normally scheduled for August in September 2021. The 2021 Industry Prospect Event was larger in scale than that of 2020 with approximately 3,100 attendees and generated revenue of approximately RMB89.6 million.

SUMMARY

Our Directors have carried out a holistic review of the impact of the COVID-19 on our operations and confirmed that as at the Latest Practicable Date, COVID-19 has not had any long-term material adverse impact on our operations. There are, however, still uncertainties with respect to the continued development of COVID-19 and its implications, and we will continue to assess the situation and to implement mitigating measures. We cannot guarantee that the outbreak of COVID-19 will not further escalate or have a material adverse effect on our business operations. See "Risk Factors—Risks Relating to Our Business and Our Industry—The COVID-19 pandemic presents challenges to our business and the effects of the pandemic could adversely affect our business, financial condition and results of operations" in this document.

[**REDACTED**] STATISTICS

The statistics in the following table are based on the assumptions that the [**REDACTED**] has been completed and [**REDACTED**] Shares are issued pursuant to the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and without taking into account any Shares which may be issued upon exercise of any options which may be granted under the Share Option Scheme).

	Based on an [REDACTED] of HK$[REDACTED] per Share	Based on an [REDACTED] of HK$[REDACTED] per Share
Market capitalization of our Shares	HK$[**REDACTED**]	HK$[**REDACTED**]
[**REDACTED**] adjusted consolidated net tangible assets attributable to the equity shareholders of our Company per Share ...	HK$[**REDACTED**]	HK$[**REDACTED**]

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Notes:

(1) The calculation of market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately following the completion of the [**REDACTED**] without taking into account any Shares which may be issued upon exercise of the [**REDACTED**] or any option which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased under the general mandates for the [**REDACTED**] and [**REDACTED**] or [**REDACTED**] of the Shares.

(2) The [**REDACTED**] adjusted consolidated net tangible assets attributable to owners of the parent per Share are calculated based on [**REDACTED**] Shares in issue immediately following the completion of the [**REDACTED**] without taking into account any Shares which may be issued upon exercise of the [**REDACTED**] or any option which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased under the general mandates for the [**REDACTED**] and [**REDACTED**] or [**REDACTED**] of the Shares.

SUMMARY

[**REDACTED**]

Our [**REDACTED**] mainly include [**REDACTED**] and [**REDACTED**] and professional fees paid to legal, accounting and other advisers for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**]. The estimated total [**REDACTED**] (based on the mid-point of the [**REDACTED**] range and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**] (HK$[**REDACTED**]), which represents [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], and comprising (i) [**REDACTED**] expenses, including [**REDACTED**], trading fee and levy of RMB[**REDACTED**] (HK$[**REDACTED**]); and (ii) [**REDACTED**] expenses of RMB[**REDACTED**] (HK$ [**REDACTED**]), including (a) fees paid and payable to legal advisers and the Reporting Accountants of RMB[**REDACTED**] (HK$[**REDACTED**]); and (b) other fees and expenses[, including sponsor fees], of RMB[**REDACTED**] (HK$[**REDACTED**]). RMB[**REDACTED**] of [**REDACTED**] were charged to our consolidated statements of profit or loss and other comprehensive income during the Track Record Period. We estimate that we will incur further [**REDACTED**] of RMB[**REDACTED**], of which RMB[**REDACTED**] will be charged to our consolidated statements of profit or loss and other comprehensive income and the remaining amount of RMB[**REDACTED**] is expected to be recognized directly as a deduction from equity upon the [**REDACTED**].

[**REDACTED**]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] over the next four years for the purposes and in the amounts set forth below (based on the mid-point of the [**REDACTED**] range):

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used primarily to upgrade and enrich our SaaS products (with a focus on Smart Decision Cloud, Smart Retail Cloud, Smart Medical Cloud, and Smart Health Management Cloud), and their marketing and promotion;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used primarily to conduct further research and development of our technology and data warehouse, and in particular for the following projects: a) our AI technologies, including our Big Data & AI Lab, our woodpecker medical cognition aPaaS and life science solution aPaaS, and b) the middleware for Sinohealth Engine;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used primarily to upgrade our Healthcare Industry Participant Networks;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], is expected to be used for future strategic investment and acquisitions opportunities in China and international markets; and

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used primarily for working capital and general corporate purposes.

See "Future Plans and [**REDACTED**]" in this document.

SUMMARY

PROFIT ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2021

Our Directors estimate, on the bases set out in Appendix III to this document and in the absence of unforeseen circumstances, that our estimated consolidated profit attributable to owners of our Company and [**REDACTED**] estimated earnings per Share for the year ended 31 December 2021 are as follows:

Estimated consolidated profit attributable to owners of our Company for the year ended 31 December 2021.	[**REDACTED**]
[**REDACTED**] estimated earnings per Share for the year ended 31 December 2021	[**REDACTED**]

The profit estimate, for which our Directors are solely responsible for, has been prepared by them based on the audited consolidated results of our Group for the nine months ended 30 September 2021 as set out in the Accountants' Report in Appendix I to this document, the unaudited consolidated results based on the management accounts of our Group for the two months ended 30 November 2021 and an estimate of the consolidated results of our Group for the remaining one month ended 31 December 2021. The [**REDACTED**] estimated earnings per Share is calculated by dividing the estimated consolidated profit attributable to owners of our Company for the year ended 31 December 2021 by [**REDACTED**] Shares that had been assumed to be in issue throughout the year ended 31 December 2021. The calculation of the [**REDACTED**] estimated earnings per Share does not take into account any Shares which may be issued upon exercise of the [**REDACTED**] or any option which may be granted under the Share Option Scheme or any Shares which may be allotted or issued or repurchased under the general mandates for the [**REDACTED**] and [**REDACTED**] or [**REDACTED**] of the Shares.