Post Hearing Information Pack of

MedSci Healthcare Holdings Limited
梅斯健康控股有限公司

(the "**Company**")

(Incorporated in the Cayman Islands with limited liability)

WARNING

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IMPORTANT

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MedSci Healthcare Holdings Limited

梅斯健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to reallocation and the [REDACTED])**
[REDACTED]	**:**	**HK$[REDACTED] per [REDACTED] plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars, subject to refund)**
Nominal value	**:**	**US$0.0001 per share**
[REDACTED]	**:**	**[REDACTED]**

Joint Sponsors, [REDACTED], [REDACTED], [REDACTED] and [REDACTED]

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The [REDACTED] (on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below that stated in this Document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, an announcement notifying the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.medsci.cn) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the [REDACTED]. For further information, please refer to the sections headed "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" in this Document.

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IMPORTANT

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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 and is qualified in its entirety by, and should be read in conjunction with, the full text of this Document. You should read the entire Document before you decide to [REDACTED] in the [REDACTED].

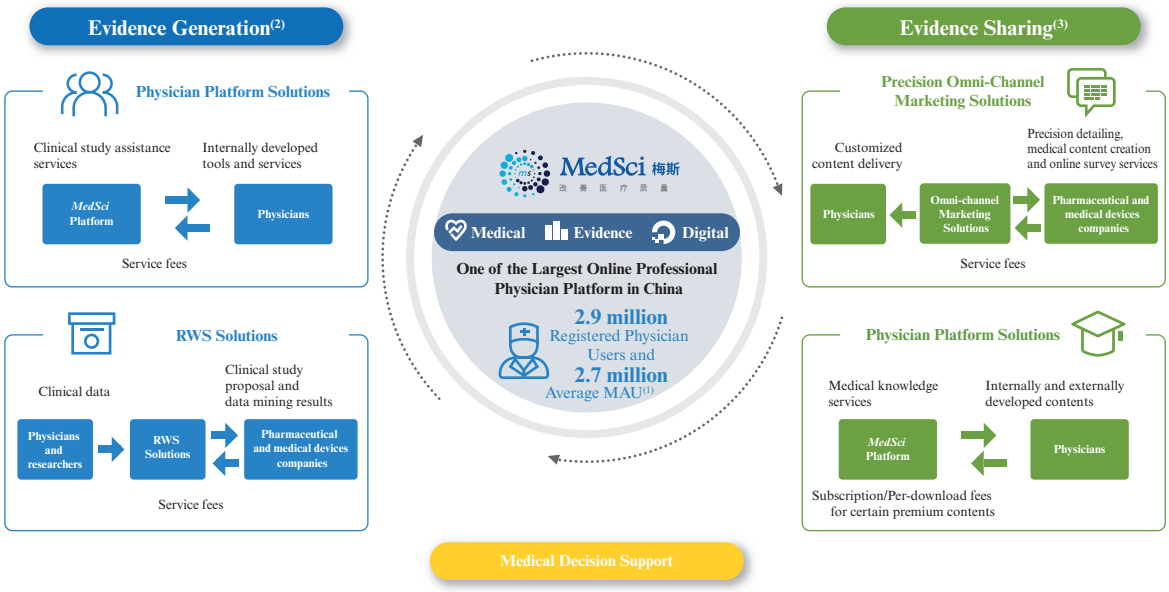
There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in "Risk Factors" in this Document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We operate online professional physician platforms in China. As of December 31, 2022, our platform had approximately 2.9 million registered physician users and our average MAU reached approximately 2.7 million in 2022. Our *MedSci* platform also features a high percentage of experienced physicians with the title of associate-chief physician (副主任醫師) and above. As of December 31, 2021, the total number of registered physician users on our *MedSci* platform who had the title of associate-chief physician and above represented 67.1% of the total number of physicians in China who had obtained the title of associate-chief physician and above, based on the latest published information from the NHC. Our *MedSci* platform is accessible through multiple channels such as website, mobile application, WeChat mini-program and WeChat public account. While key functions of the *MedSci* platform are self-developed by us, third parties, primarily pharmaceutical and medical device companies, also provide ancillary support, such as academic medical contents they created or copyrighted.

As illustrated by the diagram below, we mainly provide physician platform solutions, precision omni-channel marketing solutions and RWS solutions to our customers. We believe such solution offerings can help generate and share meaningful medical evidence to a wider physician community and help guide prescription decisions of physicians in order to promote the rational use of medical products and deliver better value and care to patients. We are committed to solidifying our position as a platform-based, professional-knowledge-oriented and digitalized med-tech company and aspire to enhance the overall quality of patients' healthcare through the value offered by generating and

sharing medical evidence. The diagram below provides an overview of our service offerings alongside the value we offered:



Note:

(1) For the year ended/as of December 31, 2022

(2) Our clinical study assistance services and RWS solutions can support the generation of medical evidence for physicians, pharmaceutical and medical device companies and other industry stakeholders, respectively.

(3) Our precision omni-channel marketing solutions and medical knowledge services can share medical evidence to a wide group of pharmaceutical and medical device companies, physicians and other industry stakeholders.

Our solution offerings address the needs and demands of our customers. Our main businesses cover:

- ***Precision Omni-channel Marketing Solutions.*** Benefiting from our large physician user base and high percentage of experienced physician users, we believe we are the platform of choice for pharmaceutical and medical device companies to conduct digital marketing. During the Track Record Period, we primarily generated revenue from the provision of precision omni-channel marketing solutions to pharmaceutical and medical device companies.

Precision Detailing Services. Aided by our academic medical expertise and big data capabilities, we deliver academic medical contents designed in collaboration with pharmaceutical and medical device companies as well as other relevant academic medical contents to target groups of physicians through our *MedSci* platform based on criteria specified by pharmaceutical and medical device companies accurately and cost-effectively.

Medical Content Creation Services. Enabled by academic medical expertise, we offer medical content creation services through which we design customized highly professional academic medical contents, primarily on products from pharmaceutical and medical device companies based on the stage of the relevant product's life cycle, its competitive position, the prescription patterns of target physicians and other relevant factors. We may either deliver the academic medical contents created directly on our *MedSci* platform or in other channels, such as in offline conferences held, through precision detailing services as specified by our customers.

Online Survey Services. We offer online survey services to pharmaceutical and medical device companies by providing a customized electronic survey that targets specific groups of physicians on our *MedSci* platform based on the specialty, academic background, seniority, interest, geographical location and other factors requested specifically by pharmaceutical and medical device companies. Our survey questionnaires are carefully designed to gauge physicians' attitudes towards specified products such that pharmaceutical and medical device companies can gain meaningful insights on physicians' perceptions on medical products. As a result, such pharmaceutical and medical device companies can, with the results from our online survey services, optimize their products and marketing strategies to improve sales.

See "Business — Our Value Propositions — Value Propositions to Pharmaceutical and Medical Device Companies" and "Business — Our Value Propositions — Value Propositions to Physicians" for additional benefits of our precision omni-channel marketing solutions for pharmaceutical and medical device companies and physicians.

- ***Physician Platform Solutions.*** Our physician platform solutions primarily include medical knowledge services through which we provide the latest medical knowledge information to physicians and clinical study assistance services through which we support physicians during their clinical studies.

  Medical Knowledge Services. Our *MedSci* platform provides a setting for physicians to learn and share the latest medical knowledge information and medical evidence in the healthcare market. We offer and screen useful information from various sources and are committed to accurately delivering quality and targeted academic medical contents to physicians, saving their time and efforts required to filter medical knowledge information. See "Business — Our Value Propositions — Value Propositions to Physicians" for additional benefits of our

medical knowledge services to physicians. As of December 31, 2022, our platform featured over 15,800 videos that share medical knowledge, covered over 644,000 research findings, created approximately 195,000 materials on the latest medical development and established over 127,500 online discussion forums for physicians to exchange cases and research findings. Most of the contents on our *MedSci* platform are offered free of charge and we charge physician users subscription fees or per-download fees only for certain premium contents.

Clinical Study Assistance Services. We also provide clinical study assistance to physicians in their investigator-initiated trials ("**IITs**") and other non-registered clinical trials. While certain documentation, such as the protocols we helped designed, are delivered through email directly, our clinical study assistance services are primarily delivered through our *MedSci* platform by providing required software tools, offering supporting analysis and giving insights on academic medical papers in designated interfaces within our *MedSci* platform pursuant to our agreements with our physician customers. Physicians can easily access deliverables and track progress of our services by using our *MedSci* platform. See "Business — Our Value Propositions — Value Propositions to Physicians" for additional benefits of our clinical study assistance services to physicians.

- ***RWS Solutions.*** Our RWS solutions primarily involve offering real-world evidence-based research to pharmaceutical and medical device companies regarding their products' safety and effectiveness. We help design overall RWS protocols, provide assistance in recruiting and obtaining ethical approvals from participating physicians, researchers and hospitals and generate meaningful insights that can improve the understanding of not only the products being studied, but also the diseases generally, in order to provide our customers with information to potentially help them expand the respective indications of their products. Furthermore, our RWS solutions can also form the basis of academic medical contents that are meaningful for physicians, enabling pharmaceutical and medical device companies to better market their medical products with more information and data collected during RWS. See "Business — Our Value Propositions — Value Propositions to Pharmaceutical and Medical Device Companies" for additional benefits of our RWS solutions to pharmaceutical and medical device companies. Our RWS solutions include assisting pharmaceutical and medical device companies in designing RWS protocols, administrating the project operation, collecting, assessing and analyzing the clinical or real-world data obtained and transforming findings discovered into rigorous academic materials. While documentations generated during RWS solutions may be provided through emails, tools offered as part of our RWS solutions, such as *iClinical Station*, *ePRO* and *eDiary*, are delivered through our *MedSci* platform. Moreover, leveraging the large physician user base, we can efficiently help pharmaceutical and medical device companies locate physicians and medical institutions that are suited for their RWS.

- ***Other Products and Services.*** We are in the process of launching various other products and services, to physicians, hospitals and non-profit organizations. For instance, we intend to offer (i) digital therapy programs, which are expected to be launched between 2023 and 2025, for the clinical treatment of insomnia, (ii) VR diagnosis products, which are expected to be launched in the fourth quarter of 2023, through which physicians can better use their time in the clinical study of rare diseases, (iii) prognosis modelling services, which are expected to be launched in the fourth quarter of 2023, on complications for rare diseases such that early prevention measures can be taken and (iv) chronic disease management services, which are expected to be launched in the fourth quarter of 2023, that facilitate better treatment outcomes for patients. We intend to receive relevant service fees or subscription fees from our customers for the other products and services provided. We intend to deliver the above mentioned other products and services on our *MedSci* platform as digital tools. See "Business — Our Business Services — Other Products and Services" for more details.

  The below table summarizes the services, ways of dissemination, major tools, target audience and monetization model of our main solution offerings:

Solution	Service	Ways of Dissemination	Major Tools	Target Audience	Monetization Model
Precision Omni-channel Marketing Solutions	Precision Detailing Services	Email Communication and *MedSci* Platform	Yi Xun Da (醫迅達)	Pharmaceutical and Medical Device Companies	Fees paid by pharmaceutical and medical device companies
	Medical Content Creation Services	Email Communication		Pharmaceutical and Medical Device Companies	Fees paid by pharmaceutical and medical device companies
	Online Survey Services	Email Communication and *MedSci* Platform		Pharmaceutical and Medical Device Companies	Fees paid by pharmaceutical and medical device companies
Physician Platform Solutions	Medical Knowledge Services	*MedSci* Platform	Dr. MedSci (梅斯醫生)	Physicians	Free of charge for most contents and subscription or per-download fees from physicians for premium contents
	Clinical Study Assistance Services	Email Communication and *MedSci* Platform	MedSci Cloud (梅斯醫學科研雲平台) Research Accelerator (科研加速器)	Physicians	Fees from physicians for specific services or tools that we provide
RWS Solutions	N/A	Email Communication and *MedSci* Platform	iDrugSafety (藥物警戒系統) iClinical Station (臨床研究平台) ePRO (電子患者報告結局) eDiary (電子患者日誌)	Pharmaceutical and Medical Device Companies	Fees paid by pharmaceutical and medical device companies

We take into account a variety of factors in determining our pricing strategies, such as market demand, nature, scope and complexity of the project, the specific services provided, anticipated market trends and the prices of our competitors' products. We believe our pricing strategies are in line with the market trends.

We adhere to the two drivers of medical expertise and digitalization to serve our customers, primarily pharmaceutical and medical device companies and physicians, and to expand our business. Our medical expertise, evidenced by our 145 employees who achieved the degree of masters or above in the field of, among others, pharmacy, medicine, life sciences, traditional Chinese medicine and animal healthcare, allows us to provide comprehensive academic and professional support to registered physician users. It also enables us to serve the digital healthcare marketing needs of pharmaceutical and medical device companies through delivering targeted academic medical contents to our registered physician users. Meanwhile, the digitalization makes academic medical contents distribution for contents created by pharmaceutical and medical device companies or by us and easy-to-access research assistance to registered physician users possible. It further enhances the appeal of our physician platform-based RWS support to pharmaceutical and medical device companies through efficiently helping them locate physicians and healthcare institutions that are truly suited for their RWS and potentially expanding the indications of drugs and medical devices.

As a result of the above, we delivered strong financial performance during the Track Record Period. Our total revenue increased by 37.9% from RMB215.9 million in 2020 to RMB297.7 million in 2021 and further increased by 17.2% to RMB349.0 million in 2022. Such strong financial performance is primarily driven by (i) our evolving professional service capabilities; (ii) our ability to retain existing customers and expand our customer base to capture new customers; and (iii) the standardization of our service portfolio on our *MedSci* platform.

OUR INDUSTRY

We primarily offer precision omni-channel marketing solutions, physician platform solutions and RWS solutions in China. As such, the development and market potentials of digital healthcare marketing market, physician platform service market and RWS service market are crucial to our business.

Digital healthcare marketing is an emerging marketing method based on multiple channels such as telephone, SMS, email, social media and other various channels to achieve precision marketing and data-driven marketing results. The digital healthcare marketing market in China increased from RMB2.5 billion in 2017 to RMB26.9 billion in 2021, representing a CAGR of 80.3% and such market is expected to grow further reaching approximately RMB112.0 billion and RMB368.6 billion, respectively, by 2025 and 2030, representing a CAGR of 42.9% from 2021 to 2025 and a CAGR of 26.9% from 2025 to 2030.

A physician platform is a professional social network for physicians, medical institutions, pharmaceutical practitioners (broadly defined to include anyone who participates in pharmaceutical industry, such as pharmacists and researchers), and professionals in life science, supporting communication and pooling expertise, research, and other information in the fields of healthcare and life science. Currently, the average revenue contribution per registered physician for major physician platforms in China in 2021 remained at a relatively low level as compared to major physician platforms in Japan and in the United States. For instance, the average revenue contribution per registered physician user reached approximately RMB115 for us and RMB92 for a company in the PRC that operates in similar fields, in 2021, according to Frost & Sullivan. In the meantime, in 2021, the average revenue contribution per registered physician user reached RMB2,001 and RMB1,021, respectively, for leading physician platforms in Japan and in the United States, respectively. See "Industry Overview — Physician Platform Services in China — Market Opportunities" for details. As such, there is sufficient room for physician platforms in China to further develop and commercialize and the average revenue contribution per registered physician in China is expected to grow further.

RWS refers to the systematic collection of data generated from drugs and medical devices in real world settings and clinical application scenarios, and research using the meaningful medical evidence available and clinical epidemiology methods. China's RWS market grew rapidly from RMB0.02 billion in 2017 to RMB0.7 billion in 2021, with a CAGR of 142.5%. The RWS market in China is expected to continue its growth trend to reach approximately RMB7.4 billion and RMB42.8 billion, respectively, by 2025 and 2030, with a CAGR of 77.3% from 2021 to 2025 and a CAGR of 42.1% from 2025 to 2030.

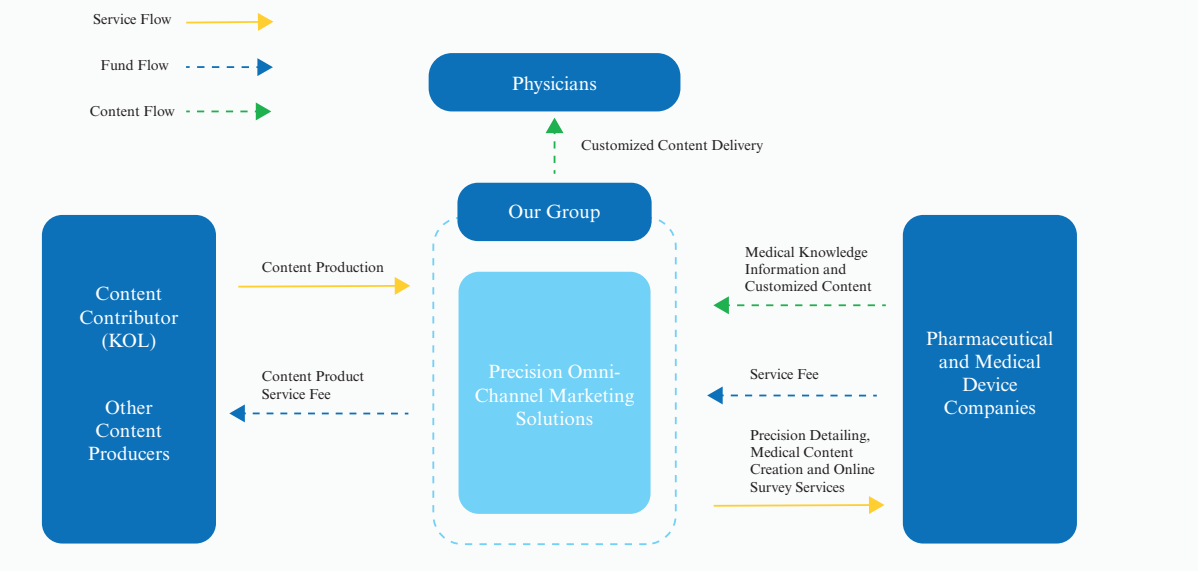
OUR MONETIZATION MODEL

We realize monetization by offering different solutions to address various needs of our platform participants, primarily including pharmaceutical and medical device companies and physicians. Our solutions are mainly divided into three solution categories, namely, precision omni-channel marketing solutions, physician platform solutions and RWS solutions. We are also in the process of launching various other products and services to cover a wider range of customers, such as hospitals and insurance companies. We derived most of our revenue from precision omni-channel marketing solutions during the Track Record Period, which offer digital healthcare marketing-related services to pharmaceutical and medical device companies.

We did not have any loss-making project during the Track Record Period, primarily because, to avoid generating losses, we implemented a wide variety of measures, such as carefully evaluating the profit prospects before entering into relevant agreements and closely monitoring the profitability during performance to ensure our profitability. Set forth below is a summary of our monetization model by solution category:

Precision Omni-channel Marketing Solutions

Our precision omni-channel marketing solutions consist of precision detailing services, medical content creation services and online survey services. The flowchart set forth below illustrates our service, fund and content flows of our precision omni-channel marketing solutions:



Precision Detailing Services

We deliver customized academic medical contents to target groups of physicians on our *MedSci* platform based on criteria specified by pharmaceutical and medical device companies. Our revenue from precision detailing services is primarily derived from service fees paid by pharmaceutical and medical device companies for the digital healthcare marketing related services we rendered.

We solicit pharmaceutical and medical device companies through word-of-mouth referrals, marketing our services on our *MedSci* platform and various other platforms and customer visits. We intend to further expand our market share by expanding our customer base and exploring more collaboration opportunities with existing customers and expanding our Academic Promotion Organization solution ("**APO solution**") for more customers. Our precision detailing services typically last for several months. A pharmaceutical and medical device company can purchase the target number of physicians, online discussion forums established or hospitals to be reached for a given period of time based on the framework service agreement, and we may agree to guarantee a minimum number of target physicians

whom we will deliver our customized contents to. The major cost components for our precision detailing services are primarily staff salaries and benefits paid to our employees and expenses paid to content producers in providing precision detailing services. In 2020, 2021 and 2022, we provided precision detailing services to 92, 111 and 131 pharmaceutical and medical device companies, respectively.

Our pricing terms vary depending on the delivery channels and are primarily determined by the number of physicians reached. We also take into account other factors, such as market demand, anticipated market trends, costs of delivery and prices of our competitors' products. We believe our pricing strategy is in line with the industry norm. See "Business — Our Business Services — Precision Omni-channel Marketing Solutions — Precision Detailing Services" for more details.

Medical Content Creation Services

We offer medical content creation services through which we design customized academic medical contents as specified by pharmaceutical and medical device companies. Our revenue from medical content creation services is primarily derived from fees paid by pharmaceutical and medical device companies for creating medical contents used for marketing or training purposes.

We solicit pharmaceutical and medical device companies through word-of-mouth referrals, marketing our services on our *MedSci* platform and various other platforms and customer visits. We intend to further increase our market share by expanding our customer base, recruiting more medical experts to support our services and enhancing our technology capabilities to improve efficiency. To protect the intellectual property rights we held against plagiarism, we rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection and confidentiality agreements with our employees and third parties and other measures. See "Business — Intellectual Property" for details. Our medical content creation services typically last from several months to two years and our performance obligations typically include delivery of required academic medical contents or materials, such as, among others, presentations, research proposals, analysis reports and various posters for offline conferences. The major cost components for our medical content creation services are primarily staff salaries and benefits paid to our employees and fees paid to content producers in providing such services. In 2020, 2021 and 2022, we provided medical content creation services to 169, 245 and 276 pharmaceutical and medical device companies, respectively.

The pricing of our medical content creation services is based on the complexity of the customized contents or topics, which in turn depends on the specific products and customers' requests. Our pricing also varies depending on the supplementary support needed, such as, among other things, the size of the team, the time spent on the project and the need for presentation, instructors and other administrative support. For instance, we may charge a higher price for customized contents that involve advanced editing over graphics, videos and other presentations. We believe our pricing strategy is in line with the industry norm. See "Business — Our Business Services — Precision Omni-channel Marketing Solutions — Medical Content Creation Services" for more details.

Online Survey Services

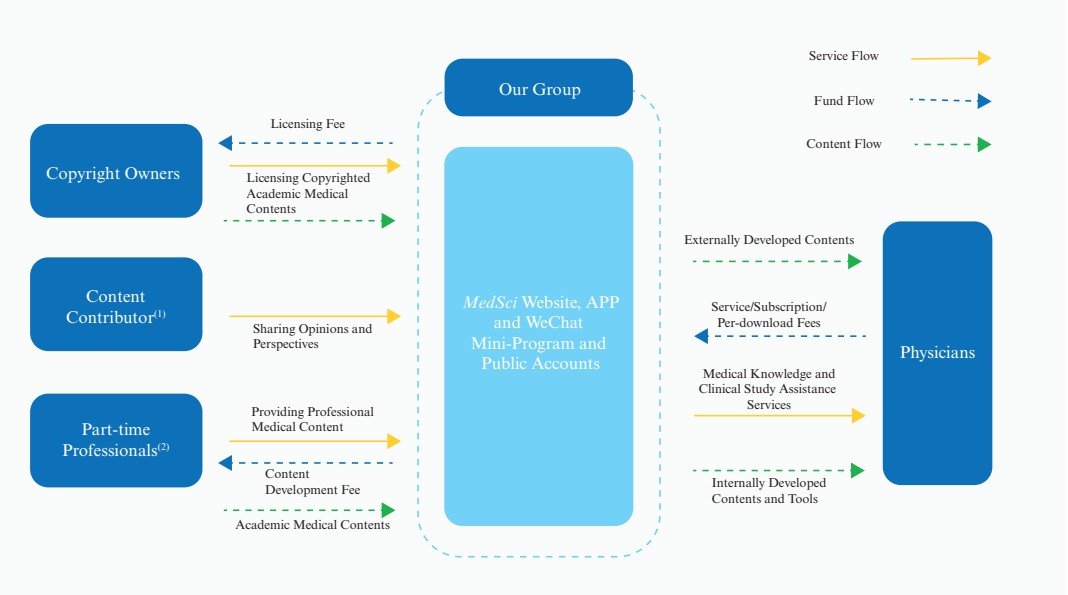
We design and administer customized electronic surveys that target specific groups of physicians on our *MedSci* platform for pharmaceutical and medical device companies. Our survey questionnaires are carefully designed to gauge physicians' attitudes towards specified products such that pharmaceutical and medical device companies can gain meaningful insights on physicians' perceptions on medical products. As a result, such pharmaceutical and medical device companies can, with the results from our online survey services, optimize their products and marketing strategies to improve sales. Our revenue from online survey services is primarily derived from fees paid by pharmaceutical and medical device companies for administering online surveys among our physician users.

We solicit pharmaceutical and medical device companies through word-of-mouth referrals, marketing our services on our *MedSci* platform and various other platforms and customer visits. We intend to further expand our market share by expanding our customer base and exploring more collaboration opportunities with existing customers. Our online survey services typically last for months and our performance obligations typically include the collection of a certain designated number of responses and provision of analysis reports on the online surveys. The major cost components for our online survey services are primarily staff salaries and benefits paid to our employees in designing and administering the surveys. In 2020, 2021 and 2022, we designed and administered five, 12 and 26 online surveys for four, eight and 18 pharmaceutical and medical device companies, respectively.

The pricing of our online survey services primarily depends on the number of physicians covered by the surveys and the complexity in designing the survey questionnaires. We believe our pricing strategy is in line with the industry norm. We may pay a portion of the service fees we collected from pharmaceutical and medical device companies as an incentive for our physician users to participate in such electronic surveys. Our Directors believe, which are concurred by Frost & Sullivan, that the practice of paying incentive fees to physicians who participate in online surveys is consistent with the industry norm. Furthermore, our PRC Legal Adviser is of the view that the act of providing fees to physicians who participate in online surveys complies with applicable laws and regulations. See "Business — Our Business Services — Precision Omni-channel Marketing Solutions — Online Survey Services" for more details.

Physician Platform Solutions

Our physician platform solutions consist of medical knowledge services and clinical study assistance services provided to physicians. The flowchart set forth below illustrates our service, fund and content flows of our physician platform solutions:



Notes:

(1) We only grant credits that can be used for accessing premium contents on our *MedSci* platform to content contributors, primarily registered users of our *MedSci* platform who voluntarily shared their opinions and perspectives and generated other UGCs. As such, there is no direct fund flow between our Group and the content contributors.

(2) Part-time professionals primarily include registered users or third-party content providers to whom we paid fees for creating academic medical contents, such as articles.

Medical Knowledge Services

We provide registered users on our platform with latest medical knowledge information and medical evidence in the healthcare market. Most of the medical knowledge information on our *MedSci* platform are free of charge to registered users. For certain premium contents, such as *Selected Curriculum*, we grant access to such premium contents to subscribing users, primarily referring to those registered users who pay annual or monthly subscription fees and other users who pay per-download fees or to whom we award credits. As of the Latest Practicable Date, the number of subscribing users amounted to 64,343 and the percentage of subscribing users who pay per-download fees amounted to approximately 70.9% of total subscribing users.

While we do not grant credits to third-party professional content producers, we may from time to time grant credits to registered users to encourage them to contribute to our *MedSci* platform. Such credits can be used for accessing premium contents on our *MedSci* platform. The amount of credits is granted by taking into account, among others, the nature of materials, the complexity of the topics, the rigorousness of the information and the amount of medical evidence and knowledge information included. We may also grant credits to incentivize registered users to update their career status in order for us to deliver more targeted academic medical contents to them.

We solicit customers and subscribing users through word-of-mouth referrals from physicians and marketing our services on our *MedSci* platform and various other platforms. We intend to further grow our market share by expanding the academic medical contents offered, enhancing our service quality, and attracting additional physician users and driving up their engagement. To protect the intellectual property rights we held against plagiarism, we rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection and confidentiality agreements with our employees and third parties and other measures. See "Business — Intellectual Property" for details. Except for certain premium contents that are only available for certain users during the term of the subscription, our medical knowledge services do not have a fixed term. There is no performance obligation for our services. The major cost components for our medical knowledge services are primarily content development costs for the various medical knowledge information, online courses and tools on our *MedSci* platform as well as staff salaries and benefits incurred.

We generally price the premium contents on our *MedSci* platform by taking into account a wide variety of factors, such as the nature of the contents and the costs involved in developing such contents. We believe our pricing strategy is in line with the industry norm. See "Business — Our Business Services — Physician Platform Solutions — Medical Knowledge Services" for more details.

Clinical Study Assistance Services

We provide clinical study assistance to physicians in their IITs and other non-registered clinical trials. We generate revenue from clinical study assistance services primarily by receiving service fees from physicians with respect to specific services or tools provided to such physicians during their clinical study process.

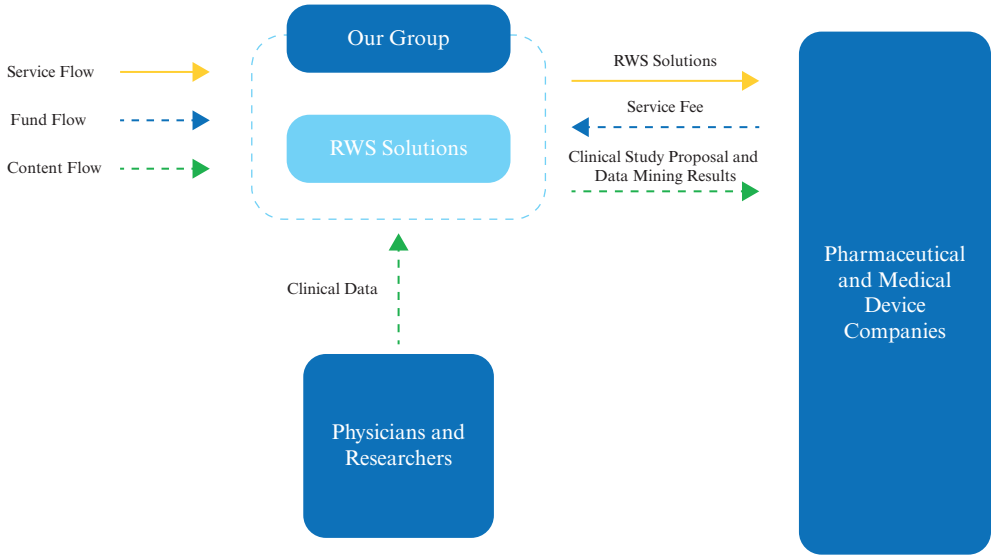
We solicit physicians through word-of-mouth referrals and marketing our services on our *MedSci* platform and various other platforms. We intend to further expand our market share by enhancing the quality and comprehensiveness of our clinical study support during IITs and other non-registered clinical trials. Our clinical study assistance services typically last for the term of the IITs and non-registered clinical trials conducted by physicians, which typically range from one month to one year. Typical deliverables include clinical study protocols, statistical analysis reports, formatted papers and translations. The major cost components for our clinical study assistance services are primarily staff salaries and benefits paid to our employees providing clinical study assistance services. In 2020, 2021 and 2022, we provided clinical study assistance services to approximately 3,500, 3,100 and 4,300 physicians, respectively. During the Track Record Period, we assisted physicians in conducting approximately 16,000 IITs and other non-registered clinical trials. Our revenue from physician platform solutions increased from RMB72.6 million in 2020 to RMB76.4 million in 2021 despite a decrease in the number of physician customers who engaged us for clinical study assistance services primarily because we were able to raise our pricing for clinical study assistance services as we can provide more comprehensive services due to enhanced medical expertise and research support capabilities.

We generally receive lump-sum payment in advance and price our service fees for clinical study assistance services by taking into account a wide variety of factors, such as the nature of the clinical study, types of medical tools used and complexity of analytical assistance. We believe our pricing strategy is in line with the industry norm. See "Business — Our Business Services — Physician Platform Solutions — Clinical Study Assistance Services" for more details.

RWS Solutions

Our RWS solutions support pharmaceutical and medical device companies in conducting real-world evidence-based research. Our RWS solutions include assisting pharmaceutical and medical device companies in designing RWS protocols, administrating the project operation, collecting, assessing and analyzing the clinical or real-world data obtained and transforming findings discovered into rigorous academic materials. Our customers, primarily pharmaceutical and medical device companies, typically pay us in installments when we have reached certain milestone events detailed in payment schedules in RWS solutions based on contracts, such as receiving regulatory approvals, obtaining ethical approvals, enrolling a certain number of participating patients, physicians and hospitals or completing analysis on a certain number of cases. We integrate various data collection and assessment technology and tools in our RWS solutions to help efficiently and effectively collect and assess electronic medical records. For instance, pharmaceutical and medical device companies, as well as participating physicians and healthcare institutions, can utilize our *iClinical Station* to collect, assess and manage data and use our *iDrugSafety* to monitor any pharmacovigilance issues. See "Business — Our Business Services — RWS Solutions" and "Business — Our Platform — Contents on Our Platform — Medical and

Clinical Study Assistance Products" for details on the mechanics of our software programs offered under RWS solutions. The flowchart set forth below illustrates our service, fund and content flows of our RWS solutions:



We solicit pharmaceutical and medical device companies through word-of-mouth referrals, marketing our services on our *MedSci* platform and various other platforms and customer visits. We intend to further expand our market share by expanding our customer base and updating our technology capabilities such that we can add more value at lower costs for our customers. Our RWS solutions typically last for the duration of the RWS projects, which typically range from several months to several years, depending on the complexity of the projects. Our performance obligations typically include delivery of required documentation and proofs during certain milestone events detailed in payment schedules in RWS solutions based on the contractual arrangements, such as receiving regulatory approvals, obtaining ethical approvals, enrolling certain number of patients, physicians and hospitals or completing analysis. The major cost components for our RWS solutions are primarily staff salaries and benefits paid to our employees and various other fees associated with administering RWS solutions. In 2020, 2021 and 2022, we provided RWS solutions to 10, 37 and 86 pharmaceutical and medical device companies, respectively. During the Track Record Period, we assisted pharmaceutical and medical device companies in conducting approximately 150 RWS projects.

We generally price our RWS solutions based on a wide range of factors, such as competitors' pricing, the complexity of the project and the specific service requested. We believe our pricing strategy is in line with the industry norm. See "Business — Our Business Services — RWS Solutions" for more details.

Other Products and Services

We are in the process of launching various other products and services to our customers and such other products and services did not generate any revenue during the Track Record Period. Such products and services primarily include (i) digital therapy

programs, which are expected to be launched between 2023 and 2025, through which we intend to receive service fees from hospitals for digital therapy programs we developed, (ii) VR diagnosis products, which are expected to be launched in the fourth quarter of 2023, through which we intend to receive subscription fees from physicians for our VR diagnosis products, (iii) prognosis modelling services, which are expected to be launched in the fourth quarter of 2023, through which we intend to receive service fees from customers using our prognosis modelling services and (iv) chronic disease management services, which are expected to be launched in the fourth quarter of 2023, through which we intend to receive service fees from non-profit organizations for the services we render. See "Business — Our Business Services — Other Products and Services" for details.

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future:

- one of the largest online professional physician platform in terms of registered physician users and MAU
- medical expertise and research support capabilities with strong industry recognition
- platform of choice for digital marketing, generating synergies with various business lines
- research and development capabilities to capture industry trends
- visionary and experienced management team backed by strong investor base

For details, see "Business — Our Strengths."

OUR STRATEGIES

To achieve our mission, we intend to pursue the following strategies:

- continue to increase physician engagement and penetration by enriching the breadth and depth of service and information covered on our platform
- continue to update technologies on our platform and expand their applications
- expand customer network of pharmaceutical and medical device companies and help commercialize innovative drugs and medical devices leveraging our extensive physician network and rich product portfolio
- enrich our product and service offerings
- explore more strategic cooperation opportunities and seek suitable investment and acquisition opportunities

For details, see "Business — Our Strategies."

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out 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:

(i) failure to monetize our *MedSci* platform may materially and adversely affect our business, financial condition and results of operations;

(ii) any damage to the reputation and recognition of our brand names, or failure to maintain or enhance users' trust in our platform, may materially and adversely affect our business operations and prospects;

(iii) our physician platform solutions and RWS solutions rely on physicians, pharmaceutical and medical device companies, hospitals and other supporting staff to update and enrich healthcare data through their diagnosis and research activities. We cannot guarantee the accuracy, quality and timeliness of such data;

(iv) changes in the healthcare industry could negatively affect our business;

(v) we are subject to extensive and evolving regulatory requirements. We may be adversely affected by the complexity, uncertainties and changes in PRC regulations relating to healthcare, digital healthcare and Internet-related business, as well as pharmaceutical, biotechnology and medical devices industries;

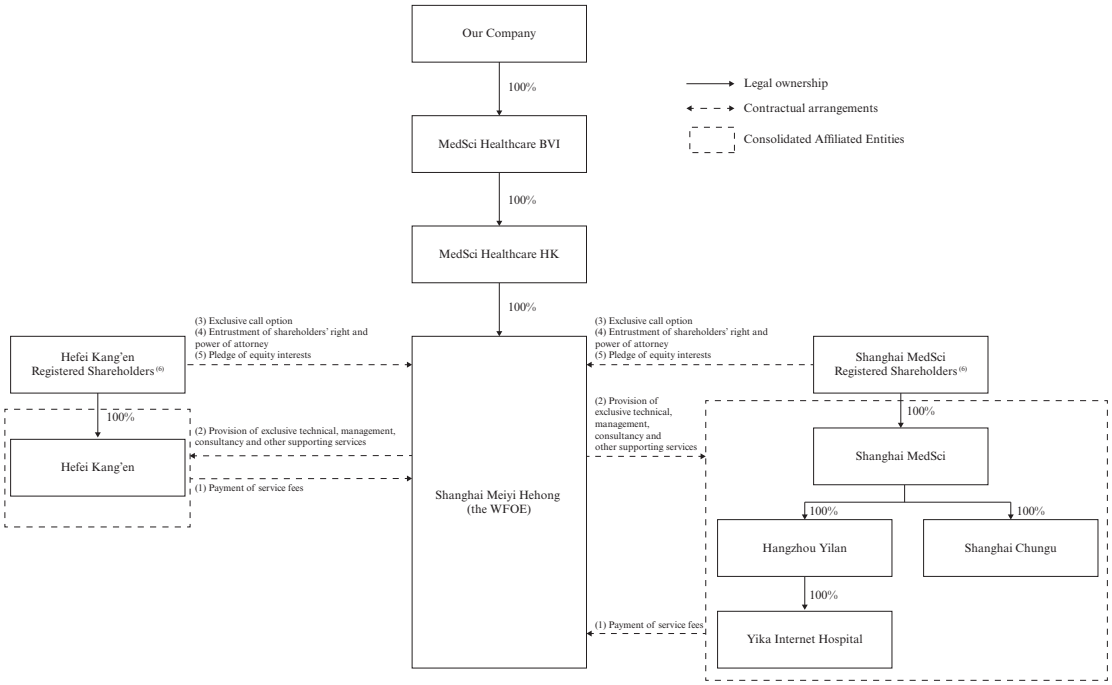
(vi) despite the fact that we have internal control measures in place in measuring certain operating metrics, such as the number of registered users and the number of registered physician users, there are inherent challenges in measuring the size of our network and other metrics; and

(vii) we may be held liable for information displayed on, retrieved from or linked to our *MedSci* platform or created by us or third parties, which may adversely affect our business and results of operations.

CONTRACTUAL ARRANGEMENTS

Due to foreign investment restrictions under PRC Laws, our Company is unable to own or hold any direct equity interests in our Consolidated Affiliated Entities conducting our businesses. The details of restricted/prohibited businesses we conduct is set out in "Contractual Arrangements — PRC Laws and Regulations Relating to Foreign Ownership Restrictions". Rather, we control these entities through Contractual Arrangements, through which we are able to derive all the economic benefits generated by the businesses currently operated by the Consolidated Affiliated Entities. See "Contractual Arrangements" for details. See also "Risk Factors — Risks Relating to Our Contractual Arrangements".

The following diagram illustrates the key aspects of the Contractual Arrangements:



Notes:

(1) Payment of service fees. See "Contractual Arrangements — Our Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — (2) Exclusive Technical Service and Management Consultancy Agreements" for details.

(2) Provision of exclusive technical, management, consultancy and other supporting services. See "Contractual Arrangements — Our Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — (2) Exclusive Technical Service and Management Consultancy Agreements" for details.

(3) Exclusive call option to acquire all or part of the Registered Shareholders' interests (including equity interests and/or assets) in the Consolidated Affiliated Entities. See "Contractual Arrangements — Our Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — (3) Exclusive Call Option Agreements" for details.

(4) Entrustment of shareholders' right of the Registered Shareholders including shareholders' power of attorney. See "Contractual Arrangements — Our Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — (5) Shareholders' Rights Entrustment Agreements" and "Contractual Arrangements — Our Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — (6) Shareholders' Powers of Attorney" for details.

(5) Pledge of equity interests by the Registered Shareholders of their equity interests in Onshore Holdcos. See "Contractual Arrangements — Our Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — (4) Equity Pledge Agreements" for details.

(6) See "Definitions" for the identities of Hefei Kang'en Registered Shareholders and Shanghai MedSci Registered Shareholders.

On March 15, 2019, the NPC approved the Foreign Investment Law (《中華人民共和國外商投資法》) which became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》), which came into effect on January 1, 2020. The Foreign Investment Law replaced the Sino-Foreign Equity Joint Venture Enterprise Law (《中華人民共和國中外合資經營企業法》), the Sino-Foreign Cooperative Joint Ventures Enterprise Law (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign Invested Enterprises Law (《中華人民共和國外資企業法》) to become the legal foundation for foreign investment in the PRC. The Foreign Investment Law stipulates certain forms of foreign investment, but does not explicitly stipulate contractual arrangements as a form of foreign investment. The Implementation Regulations on the Foreign Investment Law are also silent on whether foreign investment includes contractual arrangements. As advised by our PRC Legal Adviser, contractual arrangements are not specified as foreign investment under the Foreign Investment Law, and if future laws, regulations and provisions prescribed by the State Council do not incorporate contractual arrangements as a form of foreign investment, our Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements do not contravene the Foreign Investment Law in any material aspect, and will not be affected and will continue to be legal, valid and binding on the parties with an exception, for which, see "Contractual Arrangements — Legality of the Contractual Arrangements" for details.

Notwithstanding the above, the Foreign Investment Law stipulates that foreign investment includes "foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council" without elaboration on the meaning of "other methods". There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled by relevant PRC authorities. Therefore, there is no guarantee that the Contractual Arrangements and the business of the Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. See "Risk Factors — Risks Relating to our Contractual Arrangements —

Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations."

CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, (i) Dr. Li (the spouse of Dr. Zhang, through Microhealth Limited), (ii) Dr. Zhang (the spouse of Dr. Li, through Dtx Health Limited) and (iii) Meilong Limited (held as to approximately 44.67% by Dr. Zhang (including approximately 2.58% held through Dtx Health Limited) and a close associate of Dr. Zhang) hold approximately 32.93%, 26.21% and 4.48% of our total issued Shares, respectively. Accordingly, Dr. Li, Dr. Zhang, Microhealth Limited, Dtx Health Limited and Meilong Limited control in aggregate approximately 63.62% of our issued Shares and are deemed to be a group of Controlling Shareholders ("**Controlling Shareholders Group**") of our Company. Immediately following completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised), Dr. Li, Dr. Zhang, Microhealth Limited, Dtx Health Limited and Meilong Limited will in aggregate control approximately [REDACTED] of our issued Shares and will remain as a group of Controlling Shareholders of our Company. See "Relationship with our Controlling Shareholders Group" for details.

[REDACTED] INVESTORS

We received multiple series of equity financing from our [REDACTED] Investors to support our expanding business operations from 2015 to 2021. Our [REDACTED] Investors include experienced investors who can share their experience on brand building and market expansion as well as their insight on business strategies workplace operations, along with professional institutional investors who can provide us with professional advice on our Group's corporate governance, financial reporting and internal control. See "History, Reorganization and Corporate Structure — [REDACTED] Investments — 5. Information on the [REDACTED] Investors" for further details.

OUR CUSTOMERS AND SUPPLIERS

Our customer base primarily consists of pharmaceutical and medical device companies, physicians and non-profit organizations. In 2020, 2021 and 2022, revenue from our five largest customers in each year during the Track Record Period accounted for 20.6%, 19.3% and 23.2%, respectively, of our total revenue for the respective years, and revenue from our largest customer in each year during the Track Record Period accounted for 8.7%, 7.2% and 11.2% of our total revenue for the respective years.

Our suppliers are primarily providers of information technology services, telecommunication services, human resources related services and others. They primarily help us generate academic medical contents on our *MedSci* platform. In 2020, 2021 and 2022, purchases from our five largest suppliers in each year during the Track Record Period accounted for 35.2%, 35.8% and 56.7% of our total purchases for the respective years, and purchases from our largest supplier in each year during the Track Record Period accounted for 12.2%, 10.0% and 32.8% of our total purchases for the respective years.

All of our five largest customers and suppliers are independent third parties of our Group during the Track Record Period.

See "Business — Customers" and "Business — Suppliers" for details.

SALES AND MARKETING

We primarily market all of our solutions offering to pharmaceutical and medical device companies and physicians through our own sales force. We have a professional business development team to focus on securing business from both new and existing customers. Leveraging our brand recognition, extensive network of experienced physician user base and medical knowledge information, we are able to attract physicians and other healthcare professionals to our platform through word-of-mouth referrals, as well as online and offline marketing campaigns. Meanwhile, our sales and marketing team also conducts frequent and in-depth communications with pharmaceutical and medical device companies and physicians, which allows us to receive valuable customer feedback, enrich platform resources and identify definitive needs. See "Business — Sales and Marketing" for details on our marketing and branding initiatives.

RESEARCH AND DEVELOPMENT

Our research and development efforts primarily focus on improving the user-friendliness of our existing solutions, designing new solutions for our users, and optimizing and enhancing our technological infrastructure. We incurred RMB18.1 million, RMB24.4 million and RMB35.0 million of research and development expenses in 2020, 2021 and 2022, respectively, accounting for 8.4%, 8.2% and 10.0% of our revenue during the same years, respectively. As of December 31, 2022, our research and development team consisted of 50 members, dedicated to developing other products and services and integrating the application of advanced technologies into our service offerings, such as AI algorithms and big data capabilities. Our research and development team consists of data analysts capable of training and enhancing our machine learning and AI algorithms, software engineers that develop customized programs suited to the needs of our customers, software testers that ensure the quality of our product development and deployment, big data engineers that maintain our database and develop our data technology, security and risk management engineers that focus on cybersecurity and risk control, infrastructure maintenance engineers that maintain the stability of our platform, as well as platform development engineers that develop and implement solutions on our platform. Our research and development team jointly developed and maintained our core technologies, such as AI and big data, Content and Technology Center + Software Service platform, smart recognition and natural language processing. See "Business — Our Technology" for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary of 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. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this Document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended December 31,					
	2020		2021		2022	
	RMB '000	*% of Revenue*	*RMB '000*	*% of Revenue*	*RMB '000*	*% of Revenue*
Revenue	215,854	100.0	297,731	100.0	348,950	100.0
Cost of sales	(98,822)	(45.8)	(107,921)	(36.2)	(142,629)	(40.9)
Gross profit	117,032	54.2	189,810	63.8	206,321	59.1
Profit/(Loss) before tax	33,173	15.4	(147,058)	(49.4)	(96,292)	(27.6)
Income tax (expense)/credit	(4,259)	(2.0)	(3,972)	(1.3)	(3,589)	(1.0)
Profit/(Loss) for the year	28,914	13.4	(151,030)	(50.7)	(99,881)	(28.6)

Non-IFRS Measures

We define adjusted profit (non-IFRS measure) as profit/(loss) for the year adjusted by adding back [REDACTED] and fair value losses on convertible redeemable preferred shares. We exclude such items in adjusted profit (non-IFRS measure) primarily because (i) [REDACTED] are expenses related to the [REDACTED] and (ii) fair value losses on convertible redeemable shares are non-cash items and are not expected to result in future cash payments to be made by us. By doing so, the adjusted profit (non-IFRS measure) can provide useful information to [REDACTED] in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial

condition as reported under IFRS. The following table reconciles our adjusted profit (non-IFRS measure) for the year presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Reconciliation of profit or loss for the year and adjusted profit (non-IFRS measure)			
Profit/(Loss) for the year	28,914	(151,030)	(99,881)
Add:			
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fair value losses on convertible redeemable preferred shares[(1)]	—	190,630	109,350
Adjusted profit (non-IFRS measure)	28,914	41,169	45,553

Notes:

1. Fair value losses on convertible redeemable preferred shares arise primarily from the changes in the carrying amount of our convertible redeemable preferred shares in connection with the [REDACTED] Investments. These fair value changes are non-cash in nature.

Revenue

The following table sets forth a breakdown of our revenue, in absolute amounts and as a percentages of the total revenue for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except percentages)					
Precision Omni-channel Marketing Solutions	130,608	60.5	184,070	61.8	198,508	56.9
Physician Platform Solutions	72,602	33.6	76,446	25.7	89,136	25.5
RWS Solutions	11,737	5.5	36,590	12.3	61,306	17.6
Others	907	0.4	625	0.2	—	—
Total	215,854	100.0	297,731	100.0	348,950	100.0

The increase in revenue during the Track Record Period is primarily resulting from (i) our ability to retain existing and attract new customers for our precision omni-channel marketing solutions, (ii) an expansion of our physician platform solutions that attract more users to our *MedSci* platform, driving up revenue from clinical study assistance services and subscription and/or per-download fees for certain premium contents from medical knowledge services under physician platform solutions and (iii) an increase in revenue

from RWS solutions resulting from favorable government policies that promote the RWS solutions market. See "Financial Information — Comparison of Results of Operations" for more details.

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit by solution category both in absolute amounts and as the percentage of respective revenue, or gross profit margin, for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Gross Profit and Gross Profit Margin:						
Precision Omni-channel Marketing Solutions	62,821	48.1	118,082	64.2	114,538	57.7
Physician Platform Solutions	52,709	72.6	60,193	78.7	69,391	77.8
RWS Solutions	1,190	10.1	11,338	31.0	22,392	36.5
Others	312	34.4	197	31.5	—	—
Total	117,032	54.2	189,810	63.8	206,321	59.1

Our gross profit margin increased from 54.2% in 2020 to 63.8% in 2021, primarily attributable to economies of scale as well as greater efficiency resulting from the implementation of the latest technology and a more skilled workforce. As more physicians join our *MedSci* platform and their engagement increases, our entire platform benefits from better data insights and stronger network effects, which allow for more accurate and more cost-efficient delivery of our solutions. This, in turn, attracts more pharmaceutical and medical device companies, further enabling us to deliver our solutions offering in a cost-effective manner and allowing us to achieve better economies of scale. The introduction of advanced technologies such as AI, optical character recognition and big data capabilities further enabled us to identify and serve the needs of our customers with fewer employees, thereby increasing the service efficiency. In addition, our employees are becoming more competent as the number of employees who achieved the degree of masters or above increased from 94 as of December 31, 2020 to 103 as of December 31, 2021. As such, the overall operating efficiency, especially the efficiency of our employees, improved, which is evidenced by an increase in revenue contribution per labor hour of our total employees from approximately RMB250 in 2020 to RMB300 in 2021. Our gross profit margin decreased from 63.8% in 2021 to 59.1% in 2022 as a result of a decrease in gross profit margin of precision omni-channel marketing solutions from 64.2% in 2021 to 57.7% in 2022. The decrease in our gross profit margin for precision omni-channel marketing solutions was primarily because although pharmaceutical and medical device companies reduced their budgets on marketing in 2022 in the midst of the COVID-19 outbreak, they nonetheless demanded the same level and standard of services provided by us, which in turn reduce our gross profit margin in 2022 as compared to 2021. As temporary measures implemented due to COVID-19 became rigorous and comprehensive in 2022, especially in

Shanghai, our customers encountered more difficulties in daily operations and, thus, controlled their budgets more carefully. In order to continue to attract new customers and retain existing customers in 2022, we offered more discounts for the same type of services provided, which ultimately resulted in lower amount of revenue with the same amount operating costs as compared to 2021. As a result of such discounts, the average budgeted gross profit margin of contracts for precision omni-channel marketing solutions entered into in 2022 decreased by approximately 5% as compared to contracts for precision omni-channel marketing solutions entered into in 2021. See "Financial Information — Comparison of Results of Operations" for more details.

Profit/(Loss) for the Year

Our profit for the year amounted to RMB28.9 million in 2020 in line with our business expansion. We incurred a loss of RMB151.0 million in 2021 primarily due to fair value losses on convertible redeemable preferred shares of RMB190.6 million. We further incurred a loss of RMB99.9 million in 2022, primarily attributable to [REDACTED] of RMB36.1 million and fair value losses on convertible redeemable preferred shares of RMB109.4 million recorded in 2022. See "— Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income — Non-IFRS Measures" for details on impact of [REDACTED] and fair value losses on convertible redeemable preferred shares on our profit.

Summary Consolidated Statements of Financial Position

	As of December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Total non-current assets	28,218	23,818	31,661
Total current assets	322,722	685,395	714,854
Total assets	350,940	709,213	746,515
Total non-current liabilities	2,910	603,663	724,975
Total current liabilities	151,318	172,765	163,804
Total liabilities	154,228	776,428	888,779
Net current assets	171,404	512,630	551,050
Net assets/(liabilities)	196,712	(67,215)	(142,264)

We recorded net assets of RMB196.7 million as of December 31, 2020 as we recorded profit in 2020 in the amount of RMB28.9 million and capital contribution from the then equity holders of a subsidiary, namely Qiming Rongxin, Hongpan One and Shanghai Weita, in the amount of RMB100.0 million. See "History, Reorganization and Corporate Structure — [REDACTED] Investments" for details on the identities of the then equity holders of a subsidiary. We recorded deficiency in assets in the amount of RMB67.2 million as of December 31, 2021 primarily due to (i) total comprehensive loss for the year of RMB151.5 million and (ii) conversion into convertible redeemable preferred shares from ordinary shares of a subsidiary of RMB116.7 million. The deficiency in assets amounted to RMB142.3 million as of December 31, 2022 as we further incurred loss in 2022 of RMB99.9 million. The convertible redeemable preferred shares issued by us will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares at the applicable ratio upon the [REDACTED] with prior written approval of the holders of such preferred shares such that the liabilities position would turn into net assets.

We recorded net current assets of RMB554.1 million as of February 28, 2023, being the latest practicable date for our indebtedness statement, as compared to net current assets of RMB551.1 million as of December 31, 2022, primarily due to (i) an increase in contract assets of RMB17.1 million resulting from our business expansions and (ii) a decrease in other payables and accruals of RMB2.4 million resulting from a decrease in payables to employees due to payment of annual bonuses to our employees in the beginning of 2023, partially offset by (i) a decrease in cash and bank balances of RMB9.2 million resulting from our use of cash during operations and (ii) a decrease in trade receivables of RMB7.5 million as our customers settled some of our trade receivables in the beginning of 2023.

We recorded net current assets of RMB551.1 million as of December 31, 2022, as compared to net current assets of RMB512.6 million as of December 31, 2021, primarily due to (i) an increase in contract assets of RMB14.0 million resulting from our business expansion, (ii) an increase in trade receivables of RMB8.0 million resulting from our business expansion, (iii) a decrease in tax payable of RMB5.9 million resulting from prepayment of tax in 2022 and a decrease in taxable income, (iv) a decrease in other payables and accruals of RMB5.6 million resulting from a decrease in contract liabilities and payable to employees and (v) an increase in current prepayments, deposits and other receivables of RMB4.2 million resulting from an increase in the capitalized portion of incurred [REDACTED] as well as an increase in prepayments to suppliers as we expanded our business. The increase was partially offset by an increase in current portion of lease liabilities of RMB2.1 million resulting from renewal of a number of leases in 2022.

We recorded net current assets of RMB512.6 million as of December 31, 2021, as compared to net current assets of RMB171.4 million as of December 31, 2020, primarily due to (i) an increase in cash and bank balances of RMB319.0 million primarily resulting from the settlement of series C financing in 2021 and cash generated from our ordinary course of business and (ii) an increase in contract assets of RMB28.9 million and an increase in trade receivables of RMB12.2 million resulting from our business expansions that led to more trade receivables and contract assets from our customers.

Summary Consolidated Statements of Cash Flows

	For the year ended December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Net cash generated from/(used in) operating activities	56,200	37,351	(14,042)
Net cash generated/(used in) from investing activities	31,414	(2,034)	(2,133)
Net cash generated/(used in) from financing activities	93,091	285,556	(7,516)
Net increase/(decrease) in cash and cash equivalents	180,705	320,873	(23,691)
Cash and cash equivalents at the beginning of the year	96,393	276,972	596,002
Effect of foreign exchange rate change, net	(126)	(1,843)	26,955
Cash and cash equivalent at end of the year	276,972	596,002	599,266

We recorded net cash used in operating activities in 2022 in the amount of RMB14.0 million, which consisted primarily of loss before income tax expenses of RMB96.3 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) fair value losses on convertible redeemable preferred shares of RMB109.4 million, (ii) interest income of RMB10.4 million, (iii) depreciation of right-of-use assets of RMB7.2 million, (iv) equity-settled share-based payments of RMB6.3 million and (v) impairment of contract assets of RMB2.4 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in contract assets of RMB16.4 million, (ii) an increase in trade receivables of RMB8.2 million and (iii) a decrease in other payables and accruals of RMB5.6 million and (iv) an increase in prepayments, deposits and other receivables of RMB5.4 million in 2022.

[Rule 13.46(2) of the Listing Rules requires an overseas issuer to send an annual report or a summary financial report to its shareholders within four months after the end of the financial year to which the report relates. As this Document already includes the financial information of the Company for the year ended December 31, 2022 as required under Appendix 16 to the Listing Rules, we will not separately prepare and send an annual report to our Shareholders for the year ended December 31, 2022, which will not be in breach of the Articles of Associations, laws and regulations of Cayman Islands or other regulatory requirements. In addition, we will issue an announcement by April 30, 2023 stating that we will not separately prepare and send an annual report to our Shareholders for the year ended December 31, 2022 as the relevant financial information has been included in this Document. Further, we have complied with applicable code provisions of the Corporate

Governance Code as set out in Appendix 14 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.]

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated.

	For the year ended/As of December 31,		
	2020	2021	2022
Revenue growth	30.5%	37.9%	17.2%
Gross profit margin	54.2%	63.8%	59.1%
Net profit margin[(1)]	13.4%	(50.7%)	(28.6%)
Current ratio[(2)]	213.3%	396.7%	436.4%
Quick ratio[(3)]	213.3%	396.7%	436.4%

Notes:

(1) Net profit margin is negative in 2021 and 2022 primarily attributable to fair value losses on convertible redeemable preferred shares of RMB190.6 million in 2021 and RMB109.4 million in 2022.

(2) Current ratio is calculated by dividing current assets by current liabilities.

(3) Quick ratio is calculated by dividing current assets less inventories by current liabilities.

KEY OPERATING DATA

The following table sets forth certain of our key operating metrics for the years indicated:

	As of/For the year ended December 31,		
	2020	2021	2022
Number of registered users *(in million)*	3.4	4.0	4.5
Number of registered physician users *(in million)*	2.3	2.6	2.9
Number of subscribing users[(1)]	—	8,105	52,032
Average MAU *(in million)*	1.5	2.5	2.7

Note:

(1) We launched our membership subscription service model in September 2021. Among the 52,032 subscribing users as of December 31, 2022, 40,248 are registered physician users.

THE IMPACT OF AND OUR RESPONSE TO COVID-19

We primarily generate revenue from our precision omni-channel marketing solutions and physician platform solutions. Although some of our offline activities were interrupted due to the impact of COVID-19, we have not experienced significant difficulties or failed to discharge obligations under our existing contracts due to disruptions caused by the outbreak of COVID-19. We have business continuity plans in place, which include remote working arrangements for the majority of our workforce, and we do not currently anticipate significant challenges to our ability to maintain the operations of our platform in light of the measures under such plans. We also have not experienced material disruptions in services from our suppliers due to COVID-19, primarily because, as evidenced by the services provided by our five largest suppliers, many of our suppliers have assisted us in content development and such service offerings can be easily provided in remote settings. See "Business — Suppliers" for details. As a result, COVID-19 has not caused a material adverse impact on our financial condition, results of operations or development plans. However, as the COVID-19 pandemic resurged in the first quarter of 2022 in China, particularly in Shanghai, there remain uncertainties associated with risks brought by the pandemic. For instance, the demand for physician platform solutions decreased as a result of temporary closure of hospitals and a substantial increase in COVID-19-related duties among physicians, particularly physicians in Shanghai in 2022. Furthermore, the COVID-19 recurrence in Shanghai also negatively affected our ability to conduct RWS solutions and precision omni-channel marketing solutions as physicians are occupied with their COVID-19-related duties. As China relaxes its "zero-COVID" policy, there has been a significant surge of COVID-19 cases in China. The rising number of confirmed COVID-19 cases across China may further have a negative impact on our business operations and financial position. Nonetheless, in view of the PRC government's recent relaxation of its "zero-COIVD" policy since December 2022 (such as the PRC authorities releasing measures to accelerate the economic recovery and resume normal operations of the society and the lifting up of quarantine measures and travel restrictions), and notwithstanding the soaring COVID-19 cases in late December 2022 and early January 2023, our Directors remain cautiously optimistic with our operations in the future. With information currently available to our Directors and after taking into account the governmental measures implemented, up to the Latest Practicable Date, our Directors were not aware of any material adverse impact of such relaxation of the "zero-COVID" policy and consequent resurgence of COVID-19 in the PRC since late 2022 on our operations and financial performance. Our Directors will continue to assess the impact of the COVID-19 on our operations and financial performance and closely monitor our exposure to the risks and uncertainties in connection with the COVID-19. See "Business — The Impact of and Our Reponse to COVID-19."

DIVIDENDS

As advised by our Cayman Islands legal adviser, under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this appears to the Board to be justified by the financial

conditions and the profits of the Company and would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business immediately following the date on which the dividend is proposed to be paid.

As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board. Throughout the Track Record Period, we did not pay or declare any dividend. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio.

[REDACTED]

For the calculation of unaudited [REDACTED] adjusted net tangible assets per Share attributable to our Shareholders, see the section headed "[REDACTED] [REDACTED]" in Appendix II.

[REDACTED]

Our [REDACTED] mainly include [REDACTED] and [REDACTED] and professional fees paid to legal, accounting and other advisors for their services rendered in relation to the [REDACTED] and the [REDACTED]. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] (based on the mid-point of the [REDACTED] Range and assuming that the [REDACTED] is not exercised and all discretionary incentive fees in the [REDACTED] is paid in full) for the [REDACTED] are approximately HK$[REDACTED]), accounting for approximately of [REDACTED]% of our gross [REDACTED]. An estimated amount of HK$[REDACTED] for our [REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be [REDACTED] through the statement of profit or loss and the remaining amount of HK$[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. Our Directors do not expect such [REDACTED] to have a material and adverse impact on our financial results for the fiscal year ending December 31, 2022.

USE OF [REDACTED]

The table below sets forth the estimated net [REDACTED] of the [REDACTED] which we will receive after deduction of [REDACTED] and estimated [REDACTED] and estimated [REDACTED] payable by us in connection with the [REDACTED] (assuming the [REDACTED] is not exercised):

Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the low end of the [REDACTED] range stated in this Document)	HK$[REDACTED]
Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid point of the [REDACTED] range stated in this Document)	HK$[REDACTED]
Assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the high end of the [REDACTED] range stated in this Document)	HK$[REDACTED]

We intend to use the net [REDACTED] we will receive from this [REDACTED] for the following purposes:

1) Approximately [REDACTED]% or approximately HK$[REDACTED] (based on the mid point of the [REDACTED] range stated in this Document) will be allocated for business expansion, including (i) developing and updating our content and service offerings of physician platform solutions and expanding user base by attracting more registered physician users to make our *MedSci* platform

the platform of choice for pharmaceutical and medical device companies in launching marketing campaigns and (ii) expanding our RWS solutions and precision-omni-channel marketing solutions through retaining existing and attracting new pharmaceutical and medical device companies.

2) Approximately [REDACTED]% or approximately HK$[REDACTED] (based on the mid point of the [REDACTED] range stated in this Document) will be allocated for further technology development to enhance our technology and data capabilities.

3) Approximately [REDACTED]% or approximately HK$[REDACTED] (based on the mid point of the [REDACTED] range stated in this Document) will be allocated for potential investments and acquisitions or strategic alliances with companies that can generate synergies with our businesses.

4) Approximately [REDACTED]% or approximately HK$[REDACTED] (based on the mid point of the [REDACTED] range stated in this Document) is expected to be used for working capital and other general corporate purposes.

If the [REDACTED] is exercised in full, and net [REDACTED] that we will receive will be approximately HK$[REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share. In the event that the [REDACTED] is exercised in full, we intend to apply the additional net [REDACTED] to the above purpose in the proportions stated above on a pro rata basis.

We will only deposit the net [REDACTED] which are not immediately applied into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance, and the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits.

For details, see "Future Plans and Use of [REDACTED]."

RECENT DEVELOPMENT

As of February 28, 2023, we had net current assets of RMB554.1 million. As of the same date, we did not have any bank borrowings or other interest-bearing facilities.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2022, which is the end date of the periods reported on in the Accountants' Report included in Appendix I to this Document, and there is no event since December 31, 2022 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this Document.

Recent Regulatory Development

Regulatory Developments on Cyber Security and Data Privacy

The Cyberspace Administration of China, or the CAC, jointly with other 12 governmental authorities, issued the Measures for Cyber Security Review (2021) (《網絡安全審查辦法》(2021)), or the Cybersecurity Review Measures (2021) on December 28, 2021, which became effective on February 15, 2022 and repealed the Cybersecurity Review Measures (2020) simultaneously. If our proposed [REDACTED] is considered a [REDACTED] in Hong Kong that affects or may affect national security, we may be required to apply for cybersecurity review, but there can be no assurance that we are able to obtain approval from the regulatory authorities in a timely manner, or at all. See "Regulatory Overview — Regulations Relating to Cyber Security — Measures for Cyber Security Review" for details. On November 14, 2021, the CAC publicly solicited opinions on 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)), or the Draft Data Security Regulations, which applies to activities relating to the use of networks to carry out data processing activities within the territory of the PRC. As of the Latest Practicable Date, the Draft Data Security Regulations have not been formally adopted, and there is no definite timetable for the adoption of these regulations. See "Regulatory Overview — Regulations Relating to Data Security" for details.

On October 29, 2021, the CAC has publicly solicited the Measures for Security Assessment for Cross-border Data Transfer (Draft for Comments) (《數據出境安全評估辦法(徵求意見稿)》). On July 7, 2022, the CAC officially promulgated the Measures for Security Assessment for Cross-border Data Transfer (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which came into effect on September 1, 2022. The Security Assessment Measures shall apply to the security assessment of the provision to overseas parties of important data and personal information collected and produced during operations within the mainland of the PRC by data processors. Such measures provide four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where a data processor provides important data overseas; (ii) where a crucial information infrastructure operator and a data processor processing the personal information of more than one million individuals provide personal information overseas; (iii) where a data processor provides personal information of 100,000 individuals or sensitive data of 10,000 individuals cumulatively overseas since January 1 of the previous year; or (iv) other circumstances in which the application for security assessment of cross-border transfer of data is required as stipulated by the CAC. In addition, according to the Security Assessment Measures, important data means data that may endanger national security, economic operation, social stability and public health and safety once altered, destroyed, leaked, illegally obtained or illegally used.

All the data collected and produced during our operations within the mainland of the PRC is stored within the PRC. Furthermore, there is no data cross-border transfer during our business operations except for the fact that certain our overseas part-time employees, who are bounded by confidentiality obligations with respect to materials they received, could download and provide insights on translations of academic papers submitted by physicians who intend to publish such academic papers in a different language during our clinical study assistance services. See "Business — Employees" for details of our part-time employees. Based on the fact that (i) such academic papers contain only de-identified personal information, if any, (ii) through the public search conducted by our PRC Legal Adviser, the data we process has not yet been included into any effective catalog of important data published by any governmental authority as such important data is subject to the security assessment when transferred overseas under the Security Assessment Measures, and (iii) the revenue from such professional academic translation is very limited, we are of the view that the Security Assessment Measures do not have a material adverse impact on our operation.

Our PRC Legal Adviser has conducted a consultation with Shanghai Office of CAC, via its dedicated hotline about security assessment for cross-border data transfer, and how the Security Assessment Measures apply to us on a named basis. During the consultation, our PRC Legal Adviser has explained our business model, especially the data processing activities and we are advised to seek guidance from the medical and health regulatory authorities for the important data catalog in the health industry. As of the Latest Practicable Date, we had not received any notice from the CAC requiring the application of security assessment regarding our business. Our PRC Legal Adviser consulted the important data catalog in the health industry with the National Health Commission, which, as advised by our PRC Legal Adviser, is a competent authority for the determination of important data catalog in the health industry according to the Data Security Law of the PRC (《中華人民共和國數據安全法》). The National Health Commission indicated that (i) the official guidelines for the important data catalog in the health industry are still being formulated, and (ii) before the issue of official guidelines, healthcare institutions at all levels shall establish their own data classification and hierarchy standards pursuant to the Administrative Measures on Network Security of Healthcare Institutions (《醫療衛生機構網絡安全管理辦法》) to determine the important data catalog. Nevertheless, as confirmed by our PRC Legal Adviser, we are not a healthcare institution and the Administrative Measures on Network Security of Healthcare Institutions (《醫療衛生機構網絡安全管理辦法》) does not apply to us.

As the Security Assessment Measures have only been recently promulgated and the catalog of important data is still in the process of being developed, the interpretation and enforcement of the Security Assessment Measures and its application remain uncertain. We will maintain ongoing communication with government authorities regarding the latest development and requirements of new regulations and timely implement necessary measures, including but not limited to, taking any potential rectification required according to the Security Assessment Measures within the grace period stipulated in such measures.

Regulatory Developments on Overseas Listing

On December 24, 2021, the China Securities Regulatory Commission (the "**CSRC**") issued the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) (the "**Draft Overseas Listing Administration Provisions**") and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the "**Draft Overseas Listing Filing Measures**", and together with the Draft Overseas Listing Administration Provisions, the "**Draft Regulations on Listing**"), which are open for public comments until January 23, 2022. On February 17, 2023, the CSRC issued the Tentative Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines (collectively referred to as the "**Tentative Measures on Listing**"), which has been approved by the State Council and will take effect on March 31, 2023. See "Regulatory Overview — Regulations Relating to Overseas Listing" for details.

At a press conference held on February 17, 2023, the officials from the CSRC clarified that for domestic enterprises that have been approved by overseas regulators or overseas stock exchanges (for example, a contemplated offering and/or listing in Hong Kong has passed the hearing of the Stock Exchange) on or before the effective date of the Tentative Measures on Listing (i.e., March 31, 2023), but have not completed the indirect overseas offering and listing, a six-month transition period will be granted. Those who complete the overseas issuance and listing within six months are deemed as stock enterprises (存量企業). The stock enterprises do not require filing immediately. Subsequent filing matters such as refinancing shall be filed as required. If the above-mentioned domestic enterprises need to re-perform the issuance and listing procedures to the overseas regulatory authorities within six months (such as requiring a new hearing of the Stock Exchange) or fail to complete the overseas issuance and listing within six months, such domestic enterprises shall complete the filing procedures. Based on the foregoing, if we cannot pass the hearing for the [REDACTED] on or before March 31, 2023 and complete the indirect overseas [REDACTED] and [REDACTED] during the above six-month transition period, our PRC Legal Adviser is of the view that we will be required to complete the filing procedures with the CSRC in connection with our [REDACTED].

As of the Latest Practicable Date, we have not received any enquiries, comments, instructions, guidance or other concerns from any PRC authorities, including the CSRC, with respect to our [REDACTED] and our VIE structure. Further, our PRC Legal Adviser is of the view that although the Tentative Measures on Listing apply to overseas offerings and listings of PRC domestic companies, they do not raise additional compliance requirements for business operations of such PRC companies. As such, we do not foresee Tentative Measures on Listing would have a material impact on our business operations. See "Risk Factors — The approval of the China Securities Regulatory Commission may be required in connection with the [REDACTED], and, if required, we cannot predict whether we will be able to obtain such approval" and "Regulatory Overview — Regulations Relating to Overseas Listing" for details.

In addition, on December 27, 2021, the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**Negative List**") was promulgated by the NDRC and the Ministry of Commerce of the PRC (the "**MOFCOM**"), which stipulates industries in which foreign investment is restricted and prohibited and became effective on January 1, 2022. The Negative List also provides that a PRC domestic enterprise engaged in foreign investment prohibited business and intends to offer and list in overseas markets shall complete the examination process and obtain approval from relevant government authorities, that any overseas investor in the enterprise shall not participate in the operation and management of the enterprise, and that the equity ratio of overseas investor in the enterprise shall be subject to the relevant provisions on administration of domestic securities investment by overseas investors (the "**Domestic Enterprise Direct Listing Requirement**"). At a press conference held on January 18, 2022, the NDRC clarified that the Domestic Enterprise Direct Listing Requirement would only apply to PRC domestic enterprise's direct overseas listing. Therefore, our PRC Legal Adviser is of the view that as the Company is not a PRC domestic enterprise seeking direct overseas [REDACTED], the Domestic Enterprise Direct Listing Requirement is not applicable to us. See "Regulatory Overview — Regulations Relating to Foreign Investment — Foreign Investment Law and Regulations" for details.

Regulatory Developments on Value-added Telecommunication Services

Foreign-invested telecommunications enterprises engaging in telecommunications business shall be regulated by the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision) (the "**2016 FITE Regulations**"). The Decision of the State Council on Revising or Abolishing Some Administrative Regulations (the "**2022 Decision**") that took effect from May 1, 2022 made certain significant changes to the 2016 FITE Regulations. Under the 2016 FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in and a proven track record of operating value-added telecommunications businesses overseas (the "**Qualification Requirements**"), while the 2022 Decision repealed the Qualification Requirements. As such, the restrictions of Qualification Requirements no longer apply to foreign investors. However, foreign investors are still not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services despite the 2022 Decision. As of the Latest Practicable Date, no applicable PRC laws, regulations or rules have provided clear guidance or interpretation about the 2022 Decision. It remains extremely uncertain as to the interpretation and enforcement of the 2022 Decision in practice and relevant regulations by government authorities. In view of the PRC regulatory background, after consultations with our PRC Legal Adviser and taking into account the consultations with the relevant authority, we are of the view that it was not viable for our Company to hold the Consolidated Affiliated Entities directly through equity ownership despite the 2022 Decision. See "Contractual Arrangements" for details.

Our Directors are of the view that the recent regulatory changes have no material impact on our business operations and financial position.

SUMMARY

See "Risk Factors — Risks Relating to Our Business and Industry — Our business processes a large amount of data. Complying with evolving laws and regulations regarding including, among others, cybersecurity, information security, privacy and data protection may be expensive and force us to make adverse changes to our business. Many of these laws and regulations are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws and regulations could result in negative publicity, legal proceedings, suspension or disruption of operations, increased cost of operations, or otherwise harm our business", "Risk Factors — Risks Relating to Doing Business in China — The approval of the China Securities Regulatory Commission may be required in connection with the [REDACTED], and, if required, we cannot predict whether we will be able to obtain such approval" and "Risk Factors — Risks Relating to Our Contractual Arrangements — Substantial uncertainties exist with the regulations regarding foreign ownership restrictions and how the 2022 Decision may impact the viability of our current corporate structure" for more information.

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms shall have the following meanings. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"2016 FITE Regulations"	the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision) (《外商投資電信企業管理規定(2016修訂)》), which was promulgated by the State Council on February 6, 2016 and came into force on the same day
"2022 Decision"	the Decision of the State Council on Revising or Abolishing Some Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》), which was promulgated by the State Council on March 29, 2022 and took effect from May 1, 2022
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Anhui Yixunda"	Anhui Yixunda Technology Co., Ltd. (安徽醫訊達科技有限公司), a limited liability company established under the laws of the PRC on March 29, 2019 ultimately controlled by Mr. Wu Zhicheng (吳志成), an Independent Third Party
"ARTA"	Anhui Radio and Television Administration (安徽省廣播電視局)
"Articles" or "Articles of Association"	the articles of association of our Company adopted on [•], which will become effective upon the [REDACTED], as amended from time to time, a summary of which is set out in "Appendix III — Summary of the Constitution of the Company and Cayman Islands Companies Act"
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Beijing Jianyiyun"	Beijing Jianyiyun Medical Technology Co., Ltd. (北京簡醫雲醫藥科技有限公司), a limited liability company established under the laws of the PRC on January 28, 2019 and deregistered on February 8, 2022
"Board" or "Board of Directors"	the board of directors of our Company

"Business Day"	any day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"BVI"	the British Virgin Islands
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
[REDACTED]	[REDACTED]

"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"China" or "PRC"	the People's Republic of China, for the purpose of this Document and for geographical reference only; except where the context requires otherwise, references to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"close associate"	has the meaning ascribed thereto under the Listing Rules
"Companies Act" or "Cayman Companies Act"	the Companies Act (As Revised) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
"Company", "Issuer", "we", "our" or "us"	MedSci Healthcare Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 22, 2021
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction"	has the meaning ascribed thereto under the Listing Rules
"Consolidated Affiliated Entities"	Shanghai MedSci, Shanghai Chungu, Yika Internet Hospital, Hangzhou Yilan and Hefei Kang'en
"Contractual Arrangement(s)"	Shanghai MedSci Contractual Arrangements and Hefei Kang'en Contractual Arrangements
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, refer to Dr. Li, Dr. Zhang, Microhealth Limited, Dtx Health Limited and Meilong Limited

"core connected person"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Dr. Li"	Dr. Li Xinmei (李欣梅), an executive Director, chief executive officer, a founder of our Company and one of our Controlling Shareholders
"Dr. Zhang"	Dr. Zhang Fabao (張發寶), an executive Director, chairman of the Board, a founder of our Company and one of our Controlling Shareholders
"EIT Law"	the People's Republic of China Enterprise Income Tax Law (《中華人民共和國企業所得税法》)
"Employee Equity Incentive Platform(s)"	Meiyue Limited and Meilong Limited
"Equity Incentive Plan"	the equity incentive plan of our Company adopted on April 20, 2022, the principal terms of which are set out in "Appendix IV — Statutory and General Information — D. Equity Incentive Plan"
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FIEs"	foreign-invested enterprises
"Founder(s)"	Dr. Li and Dr. Zhang
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Group", "our Group", "we", "our" or "us"	our Company, its subsidiaries and Consolidated Affiliated Entities from time to time, or any one of them as the context may require, and where the context refers to any time prior to its incorporation, the business which its predecessor(s) was engaged in and which was subsequently assumed by it

"Hangzhou Yika"	Hangzhou Yika Technology Co., Ltd. (杭州醫咖科技有限公司), a limited liability company established under the laws of the PRC on May 31, 2018 and deregistered on December 15, 2021
"Hangzhou Yilan"	Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), a limited liability company established under the laws of the PRC on May 31, 2018 and our Consolidated Affiliated Entity
"Hefei Kang'en"	Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司), a limited liability company established under the laws of the PRC on June 8, 2021 and our Consolidated Affiliated Entity
"Hefei Kang'en Contractual Arrangements"	collectively, the Hefei Kang'en Exclusive Business Cooperation Agreement, the Hefei Kang'en Exclusive Technical Service and Management Consultancy Agreement, the Hefei Kang'en Exclusive Call Option Agreement, the Hefei Kang'en Equity Pledge Agreements, the Hefei Kang'en Shareholders' Rights Entrustment Agreement, the Hefei Kang'en Shareholders' Powers of Attorney and the Hefei Kang'en Spouse Undertakings, further details of which are set out in "Contractual Arrangements"
"Hefei Kang'en Registered Shareholders"	the registered shareholders of Hefei Kang'en, namely Dr. Zhang and Mr. Yang, as detailed in "Contractual Arrangements"
"HK$", "HK dollars" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"IFRS"	International Financial Reporting Standards, amendments and the related interpretations issued by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who, to the best of our Directors' knowledge, information and belief, is not a connected person of our Company or an associate of such person within the meaning ascribed to it under the Listing Rules
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Joint Sponsors" and [REDACTED]	China International Capital Corporation Hong Kong Securities Limited and Macquarie Capital Limited
"Latest Practicable Date"	[March 20], 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication
[REDACTED]	[REDACTED]
"Listing Committee"	the Listing Committee of the Stock Exchange
[REDACTED]	[REDACTED]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"M&A Rules"	Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (關於外國投資者併購境內企業的規定), which were jointly promulgated by MOFCOM, the State Assets Supervision and Administration Commission, the STA, the SAIC, the CSRC and the SAFE on August 8, 2006, and came into effect on September 8, 2006 and were subsequently amended on June 22, 2009, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM of the Stock Exchange
"MedSci Healthcare BVI"	MedSci Healthcare Holdings (BVI) Limited, a limited liability company incorporated under the laws of the British Virgin Islands on June 24, 2021, and a direct wholly-owned subsidiary of our Company
"MedSci Healthcare HK"	MedSci Healthcare Holdings (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability on August 6, 2021, and an indirect wholly-owned subsidiary of our Company
"Meilong Investment"	Shihezi Meilong Equity Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 1, 2016 with Ma Yanqin (馬艷芹), who is our employee, as its general partner and 42 employees of Shanghai MedSci as its limited partners; one of our former employee equity incentive platforms
"Memorandum" or "Memorandum of Association"	the memorandum of association of our Company adopted on [•] with effect from the [REDACTED], as amended from time to time, a summary of which is set out in "Appendix III — Summary of the Constitution of the Company and Cayman Islands Companies Act"
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NHC"	the National Health Commission of China (中華人民共和國國家衛生健康委員會)

"Nomination Committee"	the nomination committee of the Board
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Onshore Holdcos"	Shanghai MedSci and Hefei Kang'en, each a Consolidated Affiliated Entity
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Affiliated Entities"	Shanghai MedSci, Hangzhou Yilan, Shanghai Chungu and Yika Internet Hospital
"PRC Legal Adviser"	Commerce & Finance Law Offices, the PRC legal adviser of our Company
"[REDACTED] Investment(s)"	the [REDACTED] investment(s) in our Company undertaken by the [REDACTED] Investors pursuant to the relevant investment agreements, details of which are set out in "History, Reorganization and Corporate Structure"
"[REDACTED] Investor(s)"	the investors in our Company prior to the [REDACTED] as described in "History, Reorganization and Corporate Structure"

"Preferred Shares"	the Preferred Share(s) in the share capital of our Company, including Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares, details of which are described in "History, Reorganization and Corporate Structure"
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Registered Shareholders"	Shanghai MedSci Registered Shareholders and Hefei Kang'en Registered Shareholders
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"Reorganization"	the reorganization of our Group in preparation for [REDACTED], details of which are described in "History, Reorganization and Corporate Structure — Reorganization"
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Ruilekang Pharmacy"	Hefei Ruilekang Pharmacy Co., Ltd. (合肥市瑞樂康大藥房有限公司), a limited liability company established under the laws of the PRC on August 9, 2019 and ultimately controlled by Mr. Wu Zhicheng (吳志成), an Independent Third Party
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAFE Circular 37"	the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), issued by SAFE with effect from July 4, 2014

"SAIC"	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), currently known as the SAMR
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), formerly known as the SAIC
"SCA"	Shanghai Communications Administration (上海市通信管理局)
"Series A Investors"	the holders of the Series A Preferred Shares
"Series B Investors"	the holders of the Series B Preferred Shares
"Series C Investors"	the holders of the Series C Preferred Shares
"Series A Preferred Shares"	the series A preferred shares with a par value of US$0.0001 per share in the share capital of our Company
"Series B Preferred Shares"	the series B preferred shares with a par value of US$0.0001 per share in the share capital of our Company
"Series C Preferred Shares"	the series C preferred shares with a par value of US$0.0001 per share in the share capital of our Company
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Hong Kong Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Chungu"	Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), a limited liability company established under the laws of the PRC on January 21, 2013 and our Consolidated Affiliated Entity
"Shanghai MedSci"	Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), a limited liability company established under the laws of the PRC on November 6, 2012 and our Consolidated Affiliated Entity

"Shanghai MedSci Contractual Arrangements"	collectively, the Shanghai MedSci Exclusive Business Cooperation Agreement, the Shanghai MedSci Exclusive Technical Service and Management Consultancy Agreement, the Shanghai MedSci Exclusive Call Option Agreement, the Shanghai MedSci Equity Pledge Agreements, the Shanghai MedSci Shareholders' Rights Entrustment Agreement, the Shanghai MedSci Shareholders' Powers of Attorney and the Shanghai MedSci Spouse Undertakings, further details of which are set out in "Contractual Arrangements"
"Shanghai MedSci Registered Shareholders"	the registered shareholders of Shanghai MedSci, namely Dr. Li, Dr. Zhang, Mr. Yang, Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Shanghai Meiyue, Meilong Investment, Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)), Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) and Huzhou Jingwo Equity Investment Partnership (Limited Partnership) (湖州璟沃股權投資合夥企業(有限合夥), formerly known as Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)), as detailed in "Contractual Arrangements"; see also "History, Reorganization and Corporate Structure — [REDACTED] Investments — 5. Information on the [REDACTED] Investors" for details of the entities, which participated our series A financing and series B financing and whose shareholding in Shanghai MedSci has been reflected in our Company after the Reorganization
"Shanghai Meiyi Hehong" or "WFOE"	Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), a limited liability company established under the laws of the PRC on October 9, 2021 and an indirect wholly-owned subsidiary
"Shanghai Meiyue"	Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業 (有限合夥)), a limited partnership established in the PRC on March 20, 2015 with Wu Zhihua (吳志華), who is our employee, as its general partner and 20 employees of Shanghai MedSci as its limited partners; one of our former employee equity incentive platforms

"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of US$0.0001 each
"Shareholder(s)"	holder(s) of Shares
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
[REDACTED]	[REDACTED]
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code" or "Hong Kong Takeovers Code"	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three financial years ended December 31, 2020, 2021 and 2022
"U.S.", "US" or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"Yika Internet Hospital"	Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司), a limited liability company established under the laws of the PRC on September 3, 2018 and our Consolidated Affiliated Entity
"%"	percent

DEFINITIONS

Unless otherwise expressly stated or the context otherwise requires, all references to any shareholdings in our Company following the completion of the [REDACTED] and the [REDACTED] assume that the [REDACTED] is not exercised.

Certain amounts and percentage figures included in this Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

The English names of the PRC entities, PRC laws or regulations, and PRC governmental authorities referred to in this Document are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain terms used in this Document in connection with us and/or our business. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"ADHD"	attention deficit hyperactivity disorder, a common neurodevelopmental disorder
"AI"	artificial intelligence
"average revenue contribution per registered physician"	total revenue divided by the number of registered physicians in a given year
"CAGR"	compound annual growth rate
"CDISC"	Clinical Data Interchange Standards Consortium, a global non-profit organization dedicated to developing standards for medical research data
"chronic disease(s)"	refer to non-communicable chronic disease(s) that last one year or more and require ongoing medical attention or limit activities of daily living or both
"Content and Technology Center"	refer to the infrastructural of our IT system built upon various academic medical contents on our *MedSci* platform as well as technology utilized in our solution offerings including, among others, AI algorithms and big data capabilities
"CRF"	case report form, a paper or electronic questionnaire specifically used in clinical trial research
"CRO"	contract research organization, a company that provides the initial support services or a wide range of clinical, central laboratory and analytical services to satisfy pharmaceutical and medical device companies' demand for product research and development on a contract basis
"CTMS"	the essential set of tools and project management application to effectively plan, manage and track clinical study portfolio
"EBM"	evidence-based medicine, a medical practice that focuses on generating and sharing best medical evidence available in assisting making medical decisions about the care of individual patients

GLOSSARY OF TECHNICAL TERMS

"EDC system"	an electronic data capture system designed for the collection and assessment of clinical data in electronic form for use mainly in clinical trials
"experienced physician user"	physician user on our *MedSci* platform with the titles of associate-chief physician and above
"IIT"	investigator initiated trials, a clinical trial in which the investigator conceives the medical study, develops the protocol and serves as sponsor investigator
"innovative drug[s] and medical device[s]"	novel drugs and medical devices that are approved under Category 1.1 of Provision for Drug Registration or in-licensed novel drugs and medical devices with generic names registered in the PRC for the first time
"IVD"	in vitro diagnostics, test that can detect disease, conditions and infections
"KOL"	key opinion leader
"MAUs"	number of unique registered users, including all registered users such as physicians, nurses, pharmacists and other non-healthcare professionals, that accessed our platform in a given month; "average MAUs" for a particular period is the average of the MAUs in each month during that period; we count a registered user as an active user only when such user accesses our platform at least once in a given month; multiple logins through one account will be consolidated when determining the number of active users
"MNC"	multinational corporations
"MSL"	medical science liaisons, also known as medical specialists who are seasoned in certain therapeutic areas and capable of communicating medical knowledge information with KOLs and answering their questions; we did not serve as a contract MSL organization as the term MSL is used only to motivate our relevant medical specialists to uphold high professional standards as an MSL would do in similar circumstances

GLOSSARY OF TECHNICAL TERMS

"natural language processing"	a subfield of linguistics, computer science, information engineering, and artificial intelligence concerned with the interactions between computers and human (natural) languages, in particular how to program computers to process, understand and analyze large amounts of natural language data
"NBSC"	National Bureau of Statistics of China
"RCT"	randomized controlled trials, a form of scientific experiment used to control factors not under direct experimental control.
"registered physician users"	include all registered users on *MedSci* platform who indicated their career as physician during user registration regardless of whether identity can be verified from any public source, but excludes other healthcare professionals such as nurses and pharmacists
"registered users"	registered users on *MedSci* platform
"RTMS"	randomization tools and applications designed to support clinical studies
"RWE"	real-world evidence, the clinical evidence regarding usage and potential benefits or risks of a medical product derived from RWS
"RWS"	real-world study, a systematic collection of data generated from drugs and medical devices in real world settings and clinical application scenarios, and research using evidence-based medicine and clinical epidemiology methods
"STAR Market"	the Shanghai Stock Exchange Science and Technology Innovation Board
"the fifth set of listing standards"	a set of listing standard that requires an applicant applying for listing on STAR Market to have an estimated market value of no less than RMB4.0 billion and to meet certain other indicators
"subscribing users"	registered users who pay annual or monthly subscription fees and other users who pay per-download fees or to whom we award credits
"top 20 global pharmaceutical and medical device companies"	top 20 global pharmaceutical and medical device companies based on the ranking of pharmaceutical and medical device companies in terms of revenue in 2021 based on Frost & Sullivan Report

GLOSSARY OF TECHNICAL TERMS

"top 50 global pharmaceutical and medical device companies"	top 50 global pharmaceutical and medical device companies based on the ranking of pharmaceutical and medical device companies in terms of revenue in 2021 based on Frost & Sullivan Report
"UGC"	user-generated content
"VR diagnosis"	the use of virtual reality technology for medical diagnosis

FORWARD-LOOKING STATEMENTS

We have included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Document contains forward-looking statements and information relating to us and our subsidiary that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would," "vision," "aspire," "target," "schedules," and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

(1) our operations and business prospects;

(2) our ability to maintain relationship with, and the actions and developments affecting, our major customers, suppliers and subcontractors;

(3) future developments, trends and conditions in the industries and markets in which we operate or plan to operate;

(4) general economic, political and business conditions in the markets in which we operate;

(5) changes to the regulatory environment in the industries and markets in which we operate;

(6) the effects of the on-going COVID-19 crisis;

(7) our ability to maintain the market leading positions;

(8) the actions and developments of our competitors;

(9) our ability to effectively contain costs and optimize pricing;

(10) the ability of third parties to perform in accordance with contractual terms and specifications;

(11) our ability to retain senior management and key personnel and recruit qualified staff;

(12) our business strategies and plans to achieve these strategies, including our service and geographic expansion plans;

(13) our ability to defend our intellectual rights and protect confidentiality;

(14) the effectiveness of our quality control systems;

(15) change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; including those pertaining to the PRC and the industry and markets in which we operate; and

(16) capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in "Risk Factors".

In this Document, statements of or references to our intentions or those of our Directors are made as of the date of this Document. Any such information may change in light of future developments.

[REDACTED] in our Shares involves risks. Before deciding to [REDACTED] in the Shares, you should carefully consider all of the information in this Document, including the following risk factors, in light of the circumstances and your own [REDACTED] objectives. The occurrence of any of the following events could materially adversely affect our business, financial condition and results of operations, in which case the [REDACTED] of our Shares could also decline, and you could lose part or all of your [REDACTED]. You should pay particular attention to the fact that we are an exempted company incorporated in the Cayman Islands and that our principal operations are conducted in the PRC and are governed by a legal and regulatory environment that may differ significantly from that of other jurisdictions.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Failure to monetize our *MedSci* platform may materially and adversely affect our business, financial condition and results of operations.

We cannot guarantee that our monetization strategies or our business initiatives will be successfully implemented or generate sustainable revenue and profit.

Precision Omni-channel Marketing Solutions

During the Track Record Period, we derived a majority of our revenue from precision omni-channel marketing solutions to pharmaceutical and medical device companies. As a result, our business is highly dependent on our ability to retain existing and engage new pharmaceutical and medical device companies, especially those in the innovative drug and device market. Our ability to continue to retain and attract pharmaceutical and medical device companies depends on our ability to create value for participants in the healthcare industry, particularly our ability to provide cost-efficient targeted digital marketing means to achieve the desired results and meet the marketing needs of pharmaceutical and medical device companies. We leverage our large physician user base and data to provide precision omni-channel marketing solutions, and our revenue from digital marketing is tied directly to our ability to maintain a large and engaged physician user base. If we are unable to retain our existing users and attract new users, especially physician users in specialties of interest to the pharmaceutical and medical device companies we serve, to our platform, pharmaceutical and medical device companies will be less interested in collaborating with us, which would have a material and adverse effect on our business, results of operations, financial condition and prospects. See "— If we fail to retain existing customers or add new customers, our revenue, operating results, financial condition and business may be significantly harmed" for more details.

In addition, our ability to maintain and increase revenue generated from existing pharmaceutical and medical device companies and new pharmaceutical and medical device companies for our precision omni-channel marketing solutions also depends on a variety of factors, including but not limited to:

- demand for and market acceptance of our solutions, or digital promotion in general, by pharmaceutical and medical device companies;
- factors relating to pharmaceutical and medical device companies' budget cycles and other factors that may affect the timing of promotional campaigns for specific products or demand for our solutions by our pharmaceutical and medical device companies;
- changes in pharmaceutical and medical device companies demand as a result of delays or changes in product approvals, changes in marketing strategies, modifications of pharmaceutical and medical device companies' budgets and similar matters;
- the length of sales cycles and fulfillment periods of our solutions to pharmaceutical and medical device companies;
- the timing of new solution introductions and product enhancements by us; and
- the potential emergence of competing digital platforms, the failure of our solutions, services or tools to meet pharmaceutical and medical device companies' expectations or to provide desired results.

Any failure to retain existing pharmaceutical and medical device companies or engage new pharmaceutical and medical device companies as a result of these or other factors may materially and adversely affect our business, results of operations, financial condition and prospects.

Physician Platform Solutions

A significant amount of our revenue is derived from our physician platform solutions. We offer a variety of services under our physician platform solutions to address physicians' life-long research and learning needs and our exact fee rate for certain premium contents depends on a number of factors, such as the pricing of competitors' products and costs incurred in preparing such premium contents. Our physician platform primarily includes useful information, online courses and research tools that address the clinical study and education needs of physicians and we use a freemium model to acquire subscribing users. Most of our clinical knowledge information and research tools are free of charge, and users pay fees only to access certain premium contents. Users accessing our platform for free contents may stop using the solutions at any time without loss. The physician users have no obligation to renew their services when such services expire. Under certain circumstances, our users may cancel their services prior to expiration or simply stop using the services before the service term expires.

Factors that may affect the retention rate of our existing users and the rate at which we attract new users to our platform include:

- our ability to hire or retain professional medical personnel for content production;
- our ability to provide professional comments that address the research and continuing education needs of the physicians;
- our ability to provide up-to-date, relevant and reliable medical knowledge and other services that meet the needs of healthcare professionals, especially physicians, for continuing medical education and clinical decision support. See "— If we are unable to continue to provide current, relevant and reliable medical knowledge information, our results of operations and financial condition may be materially and adversely affected";
- our ability to provide reliable applications and to enhance the functionality, availability, performance and features of our existing and future services to meet the evolving requirements and expectations of our existing and future users;
- the availability, price, performance and functionality of competing products and services, including competing mobile, desktop, Web-based and traditional products and services for medical knowledge information; and
- deterioration of our reputation and brand for any reason, including user concerns with our privacy practices or our relationships with the healthcare industry.

In addition, our paid products compete with free products offered by competitors or those available through online resources and searches which can be accessed through most mobile devices. If we are unable to attract or retain users or if our existing business model fails to maintain market acceptance, we may lose subscribing users, which will cause a loss of subscription revenue for our medical knowledge solutions.

RWS Solutions

We also derive a significant portion of our revenue from RWS solutions, which offer pharmaceutical and medical device companies' digital real-world evidence-based research projects testifying to the effectiveness and safety data of their approved drugs and medical devices. As a result, our revenue contribution from RWS solutions is highly dependent on our ability to retain existing, and engage new, pharmaceutical and medical device companies, especially in the innovative drug and medical device market. Our ability to continue to retain and attract pharmaceutical and medical device companies depends on our ability to create value for our business customers, particularly our ability to provide cost-effective digital solutions to obtain real-world effectiveness and safety data of our business customers' approved products. If we are unable to solicit sufficient participating physicians, researchers or hospitals to participate in our RWS solutions or if we are unable to provide our solutions cost-effectively, our ability to retain existing or attract new pharmaceutical and medical device companies will be severely affected, which would have a

material and adverse effect on our business, results of operations, financial condition and prospect. See "— If we fail to retain existing customers or add new customers, our revenue, operating results, financial condition, and business may be significantly harmed" for more details.

Factors that may affect the retention rate of our existing users and the rate at which we attract new users to our RWS solutions include:

- our ability to solicit participating patients, physicians, hospitals and researchers to report relevant cases;
- our ability to collect, manage and process real-world clinical data obtained and to conduct statistical analysis;
- factors relating to the budget cycles of pharmaceutical and medical device companies and other factors that may affect the overall demand for our RWS solutions; and
- the potential emergence of competitors who provide similar services and the failure of our solutions to address the expectation of pharmaceutical and medical device companies.

If any of the events above occurs, we may not be able to maintain or increase our revenue or effectively manage any associated costs.

Any damage to the reputation and recognition of our brand names, or failure to maintain or enhance users' trust in our platform, may materially and adversely affect our business operations and prospects.

We depend on our reputation and brand names as well as users' trust in our platform in many aspects of our business operations. However, we cannot assure you that we will be able to maintain or enhance a positive reputation, brand names, or users' trust for all of our businesses in the future. Our reputation and brand names and users' trust in our platform may be materially and adversely affected by a number of factors, many of which are beyond our control, including:

- adverse associations with the third-party-branded products promoted using our platform, including with respect to their quality, effectiveness or side effects;
- lawsuits, regulatory investigations, fines and penalties against us or otherwise relating to the products or services available on our platform;
- adverse publicity and disputes over the contents shared on our platform as contributed by our users;

- improper or illegal conduct by our employees, suppliers, pharmaceutical and medical device companies we serve, and other participants on our platform; and

- adverse publicity associated with us, our Directors, officers, employees or business partners, the products or services available on our platform or our industry in general, whether founded or unfounded.

Any damage to our brand names or reputation or failure to maintain or enhance users' trust in our platform as a result of these or other factors may cause our products and services to be perceived unfavorably by our users, pharmaceutical and medical device companies we serve, and other participants on our platform, and our business operations and prospects could be materially and adversely affected as a result.

Our physician platform solutions and RWS solutions rely on physicians, pharmaceutical and medical device companies, hospitals and other supporting staff to update and enrich healthcare data through their diagnosis and research activities. We cannot guarantee the accuracy, quality and timeliness of such data.

Clinical records of hospitals in China customarily are made in natural language in free-form text format. Our digital tools provided to our customers in physician platform solutions and RWS solutions, such as EDC system, therefore, begin with translation of a large volume of free-form text into computable data, which involves judgments on, and interpretations of, the meaning of the text. In practice, some of the clinical information is expressed with symbols that are hard to discern for lay people without medical education or related experience. The situation is further complicated by the fact that multiple medical natural language expressions may be used by different physicians in clinical records to convey the same idea. We cannot rule out the possibility of certain text or information being misidentified, mistranslated or inaccurately categorized when we perform the natural language processing. Any such mistakes or errors could lead to defects or inaccurancies in our physician platform solutions and RWS solutions, which could lead to liabilities against us, deter prospective customers and harm our reputation, business and results of operations.

In addition, collecting, holding, and processing individually identifiable or de-identified healthcare data are highly regulated in China. Therefore, we do not collect healthcare data by ourselves in offering our services to physicians, hospitals and pharmaceutical and medical device companies. We only provide software programs to our physicians for physician platform solutions which can be used by physicians to collect, manage and process clinical data and to conduct statistical analysis. For RWS solutions, in addition to software programs, we store clinical data contributed by participating physicians with patients' prior consent in our data centers pursuant to the agreements with our customers, and these data are processed and analyzed by our customers using our solutions. Physicians or other staff of our customers or the hospitals with whom our customers collaborate may fail to log the original healthcare data into the hospital's system accurately. In addition, physicians in many hospitals of China were trained to record diagnosis and prescribe treatments in the handwritten format in natural language. It may take longer than we expect to reshape physicians' behaviors. We cannot rule out the

possibility that some physicians and hospital personnel may still choose to record their clinical data in handwritten format, or may fail to log the healthcare data into the database in a timely manner. Any of these occurrences may compromise the quality or timeliness of the data and negatively impact the performance of data analysis results, which may lead to legal liabilities against us, render our products less attractive and harm our reputation. As a result, our business, results of operations and financial condition could be adversely affected.

Changes in the healthcare industry could negatively affect our business.

Most of our revenue is derived from the healthcare industry and could be reduced by changes affecting healthcare spending. General reductions in expenditures by pharmaceutical and medical device companies could result from, among other things:

- government regulation or private initiatives that affect the manner in which healthcare providers interact with patients, pharmaceutical and medical device companies, or other healthcare industry participants, including changes in pricing or means of delivery of healthcare products and services;
- consolidation of pharmaceutical and medical device companies;
- reductions in governmental funding for healthcare; and
- adverse changes in business or economic conditions affecting healthcare providers, the pharmaceutical industry or other pharmaceutical and medical device companies.

We are particularly dependent upon pharmaceutical and medical device companies. Our business will be harmed if business or economic conditions or government regulations result in the reduction of purchases by such customers, the non-renewal of our agreements with such customers, or the need to materially revise our offerings. Even if general expenditures by pharmaceutical and medical device companies remain the same or increase, developments in the healthcare industry may result in reduced spending in some or all of the specific segments of the market we serve or are planning to serve. For example, purchase of our services could be affected by:

- a decrease in the number of new drugs or medical devices coming to market;
- a decrease in marketing expenditures by pharmaceutical and medical device companies as a result of governmental regulation or private initiatives that discourage or reduce the incentives of advertising or sponsorship activities by pharmaceutical and medical device companies, such as volume-based procurement, which has dramatically reduced unit sales prices of relevant drugs and medical devices and, as a result, marketing budgets of pharmaceutical and medical device companies; and
- changes in coverage of health insurance plans.

In addition, our customers' expectations regarding pending or potential industry developments may also affect their budgeting processes and spending plans with respect to services of the types we provide. The healthcare industry has changed significantly in recent years and we expect that significant changes will continue to occur. However, the timing and impact of developments in the healthcare industry are difficult to predict. We cannot assure you that the markets for our solutions will continue to exist at current levels or that we will have adequate technical, financial and marketing resources to react to changes in those markets.

We are subject to extensive and evolving regulatory requirements. We may be adversely affected by the complexity, uncertainties and changes in PRC regulations relating to healthcare, digital healthcare and Internet-related business, as well as pharmaceutical, biotechnology and medical devices industries.

We are operating a multifaceted business spanning healthcare and Internet industries, which the PRC government extensively regulates. Healthcare, healthcare marketing services and internet-related business and companies in China are highly regulated, which require multiple licenses, permits, filings and approvals to conduct and develop such business. Foreign ownership of and the licensing and permit requirements pertaining to companies in such industries and the access and usage of healthcare data are among such areas that are subject to government scrutiny. See "Regulatory Overview — Regulations Relating to Foreign Investment" for more details. These laws and regulations related to healthcare, digital healthcare and Internet industries are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations. Issues, risks and uncertainties relating to PRC laws and regulations of such industries include, but are not limited to, the following:

- We operate our business and hold licenses through our Consolidated Affiliated Entities due to restrictions on foreign investment in businesses providing value-added telecommunication services.

- Uncertainties relating to the laws and regulations of the medical big data business, and other Internet business in general in China, including evolving licensing practices, give rise to the risk that some of our permits, licenses or operations may be subject to challenge, which may be disruptive to our business, subject us to sanctions or require us to increase capital, compromise the enforceability of relevant contractual arrangements, or have other adverse effects on us.

- We have not received notice of violation or faced administrative actions in connection with our operation of business via our Consolidated Affiliated Entities. We cannot assure you, however, that the PRC government will not find such practice noncompliant with PRC laws and regulations or the interpretation thereof, in which case we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Moreover, any amendment to applicable laws and regulations, such as changes in existing practice requirements for healthcare professionals, may affect the demand for our current solutions. Therefore, our existing customers may reduce their purchases or stop purchasing at all, and we may face difficulties in attracting prospective customers. To address such challenges, we might need to invest significant amounts of time and money in developing new features for our solutions or even launching brand new offerings that are both satisfactory for our customers and also legally compliant. However, there is no guarantee that we might be able to succeed in this regard.

In particular, it is uncertain whether existing laws governing issues such as privacy, property ownership, medical malpractice and other forms of torts, liability theories based on contracts, and sales and other taxes, etc. could apply to healthcare data processing, digital healthcare offering and other online services, and such uncertainty may take years to resolve. In addition, due to the increased popularity of the digital healthcare solutions and the significant impact of any safety and security breach in the digital health solutions on the society generally, it is possible that a number of laws and regulations may be adopted with respect to health, digital healthcare and Internet industries. The adoption of additional laws or regulations, the application to our business of laws and regulations from jurisdictions whose laws do not currently apply to our business, or the application to our business of existing laws and regulations that are traditionally not applicable to digital forms of services, may heighten requirements on medical big data services and other digital healthcare offerings, which could, in turn, increase our cost of doing business, disrupt our operations and impede the development or growth of the digital healthcare industry generally.

In addition, changes in laws, government regulations or in practices relating to the pharmaceutical, biotechnology and medical devices industries, such as a relaxation in regulatory requirements, or the introduction of simplified new drug approval procedures which will lower the entry barrier for potential competitors, or an increase in regulatory requirements which may increase the difficulty for us to satisfy such requirements or may make our services less competitive, could eliminate or substantially reduce the demand for our services. By engaging CROs in China, foreign pharmaceutical or biotechnology companies will be able to reduce the time and cost required to introduce new drugs to the China market. If China ever streamlines, expedites or simplifies such regulatory procedures, foreign pharmaceutical or biotechnology companies' demand for CROs' services may decrease, which would have a material adverse effect on our business. For example, on September 28, 2018, the NMPA issued the newly revised List of Medical Devices Exempted from Clinical Trials (《免於進行臨床試驗醫療器械目錄》), under which 855 medical devices are exempted from clinical trials. As a result of this exemption, the demand for CROs' clinical trials services for medical devices may reduce. Furthermore, additional exemptions may be introduced in the future, which could further reduce the demand for such CRO services. As a result, demand for our services and solutions could decrease, which in turn will have a material and adverse impact on our business, financial condition, results of operations and prospects.

We cannot assure you that subsequent laws and regulations or interpretations of existing ones would not render our operations noncompliant or that we would always be in full compliance with applicable laws and regulations. In the event that we must remedy any violations, we may be required to modify our business models as well as solution and service offerings in a manner that undermines our solutions' and services' attractiveness. We may also become subject to fines or other penalties and, if we determine that the requirements to operate in compliance are overly burdensome, we may elect to terminate the noncompliant operations. In each case, our business, financial condition and results of operations may be materially and adversely affected.

Despite the fact that we have internal control measures in place in measuring certain operating metrics, such as the number of registered users and the number of registered physician users, there are inherent challenges in measuring the size of our network and other metrics.

There are inherent challenges in measuring the size of our network and other metrics. For example, we face challenges in accurately calculating the number of practicing physicians or other professionals in our network at a given time. To accurately track the number of registered users and registered physician users and to avoid duplicated registrations, we require each registered account to be associated with a phone number, which can only be linked with one registered account. However, we cannot rule out the possibility that certain physicians may register multiple accounts with multiple phone numbers, which may distort our calculation of the number of practicing physicians or other professionals in our network. For instance, if a number of users on our *MedSci* platform registered multiple accounts with multiple phone numbers, certain operating metrics such as the number of registered users, the number of registered physician user and the revenue per registered physician on our *MedSci* platform may be distorted. In order to ensure the accuracy of such operating metrics, we have implemented several internal control measures such as encouraging registered users to provide information regarding their qualification and certification such that we can verify such information through the government database maintained by the NHC. However, we cannot guarantee that such measures are effective to guard us against the risks of distorting such operating metrics. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which would affect our long-term strategies. If our operating metrics or our estimates are not accurate representations of our business, or if [REDACTED] do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, and our operating and financial results could be adversely affected.

We may be held liable for information displayed on, retrieved from or linked to our *MedSci* platform or created by us or third parties, which may adversely affect our business and results of operations.

Under our medical knowledge services, we post and allow our users to post articles and other information on our platform to promote healthcare, disease and recovery care knowledge and instigate users' interests in our offerings. China has enacted laws and regulations governing Internet access and the distribution of products, services, news, advertisements, information, audio-video programs and other information through the Internet. Under PRC law, we are required to monitor contents, including contents posted or distributed by our users or available on our platform, for items deemed to be factually incorrect or defamatory, and promptly take appropriate actions with respect to such items. Sometimes, it is not apparent as to whether a piece of information is factually incorrect or involved other types of illegality, and it may be difficult to determine the type of content that may expose us to liabilities. During the Track Record Period, a few third parties filed litigations against us, claiming that medical academic contents on our *MedSci* platform infringed their intellectual property rights. Our Directors confirmed that, as of the Latest Practicable Date, all of such litigations were settled and none of such litigations, individually or in aggregate, had a material impact on our business operations and financial performance. See "Business — Legal Proceedings and Compliance" for further details on our internal control procedures. Even though we implement measures to review medical knowledge information and sponsored information in light of the relevant laws and regulations as well as our internal guidelines before they are published on our platform, such measures may not be effective and may still face potential legal liabilities in relation to the academic medical contents on our *MedSci* platform, regardless of whether such contents are developed in collaboration with or sponsored by pharmaceutical and medical device companies, authorized reproductions obtained from third parties or prepared by our own medical content production team. For instance, physician users on our platform may exchange practice tips and medical study findings as well as prominent case studies on our websites or mobile applications, etc. If such information posted by our physician users involves personal information of patients, such as, among others, contact information and medical records, obtained without such patients' prior consent or through illegal sources, we might be held liable for displaying such information on our *MedSci* platform. For the information posted by users, we have implemented the terms with users for our platform through which users agree to take all responsibilities and legal consequences for the information they post on the platform; however, we cannot assure that all users will read through and strictly follow these terms and policies. Furthermore, for information we sourced from third-party copyright owners, we also entered into agreements with such copyright owners requiring them to take all responsibilities and legal consequences for the information provided to us. We also include warnings to users that the information provided on our *MedSci* platform may not be accurate. Our burden to administer the content may be exacerbated as we gradually introduce more features and functions to our platform. If we are found to be liable, we may be subject to fines, have our relevant business operation licenses revoked, or be prevented from operating our websites or mobile interfaces in the PRC.

In addition, the Internet information providers and Internet publishers are prohibited from posting or displaying over the Internet any information that, among other things, violates PRC laws and regulations, impairs the national dignity of China or the public interest, or is obscene, superstitious, frightening, gruesome, offensive, fraudulent or defamatory. In November 2016, China promulgated the Cybersecurity Law, which came into effect on June 1, 2017, to protect cyberspace security and order. The Cybersecurity Law tightens control of cybersecurity and sets forth various security protection obligations for network operators. If any of our Internet information were deemed by the PRC government to violate any restrictions, we would not be able to continue to display such information and could become subject to penalties, including confiscation of income, fines, suspension of business and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations. We may also be subject to potential liability for any unlawful actions by users of the websites we operate or for information we distribute that is deemed inappropriate. It may be difficult to determine the type of information that may result in liability to us, and if we are found to be liable, we may be prevented from operating our website, mobile applications and social media accounts in China.

Furthermore, our reputation may be harmed and we may be subject to claims brought against us as a result of the information we provide. Healthcare professionals and patients access information, including information regarding particular medical conditions and the use of particular medications, through contents published on our *MedSci* platform. If such information contains inaccuracies or any use or misuse of such information by healthcare professionals or patients results in any personal injury or death, we may be subject to claims brought against us by users for any damages caused by such inaccuracies or such use or misuse of the information on our platform. We could be required to spend significant amounts of time and money to defend ourselves against any such claims. We have editorial procedures in place to provide quality control of the information that we publish or provide. However, we cannot assure you that our editorial and other quality control procedures will be sufficient to ensure that there are no errors or omissions in particular information. In addition, our business is based on establishing the reputation of our services as trustworthy and reliable sources of medical knowledge information. Allegations of impropriety or inaccuracy, even if unfounded, could therefore harm our reputation and business.

We may not be able to conduct our marketing activities effectively, properly or at reasonable costs, which may have a negative impact on our business operations.

We invest resources from time to time in a variety of marketing and brand promotion efforts designed to enhance our brand recognition and increase sales of our products and services. However, our brand promotion and marketing activities may not be well received and may not result in the levels of sales that we anticipate. Meanwhile, marketing approaches and tools in the PRC Internet healthcare market are continually evolving, which may further require us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and user preferences. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner could reduce our market share and materially and

adversely affect our financial condition, results of operations and profitability. In addition, we are subject to certain limitations in promoting services and products. The external physicians and other relevant parties with whom we collaborate in the provision of our various service offerings have to comply with rules and regulations that restrict the promotion or dissemination of information about the professional healthcare services and practice provided by licensed physicians, and the publication or marketing efforts for the predominant purpose of promoting the products or services of physicians to consumers. Such restrictions may affect our ability to further enhance our brand recognition or secure new business opportunities in the future.

As an internet platform service provider in the PRC, we are subject to a variety of laws and regulations concerning the various advertisements posted on our website and platform. Under PRC laws and regulations, all advertisements published online containing drug names, applicable symptoms treated by such drugs (major functions) or other drug-related contents, and advertisements published online containing medical device names and the applicable scope, performance, structure and composition, function and other contents relevant to medical device are subject to examination by relevant governmental authorities. We are prohibited from publishing advertisements of prescription drugs on our website and must ensure that any advertisement of any medical treatment, drugs or medical devices does not include any assertion or guarantee as to the function and safety or any statement of curative rate and effectiveness of such medical treatment, drugs or medical devices. Any violation of advertisement-related laws and regulations may subject us to fines, or even suspension of our business or revocation of our business licenses. In addition, although we are not an advertiser, we may be considered as an advertisement publisher and may have corresponding responsibility to maintain an accepting registration, examination and file management system concerning advertising business and verify advertisement related supporting and approval documents from advertisers. Failure to abide by such obligations may result in correction orders from local governments or a fine of not more than RMB50,000. See "Regulatory Overview — Regulations Relating to Internet Advertising" for further details. Although we have implemented internal procedures to examine the content of advertisements displayed on our website, we cannot assure you that all such content meets the requirements under PRC advertising-related laws and regulations at all times. If any of the advertisements posted by us or exhibited as requested by pharmaceutical and medical device companies is considered to be untruthful, we may be penalized and required to cease publishing the advertisements. In addition, any false advertising may cast doubt on our other disclosures, advertisements, filings and publications, deteriorate our brand names and reputation and consequently materially and adversely affect our business, financial condition and results of operations.

If we fail to retain existing customers or add new customers, our revenue, operating results, financial condition, and business may be significantly harmed.

The size of our customer base and our customers' level of engagement are critical to our success. Our financial performance has been and will continue to be significantly determined by our success in adding, retaining, and engaging customers. Our ability to do so depends in large part on the success of our sales and marketing efforts. Most pharmaceutical and medical device companies engage us on particular marketing campaigns, either directly or through marketing agencies that act on their behalf. We do not typically enter into long-term contracts with pharmaceutical and medical device companies, which represent a significant portion of our revenue. When we do enter into long-term relationships with customers, they can generally terminate their relationship with us. Even if we are successful in attracting new customers and their agencies, it may take several months or years for them to meaningfully increase the amount that they spend with us. Further, larger pharmaceutical and medical device customers with multiple brands typically have brand-level marketing budgets and marketing decision-makers, and we may not be able to leverage our success into expanded business with other brands within the customer's portfolio. Moreover, customers may place internal limits on the allocation of their marketing budgets to digital marketing to particular campaigns or marketing vendors or for other reasons. We may not accurately predict future trends with respect to rates of customer renewals, upgrades, and expansions.

Customers of our precision omni-channel marketing solutions may not continue to do business with us if their marketing contents did not reach their intended audiences. Therefore, we must continue to demonstrate to our customers that using our precision omni-channel marketing solutions is the most effective and cost-efficient way to maximize their results.

Our customer base may decline or fluctuate due to a number of factors, including the prices of our solutions, the prices of products and services offered by our competitors, reduced hiring by our customers or reductions in their talent or marketing spending levels due to macroeconomic or other factors, and the effectiveness and cost-effectiveness of our solutions. Internet search engines could also change their methodologies in ways that adversely affect our ability to optimize our page rankings within their search results. If this occurs, our ability to successfully market our services may be harmed. If we are unable to retain and increase sales of our solutions to existing customers and their agencies or attract new ones for any of the reasons above or for other reasons, our business, financial condition, and results of operations could be adversely affected.

If pharmaceutical and medical device companies and physicians do not perceive our platform to be useful, reliable, and trustworthy, we may not be able to attract or retain customers or otherwise maintain or increase the frequency and duration of their engagement. A decrease in customer retention, growth, or engagement could render us less attractive to our pharmaceutical manufacturer and health system customers, which may have a material and adverse impact on our revenue, business, financial condition, and results of operations. Any number of factors could potentially negatively affect member retention, growth, and engagement, including if:

- we fail to introduce new and improved tools, services or solutions or if we introduce new tools, services or solutions for our customers that are not favorably received;
- there are changes in customer sentiment about the quality or usefulness of our tools or concerns related to privacy and sharing, safety, security, or other factors;
- we are unable to manage and prioritize information to ensure customers are presented with contents that are interesting, useful, and relevant to them;
- there are adverse changes in our tools and services that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems prevent us from delivering our tools and services in a rapid and reliable manner or otherwise affect the member experience;
- the overall demand for our solutions decreases as a result of, among other things, industry updates, regulatory changes or economic downturns;
- we adopt policies or procedures related to areas such as sharing our customer data that are perceived negatively by our customer or the general public; and
- new offerings from our competitors are introduced to the market.

If we are unable to maintain and increase our customer base and engagement, our revenue, operating results, financial condition, business, and future growth potential may be adversely affected.

We help recruit patients by posting notifications on our website free of charge and may become subject to claims, lawsuits and liabilities arising thereunder if any of these patients incurs personal injury or other harms from drugs or devices tested on them, which could adversely affect our business and results of operations.

Historically, we provided standalone patient recruitment assistance to pharmaceutical and medical device companies. As of the Latest Practicable Date, we ceased posting notifications on our website for standalone patient recruitment assistance. Since April 2018, we have ceased to provide standalone patient recruitment assistance to pharmaceutical and medical device companies because we found it commercially burdensome to attract enough patients for pharmaceutical and medical device companies, and we have no plan to continue to provide standalone patient recruitment assistance as of the Latest Practicable Date. Although we are not a recruiter, our involvement in the recruiting process, which involves inherent risks of inflicting harm to the health of participating patients, could expose us to potential claims, lawsuits and liabilities. Under the applicable PRC laws and regulations, the sponsors of the clinical trials, such as pharmaceutical and medical device companies, physicians and the CROs are responsible for the personal injury or other harms from the drugs or devices tested on patients in connection with the clinical trials. However, if any of the patients recruited by us incurs personal injury or other harm from the drugs or devices involved in the tests they participated in, we, by facilitating the recruiting process, may be subject to legal proceedings claiming for damages, penalties or else due to our involvement. Although unfounded under the applicable PRC laws and regulations, any of these claims and actions could be time-consuming and costly to defend and distractive to our management, and could hurt our reputation, harm our business operations and financial position. According to the Good Practice for Clinical Trials of Drugs (《藥物臨床試驗質量管理規範》), the sponsors (申辦者) of the clinical trials, such as pharmaceutical and medical device companies, could be liable for potential personal injury or other harm from the drugs or devices tested on patients in connection with the clinical trials. We are not the sponsors of the clinical trials, and we do not provide research services to or have any contractual relationship with patients. In addition, the Informed Consent Form (ICF) signed by patients in the relevant clinical trials usually stipulates that patients with investigation-related injuries should be compensated by the sponsors of the clinical trial.

During the Track Record Period and up to the Latest Practicable Date, there was no material dispute or litigation arising from the provision of standalone patient recruitment assistance. As of the Latest Practicable Date, we had not been subject to any fines, penalties or enforcement actions in relation to the standalone patient recruitment assistance. Our PRC Legal Adviser conducted public searches on official websites of relevant government bureaus on the Latest Practicable Date and there was no dispute related to patient recruitment assistance with the sponsors or patients. Based on the above, our PRC Legal Adviser is not aware that we are not in compliance with the relevant rules and regulations of patient recruitment. Therefore, we are of the view that all of the patient recruitment measures are in compliance with the relevant rules and regulations.

Our business processes a large amount of data. Complying with evolving laws and regulations regarding including, among others, cybersecurity, information security, privacy and data protection may be expensive and force us to make adverse changes to our business. Many of these laws and regulations are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws and regulations could result in negative publicity, legal proceedings, suspension or disruption of operations, increased cost of operations, or otherwise harm our business.

We store and process clinical data from physician customers in our data system pursuant to the agreements with such customers, and these data are processed and analyzed by our physician customers pursuant to their specific demand with prior consents from patients. We are not involved in disease diagnosis, treatment, clinical trials, research or any other clinical practice, and are not responsible for collecting clinical data or the accuracy thereof. As such, we do not believe we should be liable for any potential claims of personal injury or other harm caused by our physician customers or pharmaceutical and medical device customers in connection with their research. Our PRC Legal Adviser is of the view that the likelihood that we are liable for any potential claim of personal injury or other harm caused by our customers in connection with their clinical practice as well as the risk of being penalized for providing our solutions is remote.

However, we face risks inherent in handling and protecting a large amount of data that our business generates and processes from user activities on our platform, and such data might include sensitive personal information. In particular, we face a number of challenges relating to data from user activities on our platform, including:

- protecting the data in and hosted on our system, including against attacks on our system by external parties or misbehavior by our employees;
- addressing concerns related to privacy, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, storage, use, transfer, disclosure and security of personal information, including any requests from regulatory and government authorities relating to such data.

In particular, if we fail to secure our users' identity and protect their personally identifiable data, otherwise as consented by the users to publish such data on our platform, such as their addresses and contact information, such data may be misused and our users may be vulnerable to harassments, and their assets may also be put at risk due to data leakages. As a result, we may be held liable for these incidents, and our users may feel insecure and cease to use our services. In addition, any system or technological failure or compromise of our technology system that results in loss of, unauthorized access to or release of any data collected or stored in connection with providing our solutions, such as personal data of our users or proprietary information of our business operations, could significantly harm our reputation and/or result in litigation, regulatory investigations and penalties against us.

According to the PRC National Security Law (中華人民共和國國家安全法), the state shall establish institutions and mechanisms for national security review and regulation, and conduct national security reviews on key technologies and IT products and services that affect or may affect the national security. The PRC Cybersecurity Law, which became effective in June 2017, created China's national-level data protection framework for "**network operators,**" which may potentially include all organizations in China that provide services over the internet or through other types of information networks. Numerous regulations, guidelines and other measures have been and are expected to be adopted under the PRC Cybersecurity Law. Any actual or perceived noncompliance with the relevant cybersecurity laws and regulations, may result in administrative penalties, including fines, a shut-down of our business, suspension of our solutions and services and revocation of requisite licenses, as well as reputational damage or legal proceedings or actions against us, which may have material adverse effects on our business, financial condition or results of operations. In particular, with regard to network systems security, Article 21 of the Cybersecurity Law stipulates that network operators shall fulfill the cybersecurity protection obligations under the graded protection system of cybersecurity, and according to the Article 59 of the Cybersecurity Law, if a network operator fails to perform such protection obligations, the relevant competent authority shall order it to rectify and give it a warning; if a network operator refuses to rectify or causes consequences such as endangering cybersecurity, a fine of not less than RMB10,000 but not more than RMB100,000 shall be imposed, and the directly responsible person in charge shall be fined not less than RMB5,000 but not more than RMB50,000.

Further more, according to Article 20 of the Regulations of the PRC on Protecting the Safety of Computer Information Systems (《中華人民共和國計算機信息系統安全保護條例》) (the "**CIS Regulations**"), one who violates the rules of graded protection of computer information system shall be given a warning or shut down the system for rectification.

On June 10, 2021, the Standing Committee of the National People's Congress of China promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which became effective in September 2021. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, provides for a national security review procedure for those data activities which may affect national security and imposes export restrictions on certain data and information.

Furthermore, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with Law, which were available to the public on July 6, 2021 and further emphasized to strengthen the cross-border regulatory collaboration, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to revise the regulations on strengthening the

confidentiality and file management relating to the offering and listing of securities overseas, to implement the responsibility on information security of overseas listed companies, and to strengthen the standardized management of cross-border information provision mechanisms and procedures. However, these opinions were newly issued, and there were no further explanations with respect to such opinions, and there are still uncertainties regarding the interpretation and implementation of these opinions.

On August 20, 2021, the Standing Committee of the National People's Congress of China promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), or the PIPL, which came into effect on November 1, 2021. In addition to other rules and principles of personal information processing, the PIPL specifically provides rules for processing sensitive personal information. Sensitive personal information refers to personal information that, once leaked or illegally used, could easily lead to the infringement of human dignity or harm to the personal or property safety of an individual, including biometric recognition, religious belief, specific identity, medical and health, financial account, personal whereabouts and other information of an individual, as well as any personal information of a minor under the age of 14. Only where there is a specific purpose and sufficient necessity, and under circumstances where strict protection measures are taken, may personal information processors process personal information. A personal information processor shall inform the individual of the necessity of processing such sensitive personal information and the impact thereof on the individual's rights and interests. We may store and process sensitive personal information of patients on behalf of our customers, such as names, phone numbers and medical records, that our customers collect when they use our solutions and services for conducting clinical trials. We may also collect and store personal information of our users, such as ID numbers, contact information and bank accounts. According to the PIPL, in the event that personal information is processed in violation of the PIPL or without performing the obligation of protecting personal information as stipulated in the PIPL, (i) the relevant authorities shall order the party concerned to make corrections, give a warning, confiscate its illegal gains, and suspend or terminate the services of the related application that illegally processes personal information; if the party concerned refuses to make corrections, a fine of not more than RMB1 million shall be imposed on it concurrently, and (ii) if the illegal activity specified above is of a grave nature, the authorities at or above the provincial level shall order the party concerned to make corrections, confiscate its illegal gains, and impose a fine of not more than RMB50 million or not more than 5% of its turnover of the previous year on it, and may also order it to suspend relevant business or suspend business for rectification, and/or revoke the relevant business permits. As uncertainties remain regarding the interpretation and implementation of the PIPL, we cannot assure you that we will comply with the PIPL in all respects and regulatory authorities may order us to rectify or terminate our current practice of collecting and processing sensitive personal information. We may also become subject to fines and/or other penalties which may have a material adverse effect on our business, operations and financial condition.

On November 14, 2021, the CAC commenced to publicly solicit comments on 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)("**Draft Data Security Regulations**"). The Draft Data Security Regulations differentiates "listing in Hong Kong" from "listing in a foreign country," the

latter of which was mentioned in the Measures for Cyber Security Review (2021) (《網絡安全審查辦法》(2021)), or the Cybersecurity Review Measures (2021). According to the Draft Data Security Regulations, data processors shall, in accordance with relevant state provisions, apply for cybersecurity review when carrying out the following activities: (i) the merger, reorganization or separation of internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests, which affect or may affect national security; (ii) data processors that handle personal information of more than one million people contemplating to list its securities on a foreign stock exchange; (iii) data processors contemplating to list its securities on a stock exchange in Hong Kong, which affects or may affect national security; and (iv) other data processing activities that affect or may affect national security. According to the PRC National Security Law (中華人民共和國國家安全法), national security refers to a status in which the regime, sovereignty, unity, territorial integrity, welfare of the people, sustainable economic and social development, and other vital interests of the state are relatively not in danger and not threatened internally or externally and the ability to maintain a sustained security status. However, the criteria for determining "affect(s) or may affect national security" as stipulated in the Draft Data Security Regulations, remain uncertain, and are still subject to further clarification by the CAC.

Due to the uncertainty on the interpretation and application of the Draft Data Security Regulations, there can be no assurance that our [REDACTED] on the Stock Exchange will not be deemed as "affect(s) or may affect national security" should the Draft Data Security Regulations be implemented in the current form. If we were deemed to "affect(s) or may affect national security" during the process of applying for the [REDACTED] on the Stock Exchange, and failed to apply for or pass the cybersecurity review in accordance with the relevant laws and regulations, we will be required to take rectification measures, and at the same time we may be subject to disciplinary warnings, and/or imposed an administrative penalty of an amount ranging from RMB50,000 to RMB500,000 for a single violation incident. Furthermore, if such violation results in a material impact, we may be subject to more severe penalties, such as revocation of relevant practicing licenses and permits. In addition, if for any reason we fail to meet relevant requirements of the Draft Data Security Regulations when it becomes effective, we may be subject to harsh penalties, warnings, business suspension or revocation of our practicing licenses and permits, which could have a material adverse impact on our business, results of operations and financial condition.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Cybersecurity Review Measures (2021), which became effective on February 15, 2022. The Cybersecurity Review Measures (2021), upon effect, has replaced its previous version promulgated on April 13, 2020. According to the Cybersecurity Review Measures (2021), (i) when the purchase of network products and services by a crucial information infrastructure operator affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Cybersecurity Review Measures (2021). The aforesaid operators shall file for a cybersecurity review with Cybersecurity Review Office under the CAC if their behavior affects or may affect national security; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities on a foreign stock exchange; and (iii) the

relevant PRC governmental authorities may initiate cybersecurity review if such governmental authorities believe that the network products or services, or data processing activities affect or may affect national security.

On October 29, 2021, the CAC has publicly solicited the Measures for Security Assessment for Cross-border Data Transfer (Draft for Comments) (《數據出境安全評估辦法(徵求意見稿)》). On July 7, 2022, the CAC officially promulgated the Measures for Security Assessment for Cross-border Data Transfer (《數據出境安全評估辦法》), or the Security Assessment Measures, which came into effect on September 1, 2022. The Security Assessment Measures shall apply to the security assessment of the provision to overseas parties of important data and personal information collected and produced during operations within the mainland of the PRC by data processors. Such measures provide four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where a data processor provides important data overseas; (ii) where a crucial information infrastructure operator and a data processor processing the personal information of more than one million individuals provide personal information overseas; (iii) where a data processor provides personal information of 100,000 individuals or sensitive data of 10,000 individuals cumulatively overseas since January 1 of the previous year; or (iv) other circumstances in which the application for security assessment of cross-border transfer of data is required as stipulated by the CAC.

See "Regulatory Overview — Regulations Relating to Cyber Security", "Regulatory Overview — Regulations Relating to Personal Information Protection" and "Regulatory Overview — Regulations Relating to Data Security" for more details on laws and regulations relating to data.

We have not been recognized by the competent authorities as a crucial information infrastructure operator and we have not been involved in review or investigation by the CAC or other authorities with respect to the Cybersecurity Review Measures (2021). Furthermore, via a name-based consultation with China Cybersecurity Review Technology and Certification Center, which is delegated by the CAC for public inquiry relating to the cybersecurity review under the Cybersecurity Review Measures (2021), by our PRC Legal Adviser on June 1, 2022, we are informed that Hong Kong is part of PRC and [REDACTED] in Hong Kong may not be recognized as [REDACTED] in a foreign country, and we do not have to apply for cybersecurity review accordingly for our [REDACTED] in Hong Kong. As of the Latest Practicable Date, we have not received any objection from relevant authorities and currently have not been subject to cybersecurity review. As such, we are of the view that the Cybersecurity Review Measures (2021) currently do not apply to our proposed [REDACTED] in Hong Kong. As for the cybersecurity review initiated by the Office of Cybersecurity Review stipulated in the Article 16 of the Cybersecurity Review Measures (2021) for any data processing activities that "affect or may affect the national security", it is still uncertain about the meaning of "affect or may affect the national security" and there are still risks that we are subject to the cybersecurity review in the future.

With the support of our PRC Legal Adviser, we are of the view that we comply with the Cybersecurity Review Measures (2021) in all material aspects and the Cybersecurity Review Measures (2021) would not have a material adverse impact on our business operations or our [REDACTED] primarily due to the factors mentioned above. Considering that (a) we have not been involved in any cybersecurity review or investigation by the CAC or other authorities with respect to the Cybersecurity Review Measures (2021); (b) we have not been informed that we are recognized as a crucial information infrastructure operator by any relevant authority; (c) the data processed by us has not been included in the effective core data and important data catalogs by any authority; and (d) we have taken reasonable and adequate technical and management measures to ensure data security, we are of the view that the likelihood that our operation or [REDACTED] might give rise to national security risks is remote.

If we are recognized as a crucial information infrastructure operator or if our business operation or the [REDACTED] is regarded as data processing activities that "affect or may affect national security" and shall be subject to cybersecurity review by the relevant authority in the future, we will be required to follow cybersecurity review procedure. During cybersecurity review, we may be required to suspend the provision of any existing or new services to our users, and we may experience other disruptions to our operations, which could cause us to lose users and customers, leading to an adverse impact on our business operations. The cybersecurity review could also lead to negative publicity and a diversion of time and attention of our management and our other resources. It could be costly and time-consuming for us to prepare application materials and make the applications. Furthermore, there can be no assurance that we will obtain the clearance or approval for these applications from the Cybersecurity Review Office and the relevant regulatory authorities in a timely manner, or at all. If we are found to be in violation of cybersecurity requirements in China, the relevant governmental authorities may, at their discretion, conduct investigations, levy fines or require us to change our business practices in a manner materially adverse to our business. Moreover, Article 16 of the Cybersecurity Review Measures (2021) provides that the competent PRC government authority may initiate a cybersecurity review where any member of the cybersecurity review working mechanism believes that any network product, service or data processing activity affects or may affect national security. However, the types of network product, service or data processing activities that shall be regarded as "affect or may affect national security" is uncertain, and there is still risk that we may be subject to the cybersecurity review in the future. As a result, we may be required to upgrade or change our service offerings and other aspects of our business to comply with such laws and regulations. Any of these actions may disrupt our operations and adversely affect our business, results of operations and financial condition.

These and other similar legal and regulatory developments could lead to legal and economic uncertainty, affect how we design, market and sell our solutions and services, how we operate our business, and how we process and use data, which could negatively impact demand for our solutions and services. We may incur substantial costs to comply with such laws and regulations, to meet our customers' demands relating to their own compliance with applicable laws and regulations, and to establish and maintain internal compliance policies.

Moreover, different regulatory bodies in China, including among others, the MIIT, the CAC and the Ministry of Public Security have enforced laws and regulations regarding cybersecurity, information security, privacy and data protection with various standards and applications. We have established rigorous and comprehensive policies and other documentation for collecting, holding and processing data and personal information respectively and taken necessary measures to comply with all applicable laws and regulations regarding cybersecurity, information security, privacy and data protection. However, we cannot guarantee the effectiveness of these policies and measures undertaken by us, our employees, vendors or other business partners. We may from time to time be required to rectify or further improve our measures regarding cybersecurity, information security, privacy and data protection. Any failure or perceived failure by us to comply with all applicable laws and regulations regarding cybersecurity, information security, privacy and data protection, or any failure or perceived failure of our business partners to do so, or any failure or perceived failure of our employees to comply with our internal control measures, may result in negative publicity and legal proceedings or regulatory actions against us, and could result in fines, revocation of licenses, suspension of relevant operations or other legal or administrative penalties, which may in turn damage our reputation, discourage our current and potential customers and subject us to fines and damages, which could have a material adverse effect on our business and results of operations. In addition, it is possible that we may become subject to additional or new laws and regulations regarding cybersecurity, information security, privacy and data protection in other jurisdictions if we extend our business outside of the PRC in the future, which may result in additional expenses to us and subject us to potential liability and negative publicity. We expect that these areas will receive greater attention and focus from regulators, and be exposed to continued or greater public scrutiny and attention going forward, which could increase our compliance costs and subject us to heightened risks and challenges regarding cybersecurity, information security, privacy and data protection. If we are unable to manage these risks, we could become subject to penalties, fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

Our ability to access, process and analyze data from various sources could be restricted, which may in turn adversely impact our ability to deliver our services and solutions.

The optimal performance of our data analytics algorithms and our solutions built thereupon depends on the breadth and depth of the data set that we process. We obtain the right to generate insights from the de-identified data set through our solution and service offerings to participants in the healthcare industry and we enrich our knowledge graphs and develop and refine the functions and features of our services and solutions by serving physicians and our customers. Our ability to access and use these types of data is limited by a number of factors including: (i) existing laws, regulations, policies and industry standards on privacy and data protection regimes and on access to, processing and analysis of healthcare data by third parties and new developments therein; (ii) our ability to secure appropriate consent to use the data underlying our services and solutions in a timely manner; and (iii) interruptions, failures or defects in our data aggregation, mining, analysis and storage systems.

Any of the above-described limitations on our ability to successfully access, aggregate and analyze data could materially impair the performance of our algorithms, which could make our solutions and services less attractive to customers and result in damages to our reputation and a decline in our market share.

We face risks related to natural disasters, health epidemics and other outbreaks, such as the outbreak of COVID-19, which could significantly disrupt our operations.

Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, such as COVID-19, swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, adverse weather conditions or natural disasters, such as snowstorms, earthquakes, fires or floods, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our business and operations. These events could also significantly impact the industries we operate in and cause a temporary closure of the facilities we use for our operations, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

In recent years, there have been breakouts of epidemics in China and globally. The outbreak of a novel strain of coronavirus, or COVID-19, has affected China and many parts of the world. In order to contain the spread of the coronavirus, the Chinese government took a number of actions, which included, among other measures, extending the Chinese New Year holiday, quarantining individuals in China who had COVID-19, asking citizens to remain at home and avoiding gathering in public. COVID-19 has also resulted in temporary closures of many corporate offices, manufacturing facilities and factories across China. Our business operations were negatively affected by COVID-19. The number of offline marketing activities and business trips significantly decreased due to COVID-19-related travel restrictions. Moreover, we encountered practical difficulties in conducting RWS solutions, primarily because lockdown measures prevent physicians from conducting clinical studies, inhibiting our ability to gather real-world evidence. Furthermore, the average project term for our precision omni-channel marketing solutions also increased due to COVID-19-related restrictive measures, driving up overall operation costs. And the number of physicians who engaged us for clinical study assistance services was affected by COVID-19 as physicians are busy fulfilling their duties during the pandemic. The outbreak in Shanghai in the first half of 2022 has a negative impact on our business operations and financial performance. For instance, the demand for physician platform solutions decreased as a result of temporary closure of hospitals and a substantial increase in COVID-19-related duties among physicians, particularly physicians in Shanghai. Furthermore, the COVID-19 recurrence in Shanghai also negatively affected our ability to conduct RWS solutions and precision omni-channel marketing solutions as physicians were occupied with their COVID-19-related duties and potential patients were under temporary quarantine. In addition, temporary measures implemented in Shanghai due to COVID-19 also prevented us from timely issuing invoices to our customers, resulting in a temporary increase in contract assets. As China relaxes its "zero-COVID" policy, there has been a significant surge of COVID-19 cases in China. The rising number of confirmed

COVID-19 cases across China may further have a negative impact on our business operations and financial position. To combat COVID-19, we adjusted our operations and instructed some of our employees to work from home during the COVID-19 outbreak. The global spread of the COVID-19 pandemic in a significant number of countries around the world has resulted in, and may intensify, global economic distress, and the duration and extent of the impact of the COVID-19 outbreak cannot be reasonably estimated at this time. The extent to which it may affect our results of operations, financial condition and cash flow will depend on the future developments of the outbreak, which are highly uncertain and cannot be predicted. Such uncertainty poses operational challenges to our service offerings. Our operations could be disrupted if any of our employees or employees of our business partners were suspected of contracting an epidemic disease, since this could require us or our business partners to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be materially reduced to the extent that a health epidemic, adverse weather conditions or natural disaster or other outbreak harms the global or Chinese economy in general.

Our historical financial and operating performance may not be indicative of our future prospects and results of operations due to limited operating history of some of our business lines, evolving business model and changing market.

We have experienced rapid revenue growth and business expansion during the Track Record Period. Our revenue increased by 37.9% from RMB215.9 million in 2020 to RMB297.7 million in 2021 and further increased by 17.2% from RMB297.7 million in 2021 to RMB349.0 million in 2022. However, our revenue growth in recent periods may not be indicative of our future performance. We have limited experience in certain key aspects of our business operations as well as developing and maintaining long-term relationships with a wide range of platform participants. It is difficult to predict our future revenues and appropriately budget for our costs and expenses, and the evaluation of our business and prediction about our future performance may not be as accurate as they would be if we had a longer operating history with respect to these key aspects. As our business develops or in response to competition, we may continue to introduce new solutions and services, make adjustments to our existing solutions and services, our business model or our operations in general. Furthermore, the healthcare market in China is undergoing constant change. The laws and regulations governing the healthcare market in China may also be subject to further changes and interpretation. As the market, the regulatory environment or other conditions evolve, our existing solutions and services may not continue to deliver the expected business results.

We believe the growth of our revenue depends on a number of factors, including our ability to:

- continue to attract and retain more users, especially physician users and pharmaceutical and medical device companies;
- effectively monetize our solutions and promote subscribing users conversion;
- innovate and adapt our services and solutions to meet evolving needs of current and potential customers;

- create and productize new solutions;
- continuously improve on the algorithms underlying our solutions;
- the reliability, security and functionality of our platform and solutions;
- adopt new technologies or adapt our information infrastructure to changing customer requirements or emerging industry standards;
- adapt to a changing regulatory landscape governing privacy matters;
- attract and retain talents; and
- increase brand awareness among existing and potential customers through various marketing and promotional activities.

We cannot assure you that we will be able to accomplish any of these objectives. Our failure to accomplish any of these objectives may adversely affect our results of operations, financial condition and growth prospects.

The proprietary technologies that comprise our technology infrastructure may include design or performance defects and may not achieve their intended results, any of which could lead to legal liabilities against us and adversely affect our business, results of operations and financial performance.

We rely on our proprietary AI and big data capabilities that comprise our platform to deliver all of our solutions. Our proprietary technologies are relatively new, and they may contain design or performance defects that are not detectable even after extensive internal testing and may become apparent only after widespread commercial use. In addition, the data rules and models for quality control may not be comprehensive, and various anomalies in data such as incompleteness and inaccuracy may decrease the quality of the results delivered by our solutions. Any defect in those technologies as well as their subsequent alterations and improvements could hinder the effectiveness of our platform and the reliability of our solutions and discourage existing or potential customers from utilizing our solutions, which would have a material and adverse effect on our reputation, competitiveness and future prospects. In addition, correction of defects or errors could prove to be impossible or impracticable and the costs incurred in correcting any defects or errors may be substantial and could have a material adverse effect on our business, financial condition and results of operations. We currently only provide solutions and services in China. But if we provide solutions and services in other jurisdictions, we may also be subject to product liability laws of other jurisdictions where we provide solutions and services. If the technologies underlying our solutions are found to have design or performance defects, we may be liable for product liability claims in China or such other jurisdictions.

We cannot guarantee that our monetization model for our new business initiatives and other products and services will be successfully implemented or generate sustainable revenue or profit.

We continue to execute a number of growth initiatives, strategies and operating plans designed to diversify our business and explore monetization opportunities leveraging our data insights and large user network. For example, we plan to further expand our platform reach by expanding the width and depth of contents on *MedSci* platform and the application of AI algorithms and virtual reality. Moreover, we are in the process of launching a number of other products and services, such as, digital therapy programs for the clinical treatment of insomnia, VR diagnosis products for physicians, prognosis modeling services on rare diseases and chronic disease management services. These business initiatives, as well as our other products and services, are new and evolving, some of which are still at the inception or early stages and may prove unsuccessful. In addition, we may not have sufficient experience in executing these new business initiatives and other products and services effectively. Further, we may incur increasing research and development spending, sales and marketing expenditures, personnel expenses and compliance costs as more efforts on product development, brand and service promotion, general administration and legal compliance are required for our newly launched businesses, and no guarantee on the effectiveness of our efforts can be given. The regulatory landscape of our new business initiatives and other products and services are also evolving. Tightened regulatory changes, as well as potentially licensing, approval and permits requirements, may prohibit us from successfully launching our new business initiatives and other products and services. See "— If we fail to obtain and maintain the requisite licenses, permits and approvals applicable to our business as a result of the complexity and uncertainties of laws and regulations, or fail to obtain additional licenses that become necessary as a result of new enactment or promulgation of laws and regulations or the expansion of our business, our business and results of operations may be materially and adversely affected" for more details. Furthermore, new businesses initiatives and other products and services may bring in new types of customers or users, resulting in higher risk of litigation. See "— We may become subject to lawsuits and liabilities which could cause us to incur significant expenses and adversely affect our business, financial condition and results of operations." As a result, we cannot assure you that any of these business initiatives and other products and services will achieve wide market acceptance, increase the penetration of our addressable market or generate revenue or profit. If our new business initiatives and other products and services are not well received by the market, we may not be able to maintain or increase our revenue or recover any associated costs, and our business and results of operations may be materially and adversely impacted. In addition, we are at an early stage of monetizing our solution offerings, and our monetization model is evolving. We cannot assure you that we will be able to successfully monetize our solutions or generate results that meet our expectations, or at all.

In addition, to maintain growth, we must continually identify the industry pain points faced by our users and customers and develop, produce and market new solutions to respond to unmet market demands in an effective manner. We may not identify addressable market demands despite substantial investments of time and resources, and even if a niche market is identified, we may not have enough resources, as compared with some of our

competitors, to develop solutions fast enough to acquire an advantageous market position. In addition, each new solution launch involves risks, as well as the possibility of unexpected consequences. For example, the acceptance of our new solutions and sales to our targeted market may not be as high as we anticipate, due to lack of acceptance of the solutions themselves or their price, or limited effectiveness of our marketing strategies. Further, we may also experience a decrease in sales of certain existing solutions as a result of newly launched solutions. Any of these occurrences could delay or impede our ability to achieve our business objectives, which could have a material adverse effect on our business, results of operations and financial condition.

We may incur startup costs during the initial stages of development of our new business initiatives, and if we are unable to maintain and grow these physician partner relationships or new business initiatives over time, we may not recover these costs.

We devote resources to the establishment of a comprehensive service platform for physician users and pharmaceutical and medical device companies, including costs relating to attracting physicians to enhance access and support growth of the network and physician incentives to support the physician platform solutions. Our startup investment in new physician partners can be significant and the associated revenue must be earned and sustained over time in order for us to recoup these costs. As a result, as our business grows, our startup costs could outpace our buildup of recurring revenue if we do not achieve economies of scale, and we may be unable to achieve profitability until our revenue associated with new business initiatives are more mature. We may never recoup our startup costs in new business initiatives. If we fail to achieve appropriate economies of scale, if we fail to manage or anticipate the evolution of the new business initiatives or if we fail to raise necessary capital to fund our startup costs, our business, financial condition, cash flows and results of operations could be materially adversely affected.

Our operating results are subject to seasonal fluctuations.

We have experienced, and expect to continue to experience, seasonal fluctuations in our results of operations primarily due to customers' purchasing habits and our accounting policy on revenue recognition. As compared to the rest of a year, we typically record higher revenue from our solutions offerings in the fourth quarter of a year primarily because physician users are more likely to complete IIT projects and pharmaceutical and medical device companies are more likely to engage us for precision omni-channel marketing solutions in the fourth quarter. See "Financial Information — Major Factors Affecting Our Results of Operations — Seasonality" for more details. As a result of such seasonal fluctuations, comparisons of revenue and our results of operations between different periods within a single financial year are not necessarily meaningful, nor can these comparisons be relied upon as indicators of our future performance. Should there be a significant reduction in demand for our services in any particular period of any year, our business, financial condition and results of operations may be adversely affected.

If we fail to keep up with rapid changes in technologies or adapt our platform to changing user requirements or emerging industry standards, or if our efforts to invest in the development of new technologies are unsuccessful or ineffective, our business may be materially and adversely affected.

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our platform. The industries we operate in are characterized by rapid technological evolution, changes in user requirements and preferences, frequent introductions of new products and services embodying new technologies and the emergence of new industry standards and practices, any of which could render our existing technologies and systems obsolete. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices, such as mobile Internet, in a cost-effective and timely way. In recent years, we invested in the development of many new technologies and business initiatives, such as AI and big data capabilities. The development of websites, mobile apps and other proprietary technologies entails significant technical and business risks. We cannot assure you that we will be able to successfully develop or effectively use new technologies, recoup the costs of developing new technologies or adapt the website and mobile apps that we operate, and our proprietary technologies and systems to meet user requirements or emerging industry standards. If we are unable to develop technologies successfully or adapt in a cost-effective and timely manner in response to changing market conditions or user requirements, whether for technical, legal, financial or other reasons, our business, prospects, financial condition and results of operations may be materially and adversely affected.

If we are unable to continue to provide current, relevant and reliable medical knowledge information, our results of operations and financial condition may be materially and adversely affected.

Our business is in part dependent on our ability to make available current, relevant and reliable medical knowledge information that meets the needs of our users, especially physician users. Our ability to do so depends on our ability to:

- hire and retain qualified physician and pharmacist editors;
- license accurate and relevant information from third parties; and
- monitor and respond to changes in user interest in specific topics.

We are dependent on third-party sources for certain academic medical contents on our *MedSci* platform. We cannot assure you that we will be able to continue to develop or acquire needed information at a reasonable cost, that there will not be errors or omissions in our developed or licensed information, or that our competitors will not obtain exclusive access to or develop information that healthcare professionals consider superior to ours. If any of these risks materialize for any reason, the value of the information and services that we offer would diminish. As a result, we may be unable to attract new users and retain existing users and our results of operations and financial condition may be materially and adversely affected.

If we are unable to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.

We face intense competition in the markets that we operate in. The markets for our solutions are highly competitive. These markets are characterized by frequent technological advances and product upgrades that have contributed to the digitalization of healthcare services. We face competition from other healthcare platforms that develop and commercialize physician platform solutions and precision omni-channel marketing solutions. We compete with other healthcare platforms for physician users and pharmaceutical and medical device companies and we strive to keep our solution offerings competitive so we can maintain and grow the number and engagement of physician users and pharmaceutical and medical device companies.

Our competitors may operate different business models, have different cost structures or participate selectively in different industry segments. They may ultimately prove to be more successful or more adaptable to customer demand and new regulatory, technological and other developments. Some of our competitors may have longer operating histories, more project experience, more established brand names, larger user bases and greater financial, technical and marketing resources than we do, and in turn may have an advantage in attracting and retaining customers. Furthermore, large technology companies with substantial resources, technical expertise and greater brand power could enter or further expand in the markets where we operate to compete with us. Further, if one or more of our competitors and potential competitors were to merge or partner with another of our competitors, or if a new entrant emerged with substantial resources, the change in the competitive landscape could adversely affect our ability to compete effectively. In response to competition, we may have to lower and/or adjust the various fees that we charge to our customers and users or increase our operating expenses and capital expenditures to attract more users, which could materially and adversely affect our business, profit margins and results of operations. If we are not able to compete effectively, our ability to attract and retain users may be adversely affected and the attractiveness of our platform to customers may decrease, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation and brands.

Our high supplier concentration exposes us to risks faced by our major suppliers and may affect our financial position and result of operations.

In 2020, 2021 and 2022, purchases from our top five suppliers in each year during the Track Record Period accounted for 35.2%, 35.8% and 56.7% of our total purchasers for the respective years, and purchases from our largest supplier accounted for 12.2%, 10.0% and 32.8% of our total purchases for the respective years. Our purchases from such suppliers are primarily content development costs in association with developing academic medical contents on our *MedSci* platform. We expect to continue our purchases from these large suppliers as they are key sources of our medical knowledge information that makes our *MedSci* platform competitive in the eyes of pharmaceutical and medical device companies and physicians. We believe that we have stable relationships with our existing suppliers. However, the stability of operations and business strategies of our suppliers are beyond our control, and we cannot assure you that we will be able to secure a stable

relationship and high-quality academic medical contents from such suppliers. If any of our large suppliers terminates its business relationship with us, we may encounter difficulty in finding a replacement that can provide services of equal quality at a similar price. If this occurs, our operations may be significantly disrupted.

Our high customer concentration exposes us to risks faced by our major customers and may subject us to significant fluctuations or declines in revenue.

Our customers primarily include pharmaceutical and medical device companies and physicians. A limited number of customers for our precision omni-channel marketing solutions have contributed a significant portion of our revenue derived from such solutions in the past. In 2020, 2021 and 2022, revenue from our top five customers in each year during the Track Record Period accounted for 20.6%, 19.3% and 23.2% of our total revenue, respectively. Although we continually seek to diversify our customer base, we cannot assure you that the proportion of the revenue contribution from these customers to our total revenue will decrease in the near future.

Dependence on a limited number of major customers will expose us to the risks of substantial losses if any of them reduces or even ceases business collaborations with us. Specifically, any one of the following events, among others, may cause material fluctuations or declines in our revenue and have a material and adverse effect on our business, financial condition, results of operations and prospects:

- an overall decline in the business of one or more of our major industry customers;
- the decision by one or more of our major customers to switch to our competitors;
- the reduction in the service fees of our solutions agreed by one or more of our major industry customers;
- the failure or inability of any of our major customers to make timely payment for our services;
- noncompliance with laws on the part of any major customers or breach of contract by any major customers vis-à-vis their business partners; or
- unlawful, improper or otherwise inappropriate activities by any major customers that could harm their business, brand and reputation, or subject them to government investigations.

If we fail to maintain relationships with these major customers, and if we are unable to find replacement customers on commercially desirable terms or in a timely manner or at all, our business, financial condition, results of operations and prospects may be materially and adversely affected.

If we fail to obtain and maintain the requisite licenses, permits and approvals applicable to our business as a result of the complexity and uncertainties of laws and regulations, or fail to obtain additional licenses that become necessary as a result of new enactment or promulgation of laws and regulations or the expansion of our business, our business and results of operations may be materially and adversely affected.

If we fail to obtain and maintain approvals, licenses or permits required for our business or fail to comply with applicable laws, regulations, policies and guidelines, we could be subject to liabilities, penalties, impediments in development of business models and disruptions to our operation, which could materially and adversely affect our business.

For instance, healthcare, Internet and digital healthcare industries in China are highly regulated, which require multiple licenses, permits, filings and approvals to conduct and develop business. As a subcategory (B25 Information Service) of the value-added telecommunications services, internet information services are regulated by the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the "**Internet Measures**"), which was promulgated by the State Council on September 25, 2000 and last amended with immediate effect on January 8, 2011. Internet information services are defined as "services that provide information to online users through the internet." According to the Internet Measures, commercial internet information service providers shall obtain a value-added telecommunications business operating license for internet information service (增值電信業務經營許可證) (the "**ICP License**") from appropriate telecommunications authorities. As of the Latest Practicable Date, we have obtained the required ICP License for the operation of our business. However, we cannot assure you that we are able to renew our ICP license in the future on time, or at all. Failure to obtain the ICP licenses may force us to adjust or temporarily suspend the online services, which could have an adverse effect on our business and results of operations. See "Regulatory Overview — Regulations Relating to Value-added Telecommunication Services" for more details.

Furthermore, we might be subject to certain PRC laws and regulations requiring any entity that intends to engage in internet-based audio-visual program services to obtain an audio and video service permission (the "**AVSP**"). Applicable PRC laws and regulations require any entity that conducts certain audio-visual program services via the internet to hold an AVSP. However, as advised by our PRC Legal Adviser, the Classified Catalogs of Internet Audio-video Program Service (for Trial Implementation) (《互聯網視聽節目服務業務分類目錄(試行)》) and the relevant regulations and rules do not explicitly provide whether online medical professional audio-visual programs belong to the category of "audio-visual programs". It is still subject to interpretation by the relevant regulatory authorities. As of the Latest Practicable Date, we did not hold an AVSP.

Similarly, we provided online programs to healthcare professionals through our *MedSci* platform or mobile application during the Track Record Period without obtaining the online publishing service license (the "**OPSL**"). Such activities may fall within the meaning of "online publishing" and therefore the OPSL might be required. Applicable PRC laws and regulations require any entity that provides online publications to the public to hold an Internet Publishing Service License. However, as advised by our PRC Legal

Adviser, the Online Publishing Services (《網絡出版服務管理規定》) and the relevant regulations and rules do not clearly categorize whether online medical professional audio-visual courses, programs or online course materials belong to the category of "online publications". It is still subject to interpretation by the relevant regulatory authorities. According to the application information displayed on official websites and our business practice, if we need to apply for the OPSL, we shall submit the relevant documents to Shanghai Bureau of Press and Publication (上海市新聞出版局).

As of the Latest Practicable Date, we had not been subject to any regulatory notices, fines, penalties or enforcement actions in relation to the potential licensing requirements for AVSP or OPSL.

On April 10, 2022, we, with the assistance of our PRC Legal Adviser, conducted an online interview with the director of the Radio, Television and Network Audio-visual Program Administration Department (廣播電視和網路視聽節目管理處) of the Shanghai Municipal Administration of Culture and Tourism (上海市文化和旅遊局). The director, after reviewing contents on our *MedSci* platform, orally confirmed that the online audio-visual programs that we provided mainly for targeted medical professionals, are not deemed as "audio-visual programs" under the relevant regulations and rules. As such, we are not required to obtain an AVSP for our business operations. We consulted the officer online instead of by way of face-to-face consultations due to the temporary measures resulting from the outbreak of COVID-19 in Shanghai. According to the Administrative Provisions on Internet-based Audio-visual Program Services (《互聯網視聽節目服務管理規定》), where an entity engages in Internet-based audio-visual program services without obtaining an AVSP, the departments of radio, film and television at the county level or above are responsible for implementing and supervising activities within their administrative areas. According to our PRC Legal Adviser, Shanghai Municipal Administration of Culture and Tourism (上海市文化和旅遊局) is a provincial bureau authorized to supervise us and thus has the requisite authority. Furthermore, as of the Latest Practicable Date, the above confirmations of the competent authorities had never been challenged by any higher authorities and we have not been subject to any claims, inquiry, or investigation by any PRC regulatory authority. As such, our PRC Legal Adviser is of the view that the above confirmation from the officer of the Shanghai Municipal Administration of Culture and Tourism (上海市文化和旅遊局) is issued by the competent authority. Based on the above, our Directors are of the view that the risk that the confirmation will be challenged by any higher authorities is relatively low.

On April 10, 2022, we conducted an online interview with the officer of the Shanghai Bureau of Press and Publication (上海市新聞出版局) in respect of matters relating to the requirement of an OPSL. During the consultation, the officer orally confirmed that professional medical platforms like us, which do not provide games or online publications, are not included in their scope of supervision and inspection. As a result, Shanghai Bureau of Press and Publication (上海市新聞出版局) would not accept our application for an OPSL. We consulted the officer online instead of by way of face-to-face consultations due to the temporary measures resulting from the outbreak of COVID-19 in Shanghai. According to the Administrative Provisions on Online Publishing Services (《網絡出版服務管理規定》), online publishing services are supervised and administered on the principle of

territorial management (屬地管理), and the provincial publication administrative departments shall strengthen their daily supervision and administration of the entities providing online publishing services and their publishing activities within their administrative areas. According to our PRC Legal Adviser, Shanghai Bureau of Press and Publication (上海市新聞出版局) is a provincial bureau authorized to supervise us and thus have the requisite authority. Furthermore, as of the Latest Practicable Date, the above confirmations of the competent authorities had never been challenged by any higher authorities and we have not been subject to any claims, inquiry, or investigation by any PRC regulatory authority. As such, our PRC Legal Adviser is of the view that the above confirmation from the office of Shanghai Bureau of Press and Publication (上海市新聞出版局) is issued by the competent authority. Based on the above, our Directors are of the view that the risk that the confirmations will be challenged by any higher authorities is relatively low. However, we cannot assure that the regulatory requirement would not change and we are able to acquire such licenses when the regulatory requirement changes. See "Regulatory Overview — Regulations Relating to Online Audio-Visual Programs" for more details.

It is also unclear under existing radio and television related laws in the PRC whether the online audio-visual programs created specifically for medical professionals by providing highly professional contents are radio and televisions programs that need a Radio and Television Program Production and Operation License (the "**R&T License**"). To resolve this ambiguity, on April 10, 2022, we, with the assistance of our PRC Legal Adviser, conducted an online interview with the director of the Radio, Television and Network Audio-visual Program Administration Department (廣播電視和網路視聽節目管理處) of the Shanghai Municipal Administration of Culture and Tourism (上海市文化和旅遊局). The director, after reviewing contents on our *MedSci* platform, orally confirmed that the online audio-visual programs that we provided mainly to targeted medical professionals rather than the public do not require an R&T License. Based on the foregoing, our PRC Legal Adviser is of the view that our provision of online audio-visual programs such as short videos, live-streaming or pre-recorded videos did not violate applicable rules and regulations on the radio television programs during the Track Record Period and up to the Latest Practicable Date, and the risks of being subject to penalty for violating laws and regulations in China relating to the radio and television programs is remote. However, there can be no assurance that the local authorities will not change their view over our provision of online audio-visual programs in the future. In the unlikely event that the local authorities consider (i) our online audio-visual programs production activities violate the Administrative Rules on Radio and Television (《廣播電視管理條例》) (the "**Administrative Rules**") or (ii) our organizations responsible for producing online audio-visual programs were set up in violation of the Administrative Rules, the broadcast and television administrative department at county level or above may order a ban, confiscate special instruments, equipment and program carriers and impose a fine of not more than RMB50,000 pursuant to the Administrative Rules. Based on the foregoing, we believe retrospective penalties, if any, will not materially affect our business operations and financial position. See "Regulatory Overview — Regulations Relating to Radio and Television Program Production and Operation" and "Business — Licenses and Permits" for more details.

Moreover, due to the uncertainties of interpretation and implementation of existing laws and regulations and the adoption of additional laws and regulations, the licenses we hold may be deemed insufficient by relevant authorities, which may restrain our ability to expand our business scope and may subject us to fines or other regulatory actions. We cannot assure you that the interpretations of existing laws and regulations or subsequent ones would not render our operations noncompliant or that we would always be in full compliance with applicable laws and regulations. In the event that we must remedy any violations, we may be required to modify our business models and solution offerings in a manner that undermines our solutions' attractiveness. We may also become subject to fines or other penalties. If we determine that the requirements to operate in compliance are overly burdensome, we may elect to terminate the noncompliant operations. In each case, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, we are in the process of developing and launching a number of new business initiatives and other products and services. Such new business initiatives and other products and services may require further licenses, permits and approvals. We cannot assure that we will be able to obtain such requisite licenses, permits and approvals to launch our new business initiatives and other products and services.

In addition, some of the licenses we held are subject to periodic renewal. If we fail to maintain or renew one or more of our licenses and certificates when their current terms expire, or obtain such renewals in a timely manner, our operations could be disrupted. In addition, under relevant PRC laws and regulations, our subsidiaries and Consolidated Affiliated Entities as license holders are required to update certain licenses if any change to their respective name, registered capital or legal representative during the validity period of such licenses. If we fail to properly renew and maintain all such requisite licenses on time, we may face penalties and in extreme circumstances, order to suspend or terminate our business. Due to uncertainties of interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses we held may be deemed insufficient by PRC governments, which may restrain our ability to expand our business scope and may subject us to fines or other regulatory actions. Furthermore, as we develop and expand our business scope, we may need to obtain additional permits and licenses and we cannot assure that we will be able to obtain such permits on time or at all.

Our profitability could be negatively affected if cost, particularly content development costs and staff salaries and benefits, outgrows our revenue.

Content development costs accounted for a large portion of our cost of sales during the Track Record Period. Our historical content development costs were primarily related to the development cost for outsourced contents. We also incurred a substantial amount of staff salaries and benefits for our content production team. As the average wage in China continues to rise, labor cost for content development, including both outsourced contents and in-house developed contents, has been slightly increasing over the past few years and are expected to be increasing at a relatively steady pace in the coming years. In addition, we collaborate with KOLs who are our content contributors in developing our contents and pay expert consultation fees to them, especially for our online courses. In order to reduce

our reliance on third-party content producers and the corresponding content development costs, we are in the process of recruiting more employees to build up our in-house content development capabilities. The overall employee benefit expenses increased from RMB99.7 million in 2020 to RMB165.8 million in 2021 and further increased to RMB177.0 million in 2022. We plan to further enhance our in-house medical content creation and technology capabilities by recruiting and retaining a number of medical experts, editors, content creation talents, well-known scientists, researchers and engineers. We may also incur various other costs going forward in order to scale up our business. See "Future Plans and Use of [REDACTED]" for details. As a result of competitive pressures and customer expectations, we may be unable to pass any such incremental cost to our customers, which could result in us absorbing all or a portion of such cost increase in the future. Such events would increase our cost of sales and reduce our profit margins, which would in turn adversely affect our business, results of operations and financial condition.

We are subject to risks associated with other third parties with which we collaborate. If we cannot effectively cooperate with such other parties, or if such other parties fail to perform their obligations, or provide reliable or satisfactory services, in each case in compliance with applicable laws and regulations, our business, financial condition and results of operations may be materially and adversely affected.

We collaborate with certain other parties in providing products and services to our users. For example, we enhance the effectiveness of pharmaceutical and medical device companies' marketing campaigns by collaborating with KOLs of the medical community to make the customized information more persuasive. These parties may not be able to properly perform their duties under their agreements with us. Any failure by these parties to continue with good business operations, comply with applicable laws and regulations or any negative publicity on these parties could damage our reputation, expose us to significant penalties and decrease our total revenue and profitability. Also, if we fail to retain existing or attract new parties to collaborate with us, our business operations may be affected, and our users may lose confidence in our products and services. If these other parties engage in activities that are negligent, illegal or otherwise harmful to the trustworthiness and security of our system, including the leak or negligent use of data, or if our users or customers are otherwise dissatisfied with their service quality, we could suffer reputational harm, even if these activities are not related to, attributable to or caused by us.

If we are unable to maintain credibility of our medical knowledge information, our business and results of operations could suffer.

The credibility of our medical knowledge information is dependent in large part on the medical community's continued perception of us as independent from our healthcare industry customers, particularly pharmaceutical and medical device companies. If healthcare professionals believe that we are too closely associated with such customers as a result of the revenue we receive from their use of our precision omni-channel marketing solutions, the credibility of our medical knowledge information will diminish. Although we take precautions to remain independent from our healthcare industry customers, including clearly labeling the source and responsibility of sponsored information, programs and activities and implementing information standards to screen biased information, we cannot

assure you that the medical community will view our information as sufficiently unbiased. If the credibility of our medical knowledge information is damaged, it will be difficult, expensive and time-consuming to restore the credibility and quality of our brand with healthcare professionals and we may lose users, which in turn could adversely affect our business and results of operations.

Security breaches and attacks against our system and network, and any potential resultant breach or failure to otherwise protect confidential and proprietary information, could damage our reputation, lead to legal liabilities against us and adversely affect our business, financial condition and results of operations.

We rely heavily on technology, particularly the Internet, to provide all of our high-quality digital services. However, our technology operations are vulnerable to disruptions arising from computer viruses, spam attacks, unauthorized access and other similar events. Disruptions to, or instability of, our technology or external technology that supports the offering of our online services and products could materially harm our business and reputation.

Although we have employed significant resources to develop security measures against breaches, our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us, we may be unable to anticipate, or implement adequate measures to protect against, these attacks. During the Track Record Period, we had not been subject to these types of attacks that had materially and adversely affected our business operations. However, there can be no assurance that we would not in the future be subject to such attacks that may result in material damages or remediation costs. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed and we could sustain substantial revenue loss from lost sales and user dissatisfaction.

In addition, we may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our users or other participants of our platform, or the information infrastructure on which we depend. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. Cybersecurity breaches may harm our reputation and business, and materially and adversely affect our financial condition and results of operations.

We may be subject to intellectual property infringement claims or other allegations, which could result in payment of substantial damages, penalties and fines and removal of data or technology from our system.

Our internal procedures and licensing practices may not be effective in completely preventing the unauthorized use of copyrighted materials or the infringement by us of other rights of third parties. The validity, enforceability and scope of protection of intellectual property rights in Internet-related industries, particularly in China, is uncertain and still evolving. As we face increasing competition and as litigation becomes a more common way to resolve disputes in China, we face a higher risk of being the subject of intellectual property infringement claims.

Some of our business relies on technology and information developed or licensed by third parties. We cannot be certain that our operations, the information posted on our platform or any other aspect of our business do not or will not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties. During the Track Record Period, a few third-parties filed litigations against us, claiming that medical academic contents on our *MedSci* platform infringed their intellectual property rights. Our Directors confirmed that, as of the Latest Practicable Date, all of such litigations were settled and none of such litigations, individually or in aggregate, had a material impact on our business operations and financial performance. See "Business — Legal Proceedings and Compliance" for further details on our internal control procedures. We may from time to time in the future be subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there could also be existing intellectual property of which we are not aware that our operations and business may inadvertently infringe. We cannot assure you that we will not become subject to intellectual property laws in other jurisdictions. If a claim of infringement brought against us in another jurisdiction is successful, we may be required to pay substantial penalties or other damages and fines or to enter into license agreements which may not be available on commercially reasonable terms or at all, or we may be subject to injunctions or court orders. Even if allegations or claims lack merit, defending against them could be both costly and time-consuming and could significantly divert the efforts and resources of our management and other personnel.

Competitors and other third parties may claim as well that our officers or employees have infringed, misappropriated or otherwise violated their software, confidential information, trade secrets or other proprietary technology in the course of their employment with us. Although we take steps to prevent the unauthorized use or disclosure of such third-party information, intellectual property or technology by our officers and employees, we cannot guarantee that any policies or contractual provisions that we have implemented or may implement will be effective. If a claim of infringement, misappropriation or violation is brought against us or one of our officers or employees, we may suffer reputational harm and may be required to pay substantial damages, subject to injunction or court orders or be required to remove the data and redesign our technology, any of which could adversely affect our business, financial condition and results of operations.

In particular, third parties may assert claims against us or one of our officers or employees alleging infringement of copyrights for information available on our platform. Although we have adopted internal procedures to screen, monitor and remove the information displayed on our platform to comply with third-party intellectual property rights and PRC laws and regulations, we may not be able to identify and remove all potentially infringing information in a timely manner due to the large amount of information on our platform. Accordingly, we may, from time to time, be exposed to copyright infringement or misappropriation claims by third parties, including competing online medical information platforms, relating to the medical knowledge information posted on our platform. Defending against any of these current or future claims could be both costly and time-consuming, and could significantly divert the efforts and resources of our management and other personnel. An adverse determination in any such litigation or proceedings to which we or one of our officers or employees may become a party could subject us to significant liability to third parties, require us to seek licenses from third parties, pay ongoing royalties, or subject us to injunctions prohibiting the distribution of the relevant medical knowledge information. To the extent that licenses are not available to us on commercially reasonable terms or at all, we may be required to expend considerable time and resources sourcing alternative information. In addition, we may be subject to administrative actions brought by the National Copyright Administration of the PRC or its local counterparts for alleged copyright infringement. As a result of such claims, litigations and administrative actions, our business, brand image and reputation could be materially and adversely affected.

The digital healthcare services market is dynamic and evolving and may not develop as we expect. Developments in the market, such as levels of demand or physician acceptance, may adversely affect our business, financial condition or results of operations.

The digital healthcare services market is dynamic and evolving, and it is uncertain whether it will achieve and sustain high levels of demand, patient acceptance and market adoption. The success of our solutions and offerings will depend to a substantial extent on the willingness of physicians to use, and to increase the frequency and extent of their utilization of, our services, as well as on our ability to demonstrate the value of our services to physicians, hospitals and pharmaceutical and medical device companies. If pharmaceutical and medical device companies and physicians do not perceive the benefits of our services, or if our services do not drive physician engagement, then the market for our services may not develop at all, or it may develop more slowly than we expect. If any of these events occurs, it could have a material adverse effect on the growth of our business, financial condition or results of operations.

Putting our physician network first may adversely impact our financial results.

The large network of experienced physicians is essential to our success in increasing our user growth and engagement, creating value for our various customers that include not only physician users but also pharmaceutical and medical device companies. Therefore, in the past, we have foregone, and may in the future forego, certain expansion or revenue opportunities that we do not believe are in the best interest of our physician users, even if our decision negatively impacts our operating performance and financial condition. In

addition, our philosophy to prioritize lifelong research and learning needs of physicians may cause disagreements, or negatively impact our relationship, with our existing or prospective customers. Our decisions may not result in the benefits that we expect, in which case our physician engagement, business operation and financial condition could be harmed.

The efficiency of our delivery of physician platform solutions and RWS solutions to our customers may be compromised if we fail to secure requisite authorization from hospitals to use the data underlying our solutions in a timely manner.

For our clinical study assistance services and RWS solutions, we leverage our physician network, software technology and real-world healthcare data to help our customers, including pharmaceutical and medical device companies and physicians, to reduce the duration and costs and increase the success rate of clinical development. We might need to enter into cooperation agreements with and obtain authorization from hospitals for using certain healthcare data that are necessary to the development of our solutions before delivering our solutions pursuant to our service agreements with our customers. Negotiating and entering into cooperation agreements with and obtaining authorization from hospitals are usually time-consuming, which have negatively affected and may continue to negatively affect the efficiency of our delivery of our physician platform solutions and RWS solutions. We plan to devote more resources and staff to facilitate the negotiation and authorization process of hospitals. However, we cannot guarantee the effectiveness of these efforts, especially given the complex internal approval procedures implemented by public hospitals in China. If we fail to reduce the time required for securing data usage authorization, the efficiency of our delivery of physician platform solutions and RWS solutions to our customers could be compromised. If such inefficiency prevents us from delivering our solutions within the timeframe required by the service agreements, we may face legal liabilities for breach of contract and lose the anticipated revenue under the relevant service agreements, which could harm our business, reputation, result of operations and financial conditions.

If we are unable to help attract suitable patients for clinical studies, our RWS solutions business may suffer.

During the Track Record Period, we provided assistance in patient recruitment as part of our RWS solutions. Unlike the standalone patient recruitment assistance that we ceased to provide in 2018, physicians are the primary point of contact under assistance in patient recruitment as part of our RWS solutions and our responsibility is ancillary, primarily involving posting notifications on our *MedSci* platform and various websites and in hospitals, drafting Informed Consent Forms and preparing documentations to obtain required regulatory approvals. Our physician network and software technology have enabled us to help our customers shorten the time required for locating adequate patient candidates. However, our patient recruitment assistance for RWS solutions may nevertheless be affected by a number of factors, some of which are beyond our control. Failure to locate sufficient patients within the timeframe as specified by our service

agreements could hurt our business, results of operations and financial position. Factors that could impact our patient enrollment performance include but are not limited to the following:

- severity of the disease under investigation;
- total size and nature of the relevant patient population;
- design and eligibility criteria for the clinical studies in question;
- perceived risks and benefits of the drug candidates under study;
- patient referral practices of physicians and hospitals;
- availability of competing therapies also undergoing clinical studies;
- our customers' efforts to screen and recruit eligible patients;
- proximity and availability of clinical study sites for prospective patients; and
- occurrence of any health epidemic or other public events, such as the COVID-19 outbreak, that could deter patients from participating in clinical activities.

Any failure to satisfactorily perform our patient recruitment assistance as a result of these or other factors may materially and adversely affect our business, results of operations, financial condition and prospects.

The estimates of market opportunity and forecast of market growth included in this Document may prove to be inaccurate, and even if the markets in which we compete achieve the forecast growth, our business may not grow at similar rates, or at all.

Market opportunity estimates and growth forecasts included in this Document are subject to significant uncertainty and are based on assumptions and estimates which may not prove to be accurate. The estimates and forecasts included in this Document relating to size and expected growth of our target market may prove to be inaccurate. Even if the markets in which we compete meet the size estimates and growth forecasts included in this Document, our business may not grow at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainty.

We rely on network and mobile infrastructure and our ability to maintain and scale our business and maintain competitiveness. Any significant interruptions or delays in service on our apps or websites or any undetected errors or design faults could adversely affect our business, financial condition, and results of operations.

We depend on the use of information technologies and systems and our reputation and ability to acquire, retain, and serve our customers are dependent upon the reliable performance of our apps and websites and the underlying network infrastructure. As our operations grow, we must continuously improve and upgrade our systems and

infrastructure while maintaining or improving the reliability and integrity of our infrastructure. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features, and reliability of our solutions in response to competitive services and offerings. We expect the use of alternative platforms such as tablets and wearables will continue to grow and the emergence of niche competitors who may be able to optimize offerings, services, or strategies for such platforms will require new investment in technology. New developments in other areas, such as cloud computing, have made it easier for competitors to enter our markets due to lower up-front technology costs. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner. There is also no guarantee that we will possess the financial resources or personnel for the research, design, and development of new applications or services, or that we will be able to utilize these resources successfully and avoid technological or market obsolescence. Further, there can be no assurance that technological advances by one or more of our competitors or future competitors will not result in our present or future applications and services becoming uncompetitive or obsolete. If we are unable to enhance our offerings and network capabilities to keep pace with rapid technological and regulatory change, or if new technologies emerge that are able to deliver competitive offerings at lower prices, more efficiently, more conveniently, or more securely than our offerings, our business, financial condition, and results of operations could be adversely affected.

Our success will also depend on the interoperability of our offerings with a range of third-party technologies, systems, networks, operating systems, and standards, including iOS and Android; the availability of our mobile apps in app stores and in "super-app" environments; and the creation, maintenance, and development of relationships with key participants in related industries, some of which may also be our competitors. In addition, if accessibility of various apps is limited by executive orders or other government actions, the full functionality of devices may not be available to our customers. Moreover, third-party platforms, services, and offerings are constantly evolving, and we may not be able to modify our platform to assure its compatibility with those of third parties. If we lose such interoperability, we experience difficulties or increased costs in integrating our offerings into alternative devices or systems, or manufacturers or operating systems elect not to include our offerings, make changes that degrade the functionality of our offerings, or give preferential treatment to competitive products, the growth of our business, results of operations, and financial condition could be materially adversely affected. This risk may be exacerbated by the frequency with which consumers change or upgrade their devices. In the event consumers choose devices that do not already include or support our platform or do not install our mobile apps when they change or upgrade their devices, our customer engagement may be harmed.

Any service interruption or failure in the systems that we use to provide online services or any failure to timely and effectively scale and adapt our existing technologies and infrastructure could harm our business and results of operations.

In the future, we may experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and hardware failure. While we have disaster recovery plans in place, they might not adequately protect us in the event of a system failure.

In particular, as the number of our users increases and our solutions and services become more complex, it may become increasingly difficult to maintain and improve the performance of our solutions. Our platform's data infrastructure capacity may need to be expanded as our user base continues to grow and our users' demand for services, solution upgrades and operational monitoring continues to increase. We cannot assure you that we will be able to expand the data center facilities to meet the increased infrastructure capacity demand in a timely manner, or on favorable economic terms. Further, we do not have sufficient control over the operation of the data center facilities. Data center facilities used by us are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, break-ins, sabotage, acts of terrorism, intentional acts of vandalism, operator errors and other similar events or misconduct. Despite precautions taken at these facilities and the disaster recovery plans we maintain, the occurrence of a natural disaster, an act of terrorism or other act of malfeasance, a decision to close the facilities without adequate notice, or other unanticipated problems at these facilities could result in lengthy interruptions in our service and solutions and the loss of data and our business, in which case we may not be able to switch to new data centers or move data from one data center to another on a timely basis, or at all.

Any disruption or failure in our system or technology infrastructure could hinder our ability to deliver solutions and services, and the day-to-day management of our business, and could result in corruption, loss or unauthorized disclosure of proprietary, confidential or other data, which in turn may harm our reputation and business, entail claims and liabilities and deter prospective customers.

We rely on third-party licensed software services and other technologies from third parties, and the inability to maintain these licenses or the presence of errors or security vulnerabilities in the software we license could limit the functionality of our solutions and result in increased costs or reduced service levels, which could adversely affect our business.

We rely on licensed software services and technologies from third parties in order to operate critical functions of our business. Furthermore, we are also highly dependent on our technology integration with products offered by third parties, such as smart recognition and natural language processing technology. If these services become unavailable due to contract cancelations, extended outages or interruptions, because they are no longer available on commercially reasonable terms or prices, or for any other reason, our expenses could increase, our ability to manage our finances could be interrupted, our processes for managing our services and solutions could be impaired, and our ability to access or save

data stored to the cloud may be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could harm our business operation and financial condition.

Failure to comply with anti-corruption laws and regulations, or effectively manage our employees, affiliates and business partners such as pharmaceutical and medical device companies and external physicians with whom we collaborate, could severely damage our reputation, and materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks in relation to actions taken by us, our employees, affiliates, pharmaceutical and medical device companies, external physicians with whom we collaborate or other business partners that constitute violations of the anti-corruption laws and regulations. There have been past instances of corrupt practices in the healthcare industry, including, among other things, receipt of kickbacks, bribes or other illegal gains or benefits by hospitals and physicians from manufacturers, distributors and retail pharmacies in connection with the prescription of healthcare products. If we, our employees, affiliates, pharmaceutical and medical device companies, external physicians with whom we collaborate or other business partners violate these laws, rules or regulations, we could be subject to fines and/or other penalties. Actions by PRC regulatory authorities or the courts to provide an interpretation of PRC laws and regulations that differ from our interpretation or to adopt additional anti-bribery or anti-corruption-related regulations could also require us to make changes to our operations. Our reputation, corporate image, and business operations may be materially and adversely affected if we fail to comply with these measures or become the target of any negative publicity as a result of actions taken by us, our employees, affiliates, pharmaceutical and medical device companies, external physicians with whom we collaborate or other business partners, which may in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

We may become subject to lawsuits and liabilities which could cause us to incur significant expenses and adversely affect our business, financial condition and results of operations.

From time to time, we have become and may in the future become a party to various legal or administrative proceedings arising in the ordinary course of our business, including breach of contract claims and other matters. Such proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of the outcome and merit of such proceedings, any such legal action could have an adverse impact on our business because of defense costs, negative publicity, diversion of management's attention and other factors.

In addition, it is possible that an unfavorable resolution, including any judgment or settlement subjecting us to liability, of one or more legal or administrative proceedings, whether in China or in another jurisdiction, could be time-consuming and costly to defend and distractive to our management, which could materially and adversely affect our business, financial position, results of operations or cash flows in a particular period or damage our reputation.

We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position.

We rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection and confidentiality agreements with our employees and third parties and other measures to protect our intellectual property rights. We have been enriching our intellectual property portfolio. However, there can be no assurance that any of our pending patents, trademarks, software copyrights or other intellectual property applications will issue or be registered. Any intellectual property rights we have obtained or may obtain in the future may not be sufficient to provide us with a competitive advantage, and could be challenged, invalidated, circumvented, infringed or misappropriated.

Despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or otherwise obtain and use our copyrighted information and other intellectual property. Monitoring for infringement or other unauthorized use of our intellectual property rights is difficult and costly, and such monitoring may not be effective. From time to time, we may have to resort to courts or administrative proceedings to enforce our intellectual property rights, which may result in substantial cost and diversion of resources. The PRC has historically afforded less protection to a company's intellectual property than other developed regions such as the United States and, therefore, companies such as ours operating in the PRC face an increased risk of intellectual property piracy.

Failure to maintain, protect, or enforce our intellectual property rights could harm our business and results of operations.

We pursue the registration of our domain names, trademarks, patents and copyrights in China and Hong Kong. We also strive to protect our intellectual property rights by relying on common law rights, as well as contractual restrictions. We typically enter into confidentiality agreements and reach intellectual property ownership terms with our employees and contractors, and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. However, we may not be successful in executing these agreements with every party who has access to our confidential information or contributes to the development of our technology or intellectual property rights. Those agreements that we do execute may be breached, and we may not have adequate remedies for any such breach. These contractual arrangements and the other steps we have taken to protect our intellectual property rights may not prevent the misappropriation or disclosure of our proprietary information nor deter independent development of similar technology or intellectual property by others.

Effective trade secret, patent, copyright, trademark, and domain name protection is expensive to obtain, develop, and maintain, both in terms of initial and ongoing registration or prosecution requirements and expenses and the costs of defending our rights. We have invested in and may, over time, increase our investment in protecting our intellectual property through patent filings that could be expensive and time-consuming. Our trademarks and other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Moreover, any issued patents we

obtain may not provide us with a competitive advantage and, as with any technology, competitors may be able to develop similar or superior technologies to our own, now or in the future.

Monitoring unauthorized use of the contents on our apps and websites, and our other intellectual property and technology, is difficult and costly. Our efforts to protect our proprietary rights and intellectual property may not have been and may not be adequate to prevent their misappropriation or misuse. Third parties, including our competitors, could be infringing, misappropriating, or otherwise violating our intellectual property rights. We may not be successful in stopping unauthorized use of our contents or other intellectual property or technology. Further, we may not have been and may not be able to detect unauthorized use of our technology or intellectual property, or to take appropriate steps to enforce our intellectual property rights. Any inability to meaningfully enforce our intellectual property rights could harm our ability to compete and reduce demand for our solutions and services. Our competitors may also independently develop similar technology. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every jurisdiction in which our solutions or technology are hosted or available. Further, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. The laws in China and elsewhere change rapidly, and any future changes could adversely affect us and our intellectual property. Our failure to meaningfully protect our intellectual property rights could result in competitors offering solutions that incorporate our most technologically advanced features, which could reduce demand for our solutions.

We may find it necessary or appropriate to initiate claims or litigation to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of intellectual property rights claimed by others. In any lawsuit we bring to enforce our intellectual property rights, a court may refuse to stop the other party from using the technology at issue on grounds that our intellectual property rights do not cover the use or technology in question. Further, in such proceedings, the defendant could counterclaim that our intellectual property is invalid or unenforceable and the court may agree, in which case we could lose valuable intellectual property rights. Litigation is inherently uncertain and any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business and results of operations. If we fail to maintain, protect, and enforce our intellectual property, our business and results of operations may be harmed.

Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of intellectual property protection. This could make it difficult for us to stop the infringement or misappropriation of our intellectual property rights. Proceedings to enforce our intellectual property in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business.

If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

We believe that our brand is critical to the success of our business, and we utilize trademark registration and other means to protect it. Our business would be harmed if we were unable to protect our brand against infringement and its value was to decrease as a result.

The registered or unregistered trademarks or trade names that we own may be challenged, infringed, circumvented, declared generic, lapsed, or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with potential partners. In addition, third parties may in the future file for registration of trademarks similar or identical to our trademarks. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to commercialize our technologies or solutions in certain relevant countries. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position could be harmed.

We rely heavily on trade secrets and confidentiality agreements to protect our unpatented know-how, technology, and other proprietary information, including our technology platform, and to maintain our competitive position. With respect to our technology platform, we consider trade secrets and know-how to be one of our primary sources of intellectual property. However, trade secrets and know-how can be difficult to protect. We seek to protect these trade secrets and other proprietary technology in part by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside contractors, consultants, advisors, and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. The confidentiality agreements are designed to protect our proprietary information and, in the case of agreements or clauses containing invention assignment, to grant us ownership of technologies that are developed through a relationship with employees or third parties. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary information, including our technology and processes. Despite these efforts, no assurance can be given that the confidentiality agreements we enter into will be effective in controlling access to such proprietary information and trade secrets. The confidentiality agreements on which we rely to protect certain technologies may be breached, may not be adequate to protect our confidential information, trade secrets, and proprietary technologies and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, trade secrets, or proprietary technology. Further, these agreements do not prevent our competitors or others from

independently developing the same or similar technologies and processes, which may allow them to provide a service similar or superior to ours, which could harm our competitive position.

If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages and we could lose license rights that are critical to our business.

Our business depends on technology services from third parties. We may license certain intellectual property, including technologies and software from third parties, that is important to our business, and in the future we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the licensor may have the right to terminate the license. Termination by the licensor would cause us to lose valuable rights, and could prevent us from selling our solutions and services, or adversely impact our ability to commercialize future solutions and services. Our business would suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed intellectual property is found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. In addition, our rights to certain technologies are licensed to us on a non-exclusive basis. The owners of these non-exclusively licensed technologies are therefore free to license them to third parties, including our competitors, on terms that may be superior to those offered to us, which could place us at a competitive disadvantage. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, the agreements under which we license intellectual property or technology from third parties are generally complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement. Any of the foregoing could harm our competitive position, business, financial condition, results of operations, and prospects.

From time to time we may evaluate and potentially consummate strategic alliances, investments or acquisitions, which could require significant management attention, disrupt our business and adversely affect our financial results.

We may evaluate and consider strategic investments, combinations, acquisitions or alliances to enhance our competitive position. These transactions could be material to our financial condition and results of operations if consummated. If we are able to identify an appropriate business opportunity, we may not be able to successfully consummate the transaction and, even if we do consummate such a transaction, we may be unable to obtain the benefits or avoid the difficulties and risks of such transaction, which may result in investment losses.

Strategic alliances, investments or acquisitions will involve risks commonly encountered in business relationships, including:

- difficulties in assimilating and integrating the operations, personnel, systems, data, technologies, products and services of the acquired business;
- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits including the failure to successfully further develop the acquired technology;
- difficulties in retaining, training, motivating and integrating key personnel;
- diversion of management's time and resources from our normal daily operations and potential disruptions to our ongoing businesses;
- strain on our liquidity and capital resources;
- difficulties in executing intended business plans and achieving synergies from such strategic investments or acquisitions;
- difficulties in maintaining uniform standards, controls, procedures and policies within the overall organization;
- difficulties in retaining relationships with existing suppliers and other partners of the acquired business;
- risks of entering markets in which we have limited or no prior experience;
- regulatory risks, including remaining in good standing with existing regulatory bodies or receiving any necessary pre-closing or post-closing approvals, as well as being subject to new regulators with oversight over an acquired business;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights or increase our risk for liability;
- liability for activities of the acquired business before the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and
- unexpected costs and unknown risks and liabilities associated with strategic investments or acquisitions.

Any future alliances, investments or acquisitions may not be successful, may not benefit our business strategy, may not generate sufficient revenue to offset the associated acquisition costs or may not otherwise result in the intended benefits.

We depend on our management team, key employees and talent to grow and operate our business, and if we are unable to retain, motivate, hire, integrate and develop our personnel, we may not be able to grow effectively.

Our success and the execution of our growth strategy depend largely on the continued service of our senior management and key employees. The loss of any members of our management team or other key personnel could have a negative impact on our ability to manage and grow our business effectively. We cannot assure you that in such an event we would be able to replace any member of our management team in a timely manner, or at all, on acceptable terms. Competition for management and key personnel is intense and the pool of qualified candidates is limited. We may not be able to retain the services of our executives or key personnel, or attract and retain experienced executives or key personnel in the future. If any of our executive officers or key employees joins a competitor or forms a competing business, we may lose crucial business secrets, know-how, customers and other valuable resources.

Our future success and the execution of our growth strategy also depend largely on our continuing ability to identify, hire, develop, motivate and retain highly specialized personnel, including software engineers, AI and data analytics experts, quality professionals with medical education background or experience, in-house journalists, editorial staff and skilled employees in the areas of technology, managerial, editorial, finance, marketing, sales and customer service. Our competitors, employers in other industries, healthcare providers, academic institutions and governmental entities and organizations also often seek persons with similar qualifications. Qualified individuals are in high demand, and we cannot assure you that we will be able to hire or retain a sufficient number of qualified personnel to meet our requirements, or that we will be able to do so at salary and benefit costs that are acceptable to us.

If we fail to maintain adequate internal controls or fail to detect or prevent fraud and employee misconduct, we may not be able to effectively manage our business and may experience errors or information lapses affecting our business.

Prior to the [REDACTED], we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud or other misconduct involving our employees and other third parties that had a material and adverse impact on our business and results of operations. However, we cannot assure you that there will not be any such instances in the future. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements, which would likely cause [REDACTED] to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations and lead to a decline in the [REDACTED] of our Shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets, regulatory investigations and civil or criminal

sanctions. We have invested, and will continue to invest, substantial efforts and resources in maintaining an effective internal control system and monitoring and remedying any weakness we identify in connection therewith. There is no assurance, however, that we will be able to spot and eliminate all weaknesses in our internal control system on a timely basis.

We have limited business insurance coverage, which could expose us to significant costs and business disruption.

We maintain various insurance policies to safeguard against risks and unexpected events. However, we do not maintain business interruption insurance or key-man insurance or any insurance covering liabilities resulting from misconduct or illegal activities committed by our employees or users. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

In addition, we are subject to laws, rules, and regulations relating to insurance coverage which could result in proceedings or actions against us by governmental entities or others. Any failure, or perceived failure, by us to comply with laws, rules, and regulations or contractual obligations relating to insurance coverage could result in proceedings or actions against us by governmental entities or others. These lawsuits, proceedings, or actions may subject us to significant penalties and negative publicity, require us to increase our insurance coverage, require us to amend our insurance policy disclosure, increase our costs, and disrupt our business.

We may be subject to additional contributions of social insurance and housing provident fund and late fees and fines imposed by relevant governmental authorities.

Companies operating in China are required to participate in various government-sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, complete related registration with the competent authorities and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based. See "Regulatory Overview — Regulations Relating to Labor Protection" for more details. However, we cannot assure you that local authorities will not impose late fees, pecuniary penalties or other administrative actions on us. We believe that we have made adequate social insurance and housing fund contributions for all of our employees; however, we cannot assure you that local governments will not have different views as to what constitutes strict compliance with the requirements for contributions to employee benefit plans. If local authorities determine that we failed to make adequate contributions to any employee benefits as required by relevant PRC regulations, we may face late fees or fines in relation to the underpaid employee benefits. In case that, our provision for these liabilities is not adequate, our financial condition and results of operations may be adversely affected.

We have granted and may continue to grant share incentives, which will result in share-based compensation expenses, dilute the shareholding percentage of our existing Shareholders and negatively affect our results of operations.

We have adopted the Equity Incentive Plan. The equity-settled share-based payments amounted to RMB8.2 million and RMB6.3 million in 2021 and 2022, respectively. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we may continue to grant share-based compensation to employees in the future. Issuance of additional Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a negative effect on our financial performance.

We may not be able to obtain additional capital when desired, on favorable terms or at all.

We may require additional cash resources if we incur operating losses or for future growth and development of our business, including any investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets and the PRC governmental regulations over foreign investment and the PRC healthcare industry, including the Internet healthcare industry. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing would be available in a timely manner or in amounts or on terms favorable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

Certain of our self-owned or leased property interests may be defective, which could cause disruption to our business.

As of the Latest Practicable Date, we operated our businesses primarily through eleven leased properties and one self-owned in China. Eleven of our lease agreements in the PRC, all of which are for our office premises, have not been filed with competent governmental authority. According to the applicable PRC laws, the failure to file the lease agreement will not affect the validity of the lease agreements but could result in the imposition of a fine of RMB1,000 to RMB10,000 for each lease agreement that is unregistered if we fail to rectify the non-compliance within the time frame prescribed by the relevant authorities. Accordingly, we may be subject to administrative fines of up to RMB110,000 in aggregate for the failure to file the lease agreements. Also, in the event that the actual use of our self-owned or leased properties is inconsistent with the use registered on the title certificate, it could lead to challenges from the competent authorities, the relevant property

owners or other third parties, in which case we could be forced to vacate the relevant properties and seek alternative properties, which may adversely affect our business, financial condition and results of operations.

As of the Latest Practicable Date, we were not aware of any action, claim or investigation being conducted or threatened by the competent government authorities with respect to the defects in our leased properties. However, we cannot assure you that our use of such leased properties will not be challenged. In the event that our use of properties is successfully challenged, we may be subject to fines and forced to relocate the affected operations. In addition, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. We can provide no assurance that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties' challenges on our use of such properties. As a result, our business, financial condition and results of operations may be adversely affected.

We have incurred net losses/liabilities in the past, and may not be able to achieve or maintain profitability in the future.

We recorded net losses of RMB151.0 million in 2021 and RMB99.9 million in 2022, primarily because we incurred fair value losses on convertible redeemable preferred shares. We had fair value losses on convertible redeemable preferred shares of RMB190.6 million in 2021 and RMB109.4 million in 2022. Moreover, we recorded net liabilities of RMB67.2 million and RMB142.3 million as of December 31, 2021 and 2022, respectively, primarily due to non-current liabilities of the convertible redeemable preferred shares of RMB603.1 million and RMB720.9 million as of December 31, 2021 and 2022, respectively.

The fair value loss on convertible redeemable preferred shares is a non-cash item that will not recur upon [REDACTED], as the convertible redeemable preferred shares issued by us will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares at the applicable ratio upon the [REDACTED] with prior written approval of the holders of such preferred shares. However, we may still retain accumulated losses/liabilities due to the fair value loss on our convertible redeemable preferred shares prior to the [REDACTED], which may adversely affect our financial performance. There can be no assurance that we will not experience liquidity problems in the future. If we fail to generate sufficient revenue from our operations, or if we fail to maintain sufficient cash and financing, we may not have sufficient cash flows to fund our business, operations and capital expenditure and our business and financial position will be adversely affected as a result.

Furthermore, after the [REDACTED], we may incur additional compliance, accounting, and other expenses that we did not incur as a private company. If our revenue does not grow at a greater rate than our expenses, we may not be able to achieve and maintain profitability. We may incur considerable losses in the future for various reasons, many of which may be beyond our control. Additionally, we may encounter

unforeseen expenses, operating delays, or other unknown factors that may result in losses in the future. If our cost of sales and expenses continuously exceed our revenue, our business may be materially and adversely affected.

We recorded net operating cash outflows historically and there can be no assurance that we will not have net cash outflow in the future.

We recorded net cash outflow from operating activities of RMB14.0 million for the year ended December 31, 2022. For a detailed operating cash flow analysis, also see "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis — Net Cash Generated from (Used in) Operating Activities." We cannot assure you that we will always be able to match the timing and amount of our cash inflows with the timing and amounts of our payment obligations and other cash outflows. Negative operating cash flow may require us to obtain additional financing to meet our financing needs and obligations and support our expansion plans. In the event that we are unable to generate sufficient cash flow from our operations or otherwise obtain sufficient external funds to finance our business, our liquidity and financial condition may be materially and adversely affected and we may not be able to expand our business as expected. We cannot assure you that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities, we will incur additional financing costs, and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all. As a result, our business, financial condition and results of operations may be materially and adversely affected. We cannot guarantee that prospective business activities of our Group and/or other matters beyond our control (such as market competition and changes to the macroeconomic environment) will not adversely affect our operating cash flow and lead to net operating cash outflows in the future. If we encounter long-term and continuous net operating cash outflow in the future, we may not have sufficient working capital to cover our operating costs, and our business, financial position and results of operations may be materially and adversely affected.

We may not be able to realize and recover the full amount of the contract assets.

Our contract assets are initially recognized for the revenue earned from our provision of solutions as the receipt of consideration for our services is conditional on the successful completion of our provision of services. Upon completion of our provision of services and issuance of invoices, the amounts recognized as contract assets are reclassified as trade receivables. We recorded contract assets of approximately RMB22.1 million, RMB50.9 million and RMB64.9 million as of December 31, 2020, 2021 and 2022, respectively. See "Financial Information — Discussion of Certain Key Balance Sheet Items — Contract Assets." In 2020, 2021 and 2022, we incurred net impairment of contract assets in the amount of RMB0.3 million, RMB5.8 million and RMB2.4 million. There is no assurance that we will be able to realize and recover the full amount of contract assets as the operation

and liquidity condition of our customers may change, or they may dispute the services we provided, which will result in impairment of such contract assets. If we fail to realize and recover the full amount of contract assets, our results of operations, liquidity and financial position may be adversely affected.

If we fail to collect trade receivables from our customers in a timely manner, our business, results of operations and financial condition may be materially and adversely affected.

Our trade receivables amounted to RMB17.5 million, RMB29.7 million and RMB37.7 million as of December 31, 2020, 2021 and 2022, respectively. In 2020, 2021 and 2022, we incurred net impairment losses of trade receivables in the amount of RMB0.2 million, RMB0.7 million and RMB0.2 million, respectively. We usually make credit assessments of our customers before entering into service agreements. However, we cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our customers before entering into agreements or extending credit terms, nor can we guarantee that each of these customers will be able to strictly follow and enforce the payment schedules provided in the agreements. Any inability of our customers to pay us in a timely manner may adversely affect our liquidity and cash flows, which in turn has a material adverse effect on our business operations and financial condition.

We may need to make allowance for impairment of prepayments, deposits and other receivables.

As of December 31, 2020, 2021 and 2022, we recorded prepayments, deposits and other receivables of RMB5.9 million, RMB8.5 million and RMB12.7 million, respectively. There is no guarantee that customers, suppliers and service providers will perform their obligations in a timely manner, and we are subject to credit risk in relation to prepayments, deposits and other receivables. We make allowance for impairment of prepayments, deposits and other receivables when we determine the chances of recovering the relevant amounts due are remote. We conduct assessments on the recoverability of prepayments, deposits and other receivables based on, among others, our historical settlement records, our relationship with relevant counterparties, payment terms, economic trends and to a certain extent, the larger economic and regulatory environment, which involve the use of various judgments, assumptions and estimates by our management. See Note 18 to the Accountants' Report included in Appendix I to this Document for details. As our management's estimates and related assumptions were made in accordance with information available to us at the time the allowance was determined, there is no assurance that our expectations or estimates will remain accurate for the future. If we are not able to recover the amount as scheduled, we may need to make allowance for impairment of prepayments, deposits and other receivables and our business, financial condition and results of operations may be adversely affected.

We may not be able to fulfill our obligations in respect of contract liabilities which may in turn impact our results of operation, liquidity and financial position.

We recognize a contract liability when we receive a payment or when a payment is due (whichever is earlier) from a customer before we provide the related goods or services. Contract liabilities are then reclassified as revenue when we perform under the contract, which means transferring control of the related goods or services to the customer. Our contract liabilities increased from RMB119.0 million as of December 31, 2020 to RMB124.3 million as of December 31, 2021 and subsequently decreased to RMB107.2 million as of December 31, 2022. See "Financial Information — Discussion of Certain Key Balance Sheet Items — Other Payables and Accruals." If we fail to fulfill our obligations or if our customers dispute the services we provided, we may not be able to reclassify the full amount of contract liabilities as revenue, and we will have to refund all or a portion of the payments made by our customers, which will adversely affect our results of operations, liquidity and financial position.

Fair value losses in convertible redeemable preferred shares issued to [REDACTED] Investors and related valuation uncertainty may materially affect our financial condition and results of operations.

Our Company has historically issued several series of convertible redeemable preferred shares to investors. Upon the completion of the [REDACTED] and the [REDACTED], all of such redeemable convertible preferred shares will be automatically converted into ordinary shares. Additionally, the foregoing [REDACTED] Investors have the right to require us to redeem such convertible redeemable preferred shares if this [REDACTED] is not consummated on or prior to a certain date or upon the occurrence of some specified events.

The convertible redeemable preferred shares were recorded on a fair value basis. We had fair value losses on convertible redeemable preferred shares of RMB190.6 million in 2021 and RMB109.4 million in 2022. The carrying amount of convertible redeemable preferred shares amounted to approximately RMB603.1 million and RMB720.9 million as of December 31, 2021 and 2022, respectively. Equity allocation method was adopted to determine the fair value of the redeemable convertible preferred shares, and it utilizes a probability-weighted average mechanism based on the probability and pay-off from each share class under three scenarios, namely, [REDACTED], redemption and liquidation scenario. In each scenario, option-pricing model is used to estimate the fair value of each share class. Any change in the assumptions may lead to different valuation results and, in turn, changes in the fair value of these convertible redeemable preferred shares. To the extent we need to revalue the convertible redeemable preferred shares prior to the closing of the [REDACTED], any change in fair value of convertible redeemable preferred shares and related valuation uncertainty could materially affect our financial position and performance. After the automatic conversion of the convertible redeemable preferred shares into Shares upon the closing of the [REDACTED], we do not expect to recognize any further gains or losses on fair value changes from these convertible redeemable preferred shares in the future.

RISKS RELATING TO OUR CONTRACTUAL ARRANGEMENTS

If the PRC government finds that the agreements that establish the structure for operating our operations in China do not comply with applicable PRC laws and regulations, or if these laws and regulations or the interpretation of existing laws and regulations change in the future, we could be subject to severe consequences, including the nullification of the contractual arrangements and being forced to relinquish our interests in those operations.

Foreign ownership in entities that provide Internet and other related businesses, including value-added telecommunication services, is subject to restrictions under current PRC laws and regulations, unless certain exceptions are available. According to the Special Administrative Measures for Foreign Investment Access (Negative List 2021), or the 2021 Negative List, and other applicable laws and regulations, the industry of Internet and other related businesses/value-added telecommunications services (other than the e-commerce, domestic multi-party communications, storage-forwarding, and call center) generally falls into the restricted category. See "Regulatory Overview — Regulations Relating to Foreign Investment" for more details. Additionally, on July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with Law (the "**July 2021 Opinions**"), which requires the relevant governmental authorities to accelerate rulemaking related to overseas issuance and listing of securities and cross-border data flow and legal enforcement. As there are still uncertainties regarding the interpretation and implementation of such regulatory guidance, we cannot assure you that we would be able to comply with new regulatory requirements relating to our future overseas capital-raising activities and we may become subject to more stringent requirements with respect to matters including data privacy, cross-border investigation and enforcement of legal claims.

We are a company incorporated in the Cayman Islands and our PRC subsidiaries are considered foreign-invested enterprises. Accordingly, we and our PRC subsidiaries are not eligible to provide Internet information services of value-added telecommunication business subject to foreign ownership restriction under PRC laws and regulations. To ensure compliance with PRC laws and regulations, we conduct certain of our business lines in China through our Consolidated Affiliated Entities incorporated in China. We have entered into contractual arrangements with Consolidated Affiliated Entities and their shareholders, through which we obtain effective control over Consolidated Affiliated Entities and all of the economic benefits arising from our Consolidated Affiliated Entities and are able to consolidate the financial results of Consolidated Affiliated Entities in our results of operations. See "Contractual Arrangements."

The Contractual Arrangements provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the Shanghai International Economic and Trade Arbitration Commission in Shanghai, the PRC. The Contractual Arrangements contain provisions to the effect that the arbitral body may award remedies over the equity interest in our Consolidated Affiliated Entities, the equity interests and/or property interest and assets of our Consolidated Affiliated Entities, injunctive relief and/or winding up of our Consolidated Affiliated Entities. In addition, the Contractual Arrangements contain provisions to the effect that courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal. However, we have been advised by our PRC Legal Adviser that the above-mentioned provisions contained in the Contractual Arrangements may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant any injunctive relief or provisional or final winding-up order to preserve the assets of or any equity interest in our Consolidated Affiliated Entities in case of disputes. Therefore, such remedies may not be available to us, notwithstanding the relevant contractual provisions contained in the Contractual Arrangements. PRC laws allow an arbitral body to award the transfer of assets of or equity interest in our Consolidated Affiliated Entities in favor of an aggrieved party. In the event of noncompliance with such award, enforcement measures may be sought from the court. However, the court may or may not support the award of an arbitral body when deciding whether to take enforcement measures. There are, however, substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. The relevant PRC regulatory authorities have broad discretion in determining whether a particular contractual structure violates PRC laws and regulations. Thus, we cannot assure you that the PRC government will not ultimately take a view contrary to the opinion of our PRC Legal Adviser. If we are found in violation of any PRC laws or regulations or if the Contractual Arrangements among our wholly foreign-owned PRC subsidiaries, Consolidated Affiliated Entities and their shareholders are determined as illegal or invalid by any PRC court, arbitral tribunal or regulatory authorities, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoking the agreements constituting the Contractual Arrangements;
- revoking our business and operating licenses;
- requiring us to discontinue or restrict operations;
- restricting our right to collect revenue;
- restricting or prohibiting our use of the [REDACTED] from our [REDACTED] to fund our business and operations in China;
- shutting down all or part of our websites or services;
- levying fines on us and/or confiscating the proceeds that they deem to have been obtained through noncompliance operations;

- requiring us to restructure the operations in such a way as to compel us to establish a new enterprise, re-apply for the necessary licenses or relocate our businesses, staff and assets;

- imposing additional conditions or requirements with which we may not be able to comply; or

- taking other regulatory or enforcement actions that could be harmful to our business.

Furthermore, any of the assets under the name of any record holder of equity interest in our Consolidated Affiliated Entities, including such equity interest, may be put under court custody in connection with litigation, arbitration or other judicial or dispute resolution proceedings against that record holder. We cannot be certain that the equity interest will be disposed of in accordance with the Contractual Arrangements. In addition, new PRC laws, rules and regulations may be introduced to impose additional requirements that may impose additional challenges to our corporate structure and Contractual Arrangements. The occurrence of any of these events or the imposition of any of these penalties may result in a material and adverse effect on our ability to conduct Internet-related businesses. In addition, if the imposition of any of these penalties causes us to be unable to direct the activities of our Consolidated Affiliated Entities or the right to receive their economic benefits, we would no longer be able to consolidate our Consolidated Affiliated Entities into our financial statements, which could materially and adversely affect our financial condition and results of operations. In this case, we may also face the risk that the Stock Exchange may consider our Company to be no longer suitable for [REDACTED] and consequently [REDACTED] our Shares.

Substantial uncertainties exist with the regulations regarding foreign ownership restrictions and how the 2022 Decision may impact the viability of our current corporate structure.

Foreign-invested telecommunications enterprises engaging in telecommunications business shall be regulated by the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》). The 2022 Decision that took effect from May 1, 2022 made certain significant changes to the 2016 FITE Regulations. Under the 2016 FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in and a proven track record of operating value-added telecommunications businesses overseas (the "**Qualification Requirements**"), while the 2022 Decision repealed the Qualification Requirements. Namely, the restrictions of Qualification Requirements no longer apply to foreign investors. See "Regulatory Overview — Regulations Relating to Foreign Investment — Restrictions on Foreign Investment in Value-added Telecommunications Services" for more details. However, foreign investors are still not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services despite the 2022 Decision. As of the Latest Practicable Date, no applicable PRC laws, regulations

or rules have provided clear guidance or interpretation about the 2022 Decision. It remains extremely uncertain as to the interpretation and enforcement of the 2022 Decision in practice and relevant regulations by government authorities.

In order to narrowly tailor our VIE structure in accordance with the Stock Exchange's listing decision HKEx-LD43–3 in light of the 2022 Decision, we will, as applicable and when necessary, make inquiries with relevant PRC authorities to understand any new regulatory development. While we intend to comply with all new and existing laws and regulations, we cannot assure you that we will always be able to timely and efficiently change our business practice in line with the new regulatory environment. Any such failure could materially and adversely affect our business, financial condition, results of operations and prospects.

As confirmed by our Directors, in the event that PRC laws and regulations allow the WFOE or us to directly hold all or part of the interest in our Consolidated Affiliated Entities and operate the relevant restricted/prohibited business in the PRC, the WFOE shall exercise the Equity Call Option as soon as practicable and the WFOE or its designated party shall purchase such amount of interest to the extent permissible under the PRC laws and regulations, and upon exercise in full of the Equity Call Option and the acquisition of all the interest that the Registered Shareholders (directly and indirectly) hold in our Consolidated Affiliated Entities by the WFOE or another party designated by our Company pursuant to the terms of the Exclusive Call Option Agreements, each of the Contractual Arrangements shall be automatically terminated. The Registered Shareholders have undertaken to compensate to the WFOE or its respective designated entity any consideration they received in the event that the WFOE or its respective designated purchaser acquires all or part of the interest in the Consolidated Affiliated Entities.

Our Contractual Arrangements may not be as effective in providing operational control as direct ownership.

We operate a majority of our business in China through our Consolidated Affiliated Entities, in which we have no ownership interest and rely on the Contractual Arrangements with our Consolidated Affiliated Entities and their shareholders to control and operate these businesses. A portion of our revenue and cash flow from our business is attributed to our Consolidated Affiliated Entities. The Contractual Arrangements may not be as effective as direct ownership in providing us with control over Consolidated Affiliated Entities. Direct ownership would allow us, for example, to directly or indirectly exercise our rights as a shareholder to effect changes in the boards of directors of Consolidated Affiliated Entities, which, in turn, could effect changes, subject to any applicable fiduciary obligations at the management level. However, under the Contractual Arrangements, if our Consolidated Affiliated Entities and their shareholders fail to perform their respective obligations under the Contractual Arrangements, we may have to (i) incur substantial costs, (ii) expend significant resources to enforce those arrangements, and (iii) resort to litigation or arbitration and rely on legal remedies under PRC laws. These remedies may include seeking specific performance or injunctive relief and claiming damages, any of which may not be effective. In the event we are unable to enforce the Contractual Arrangements or we experience significant delays or other obstacles in the process of enforcing the Contractual

Arrangements, we may not be able to exert effective control over Consolidated Affiliated Entities and may lose control over the assets owned by our Consolidated Affiliated Entities. As a result, we may be unable to consolidate our Consolidated Affiliated Entities in our consolidated financial statements, which could materially and adversely affect our financial condition and results of operations.

Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could negatively affect our financial condition and the value of your [REDACTED].

The tax regime in China is rapidly evolving, and there is significant uncertainty for taxpayers in China as PRC tax laws may be interpreted in significantly different ways. The PRC tax authorities may assert that we or our subsidiaries or Consolidated Affiliated Entities or their shareholders owe and/or are required to pay additional taxes on previous or future revenue or income. In particular, under applicable PRC laws, rules and regulations, arrangements and transactions among related parties, such as the Contractual Arrangements with our Consolidated Affiliated Entities, may be subject to audit or challenge by the PRC tax authorities. If the PRC tax authorities determine that any Contractual Arrangements were not entered into on an arm's length basis and therefore constitute a favorable transfer pricing, the PRC tax liabilities of the relevant subsidiaries and/or Consolidated Affiliated Entities and/or equity holders of Consolidated Affiliated Entities could be increased, which could increase our overall tax liabilities. In addition, the PRC tax authorities may impose late payment interest. Our profit may be materially reduced if our tax liabilities increase.

Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

The control structure through contractual arrangements has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. On March 15, 2019, the NPC promulgated the Foreign Investment Law (2019), and on December 31, 2019, the State Council promulgated the Implementing Rules of Foreign Investment Law, or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law (2019). The Foreign Investment Law (2019) and the Implementing Rules both became effective from January 1, 2020 and replaced the major previous laws and regulations governing foreign investments in the PRC. Since they are relatively new, uncertainties exist in relation to their interpretation and implementation. The Foreign Investment Law and the Implementing 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 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 our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment in the PRC and if yes, how our Contractual Arrangements should be dealt with.

The Foreign Investment Law (2019) grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in the Special Administrative Measures (Negative List) for Foreign Investment Access jointly promulgated by MOFCOM and the NDRC and took effect on January 1, 2021. The Foreign Investment Law provides that foreign-invested entities are not allowed to operate in "prohibited" industries and their operating in "restricted" industries shall satisfy certain conditions and will require market entry clearance and other approvals from relevant PRC government authorities. On December 26, 2019, the Supreme People's Court issued the Interpretations on Certain Issues Regarding the Applicable of Foreign Investment Law, or the FIL Interpretations, which came into effect on January 1, 2020. In accordance with the FIL Interpretations, any claim to invalidate an investment agreement will be supported by courts if such agreement is found to be entered into for purposes of making investments in the "prohibited industries" under the negative list or for purposes of investing in "restricted industries" while failing to satisfy the conditions set out in the negative list. See "Regulatory Overview — Regulations Relating to Foreign Investment — Foreign Investment Laws and Regulations" for more details. If our control over our Consolidated Affiliated Entities through Contractual Arrangements is deemed as foreign investment in the future, and any business of our Consolidated Affiliated Entities is "restricted" or "prohibited" from foreign investment under the "negative list" effective at the time, we may be deemed to be in violation of the Foreign Investment Law, the Contractual Arrangements that allow us to have control over our Consolidated Affiliated Entities may be deemed as invalid and illegal, and we may be required to unwind such Contractual Arrangements and/or restructure our business operations, any of which may have a material adverse effect on our business operations.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to the Contractual Arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

Any failure by our Consolidated Affiliated Entities or their shareholders to perform their obligations under our Contractual Arrangements with them would have a material adverse effect on our business.

If our Consolidated Affiliated Entities or their shareholders fail to perform their respective obligations under the Contractual Arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and contractual remedies, which we cannot assure you will be sufficient or effective under PRC law. For example, if the shareholders of our Consolidated Affiliated Entities were to refuse to transfer their equity interests in Consolidated Affiliated Entities

to us or our designee(s) if we exercise the purchase option pursuant to the Contractual Arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All the agreements under our Contractual Arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce the Contractual Arrangements. See "— Risks Relating to Doing Business in China — Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us." Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a combined variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such proceeding if legal action becomes necessary. In addition, under PRC law, although rulings by arbitrators are final, if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only resort to PRC courts for enforcement of the arbitration awards through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce the Contractual Arrangements, or if we suffer significant delay or other obstacles in the process of enforcing the Contractual Arrangements, we may not be able to exert effective control over our Consolidated Affiliated Entities, and our ability to conduct our business may be negatively affected.

In addition, the shareholders of our Consolidated Affiliated Entities may be involved in personal disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in our Consolidated Affiliated Entities and the validity or enforceability of our Contractual Arrangements with our Consolidated Affiliated Entities and their shareholders. For example, in the event that any of the shareholders of our Consolidated Affiliated Entities divorces his or her spouse, the spouse may claim that the equity interest of Consolidated Affiliated Entities held by such shareholder is part of their community property and should be divided between such shareholder and his or her spouse. If such claim is supported by the court, the relevant equity interest may be obtained by the shareholder's spouse or another third party who is not subject to obligations under our Contractual Arrangements, which could result in a loss of the effective control over Consolidated Affiliated Entities by us. Similarly, if any of the equity interests of Consolidated Affiliated Entities is inherited by a third party with whom the current Contractual Arrangements are not binding, we could lose our control over our Consolidated Affiliated Entities or have to maintain such control by incurring unpredictable costs, which could cause significant disruption to our business and operations and harm our financial condition and results of operations.

We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by our Consolidated Affiliated Entities if any of our Consolidated Affiliated Entities declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

Our Consolidated Affiliated Entities contribute a portion of our revenue, and hold the majority of our operational assets and licenses, approvals and assets that are necessary for the operation of our business. The Contractual Arrangements contain terms that specifically obligate the equity holders of our Consolidated Affiliated Entities to ensure the valid existence of our Consolidated Affiliated Entities and restrict the disposition of material assets or any equity interest of such Consolidated Affiliated Entities. However, in the event that the equity holders of Consolidated Affiliated Entities breach the terms of the Contractual Arrangements and voluntarily liquidate Consolidated Affiliated Entities, or our Consolidated Affiliated Entities declared bankruptcy and all or part of their assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to operate some or all of our business or otherwise benefit from the assets held by our Consolidated Affiliated Entities, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, if our Consolidated Affiliated Entities undergo a voluntary or involuntary liquidation proceeding, their equity holders or unrelated third-party creditors may claim rights to some or all of the assets of our Consolidated Affiliated Entities, thereby hindering our ability to operate our business as well as constraining our growth.

The shareholders of our Consolidated Affiliated Entities may have potential conflicts of interest with us.

The shareholders of our Consolidated Affiliated Entities may have actual or potential conflicts of interest with us. These shareholders may breach, or cause our Consolidated Affiliated Entities to breach, or refuse to renew, the Contractual Arrangements we have with them and our Consolidated Affiliated Entities, which would have a material and adverse effect on our ability to effectively control Consolidated Affiliated Entities and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with our Consolidated Affiliated Entities to be performed in a manner adverse to us by, among other things, failing to remit payments due under the Contractual Arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our Company or such conflicts will be resolved in our favor.

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our Company, except that we could exercise our purchase option under the exclusive option agreements with these shareholders to request them to transfer all of their equity interests in Consolidated Affiliated Entities to us or our designee(s), to the extent permitted by PRC law. For individuals who are also our Directors and officers, we rely on them to abide by the laws of the Cayman Islands, which provide that directors and officers owe a fiduciary duty to the company that requires them to act in good faith and in what they believe to be the best interests of the company and not to use their positions for personal gains. The shareholders of Consolidated Affiliated Entities have executed the shareholders' rights entrustment agreement to appoint WFOE or a natural

person designated by WFOE to exercise all of its rights and powers as a shareholder of our Consolidated Affiliated Entities. If we cannot resolve any conflict of interest or dispute between us and the shareholders of Consolidated Affiliated Entities, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainties as to the outcome of any such legal proceedings.

We do not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.

Our insurance does not cover the risks relating to the Contractual Arrangements and the transactions contemplated thereunder, and we have no intention to purchase any new insurance in this regard. If any risk arises from the Contractual Arrangements in the future, such as those affecting the enforceability of the contracts among WFOE, Consolidated Affiliated Entities and the Registered Shareholders, our financial condition and results of operations may be adversely affected.

If we exercise the option to acquire equity interests and/or assets of our Consolidated Affiliated Entities, the equity interests and/or assets transfer may subject us to certain limitations and substantial costs.

Pursuant to the Exclusive Call Option Agreements (as amended), the Registered Shareholders have irrevocably granted the WFOE or its designated purchaser the right to purchase all or part of the direct or indirect interests (including equity interests and/or assets) of our Consolidated Affiliated Entities.

If the WFOE or its designated purchaser exercises the option, the transfer may be subject to the approvals from and filings with the SAMR and other competent governmental authorities and/or their local competent branches. Besides, the transfer price may be subject to review and tax adjustment by the relevant tax authority. In the event that the consideration paid by the WFOE or its designated purchaser for the transfer exceeds RMB0, the Registered Shareholders shall pay such excess amount to the WFOE or its designated entity. The amount to be received by the WFOE or its designated entity may also be subject to enterprise income tax. Such tax amounts could be substantial.

RISKS RELATING TO DOING BUSINESS IN CHINA

PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects.

Substantially all of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by economic, political and social conditions in China generally. The PRC economy differs from the economies of most developed countries in many respects, including the level of development, growth rate, level of government involvement and control of foreign exchange and allocation of resources. The PRC government exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policies, and

providing preferential treatments to particular industries or companies. In addition, the PRC government continues to play a significant role in regulating industry development by imposing relevant industrial policies.

While the PRC economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. In addition, the rate of growth has been slowing since 2012, and the impact of COVID-19 on the Chinese and global economies in 2020 and 2021 was severe. Any adverse changes in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our solutions and services and adversely affect our competitive position. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the PRC government has implemented certain measures, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activities in China, which may adversely affect our business and results of operations.

PRC laws and regulations establish more complex procedures for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

A number of PRC laws and regulations, including the M&A Rules, the Anti-monopoly Law promulgated by the SCNPC in August 2007, the Notice of the General Office of State Council on Establishment of Security Review System Pertaining to Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by the General Office of the State Council in February 2011, and the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by MOFCOM in August 2011, have established procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex. These include requirements in some instances that the approval from MOFCOM shall be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review. See "Regulatory Overview — Regulations Relating to Foreign Investment — M&A Rules" for more details.

We may also develop our business by acquiring complementary businesses in addition to via organic growth. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from MOFCOM or its local counterparts, may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that

raises "national defense and security" or "national security" concerns. However, MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in China, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.

The PRC legal system is based on written statutes. Unlike common law systems, it is a system in which legal cases have limited value as precedents. In the late 1970s, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly increased the protections afforded to various forms of foreign or private-sector investment in China. Our PRC subsidiaries and Consolidated Affiliated Entities are subject to various PRC laws and regulations generally applicable to companies in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and the enforcement of these laws, regulations and rules involve uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have retroactive effects. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainties over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations.

Any failure or perceived failure by us to comply with the enacted version of the Guideline and other anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.

The PRC anti-monopoly enforcement agencies have in recent years strengthened enforcement under the Anti-monopoly Law of PRC (中華人民共和國反壟斷法). In March 2018, the SAMR was formed as a new governmental agency to take over, among other things, the anti-monopoly enforcement functions from the relevant departments under the MOFCOM, the NDRC and the SAIC, respectively. Since its inception, the SAMR has continued to strengthen anti-monopoly enforcement. On December 28, 2018, the SAMR

issued the Notice on Anti-monopoly Enforcement Authorization (關於反壟斷執法授權的通知), which grants authorities to its province-level branches to conduct anti-monopoly enforcement within their respective jurisdictions. On September 11, 2020, the SAMR issued Anti-monopoly Compliance Guideline for Operators (經營者反壟斷合規指南), which requires, under the Anti-monopoly Law of the PRC, operators to establish anti-monopoly compliance management systems to prevent anti-monopoly compliance risks. On February 7, 2021, the Anti-monopoly Commission of the State Council issued the Antimonopoly Guidelines on Platform Economy (《關於平台經濟領域的反壟斷指南》) (the "**Guidelines**"), which became effective on the same day. The Guidelines provide that the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) and relevant regulations are applicable to internet platforms and businesses participating in platform economy. In August 2021, the State Administration for Industry and Commerce of the PRC, or the SAMR, issued the Draft Provisions on Preventing Unfair Online Competition (《禁止網路不正當競爭行為規定》(公開徵求意見稿)), which mainly regulates the production and operation activities of business operators through the Internet and other information networks, and specifically stipulates the general norms of online competition, prohibits the use of technical means to impede, interfere or conduct other unfair competition behaviors and prohibits the use of technical means to conduct other online unfair competition behaviors. As of the Latest Practicable Date, the Draft Provisions on Preventing Unfair Online Competition has not been formally adopted, and due to the lack of further clarification, there are still uncertainties regarding the interpretation and implementation of the Draft Provisions on Preventing Unfair Online Competition.

Any failure or perceived failure by us to comply with the Anti-monopoly Law of PRC (中華人民共和國反壟斷法) and other anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, in July 2014. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." The term "control" under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles or PRC companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendments to the registration in the event of any changes with respect to the basic information of the special purpose vehicle,

such as changes in a PRC resident individual shareholder, name or operation period; or any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material events. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with the SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions. In February 2015, SAFE issued the Circular on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment, or SAFE Circular 13, which took effect on June 1, 2015. SAFE Circular 13 has delegated to the qualified banks the authority to register all PRC residents' investment in "special purpose vehicle" pursuant to SAFE Circular 37, except that those PRC residents who have failed to comply with SAFE Circular 37 will remain to fall into the jurisdiction of the local SAFE branch and must make their supplementary registration application with the local SAFE branch. See "Regulatory Overview — Regulations Relating to Foreign Exchange" for more details.

We have requested PRC residents who we know hold direct or indirect interest in our Company to make the necessary applications, filings and amendments as required under SAFE Circular 37 and other related rules. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our Company, and we cannot provide any assurance that these PRC residents will comply with our request to make or obtain any applicable registrations or comply with other requirements under SAFE Circular 37 or other related rules. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, restrict our cross-border investment activities, limit the ability of our wholly foreign-owned subsidiaries in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into these subsidiaries. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

The approval of the China Securities Regulatory Commission may be required in connection with the [REDACTED], and, if required, we cannot predict whether we will be able to obtain such approval.

The M&A Rules require an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of the China Securities Regulatory Commission, or the CSRC, prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and the [REDACTED] may ultimately require approval from

the CSRC. If the CSRC approval is required, it is uncertain how long it will take us to obtain such approval and any failure to obtain or delay in obtaining the approval for the [REDACTED] would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China. In addition, on December 24, 2021, the CSRC published the draft Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (國務院關於境內企業境外發行證券和上市的管理規定(草稿徵求意見稿)) and the draft Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (境內企業境外發行證券和上市備案管理辦法(徵求意見稿)) (collectively, the "**Draft Regulations on Listing**") for public comments. Pursuant to these drafts, PRC domestic companies that directly or indirectly offer or list their securities in an overseas market, which include (i) any PRC company limited by shares, and (ii) any offshore company that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three business days after submitting its listing application documents to the relevant regulator in the place of intended listing. Failure to complete the filing under the Administrative Provisions may subject a PRC domestic company to a warning or a fine of RMB1 million to RMB10 million. If the circumstances are serious, the PRC domestic company may be ordered to suspend its business or suspend its business until rectification, or its permits or business licenses may be revoked. At a press conference on the Draft Regulations on Listing held on December 24, 2021, the officials from the CSRC clarified that the implementation of the Draft Regulations on Listing will follow the principle of non-retroactivity of the law, and emphasized that the incremental enterprises (增量企業) and the stock enterprises (存量企業) with refinancing activities shall fulfill the filing procedure, whereas a proper transition period will be allowed for other stock enterprises. On February 17, 2023, the CSRC issued the Tentative Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies(《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines (collectively referred to as the "**Tentative Measures on Listing**"), which has been approved by the State Council and will take effect on March 31, 2023. At a press conference held on February 17, 2023, the officials from the CSRC clarified that for domestic enterprises that have been approved by overseas regulators or overseas stock exchanges (for example, a contemplated offering and/or listing in Hong Kong has passed the hearing of the Stock Exchange) on or before the effective date of the Tentative Measures on Listing (i.e., March 31, 2023), but have not completed the indirect overseas offering and listing, a six-month transition period will be granted. Those who complete the overseas issuance and listing within six months are deemed as stock enterprises. The stock enterprises do not require filing immediately. Subsequent filing matters such as refinancing shall be filed as required. If the above-mentioned domestic enterprises need to re-perform the issuance and listing procedures to the overseas regulatory authorities within six months (such as requiring a new hearing of the Stock Exchange) or fail to complete the overseas issuance and listing within six months, such domestic enterprises shall complete the filing procedures. If we are categorized as an incremental enterprise, we may have to incur significant time, costs and resources to comply with these regulatory requirements and have to complete the filing procedures with the CSRC with respect to the [REDACTED]. As such, our business operations may be materially and

adversely affected. In addition, some of our future financing activities may also need to be filed with and/or reported to CSRC according to the Tentative Measures on Listing. If we fail to complete the filing and/or report with the CSRC in a timely manner or at all, for any future financing activities, which are subject to the filing and/or report requirements under the Tentative Measures on Listing, due to our contractual arrangements, our ability to raise or utilize funds could be adversely affected, and we may even need to restructure our business operations to rectify the failure to complete the filing and/or report. However, given that the Tentative Measures on Listing were recently promulgated, there remains substantial ongoing development as to their interpretation, application, and enforcement and how they will affect our future financing. See "Regulatory Overview — Regulations Relating to Overseas Listing" for more details.

As of the Latest Practicable Date, we have not received any enquiries, comments, instructions, guidance or other concerns from any PRC authorities, including the CSRC, with respect to our [REDACTED] and our VIE structure. Further, our PRC Legal Adviser is of the view that although the Tentative Measures on Listing apply to overseas offerings and listings of PRC domestic companies, they do not raise additional compliance requirements for business operations of such PRC companies. As such, we do not foresee the Tentative Measures on Listing would have a material impact on our business operations.

We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our Shareholders and have a material adverse effect on our results of operations and the value of your [REDACTED].

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall and substantial management of the production and business operations, personnel, accounts and properties, etc. of an enterprise. In 2009, the State Administration of Taxation of the People's Republic of China, or the SAT, issued a Notice Regarding the Determination of Chinese-controlled Offshore Incorporated Enterprises as the PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or SAT Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location where senior management personnel and departments that are

responsible for the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and meeting minutes and files of board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that neither we nor our offshore subsidiary is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that we and/or our offshore subsidiary are a PRC resident enterprise for enterprise income tax purposes, we and/or our offshore subsidiary will be subject to the uniform 25% enterprise income tax on our worldwide income, which could materially reduce our net income. In addition, we and/or our offshore subsidiary will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our Shares may be subject to PRC tax, and dividends we pay may be subject to PRC withholding tax (which in the case of dividends may be withheld at source), at a rate of 10% in the case of shareholders that are non-PRC enterprises or 20% in the case of shareholders that are non-PRC individuals. Any PRC income tax liability may be reduced under applicable tax treaties. However, it is unclear whether non-PRC Shareholders of our Company would be able to obtain in practice the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your [REDACTED] in our Shares. For a further discussion, see "— You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares" below.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares.

Under the EIT Law, and its implementation rules, PRC withholding tax at the rate of 10% is generally applicable to dividends from PRC sources paid to investors that are resident enterprises outside of China, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within China. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax. Any such PRC tax liability may be reduced by the provisions of an applicable tax treaty.

As discussed above under "— We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our Shareholders and have a material adverse effect on our results of operations and the value of your [REDACTED]," we may be considered a PRC resident enterprise. As substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realized through the transfer of our Shares or on dividends paid to our non-resident [REDACTED], the value of your [REDACTED] in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

In addition, pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income, or the Double Tax Avoidance Arrangement and the Notice of the State Taxation Administration on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties issued on February 20, 2009 by the SAT, if a Hong Kong resident enterprise owns more than 25% of the equity interest in a PRC company at all times during the 12-month period immediately prior to obtaining a dividend from such company, the 10% withholding tax on dividends is reduced to 5% provided certain other conditions and requirements under the Double Tax Avoidance Arrangement and other applicable PRC laws are satisfied at the discretion of the relevant PRC tax authorities. However, based on the Notice of the State Taxation Administration on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a transaction or arrangement that is primarily tax-driven, the PRC tax authorities may adjust the preferential tax treatment. Based on the Notice of the State Taxation Administration on the Recognition of Beneficial Owners in Tax Treaties, or Circular 9, issued on February 3, 2018 by the SAT and effective from April 1, 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in a third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levies tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. If our Hong Kong subsidiary is determined by PRC government authorities as receiving benefits from reduced income tax rates due to a transaction or arrangement that is primarily tax-driven, it would materially and adversely affect the amount of dividends.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies, and the heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your [REDACTED] in us.

The SAT has issued several rules and notices to tighten the scrutiny over acquisition transactions in recent years, including the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises issued in December 2009, or SAT Circular 698, the Notice on Several Issues Regarding the Income Tax of Non-PRC Resident Enterprises promulgated issued in March 2011, or SAT Circular 24, and the Notice on Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-PRC Resident Enterprises issued in February 2015, or SAT Circular 7. Pursuant to these rules and notices, if a non-PRC resident enterprise indirectly transfers PRC taxable properties, referring to properties of an establishment or a place in the PRC, real estate properties in the PRC or equity investments in a PRC tax resident enterprise, by disposing of equity interest in an overseas holding company, such indirect transfer should be deemed as a direct transfer of PRC taxable properties and gains derived from such indirect transfer may be subject to the PRC withholding tax at a rate of up to 10%. SAT Circular 7 sets out several factors to be taken into consideration by tax authorities in determining whether an indirect transfer has a reasonable commercial purpose. An indirect transfer satisfying all the following criteria will be deemed to lack reasonable commercial purpose and be taxable under PRC law: (i) 75% or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from the PRC taxable properties; (ii) at any time during the one-year period before the indirect transfer, 90% or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in the PRC, or 90% or more of its income is derived directly or indirectly from the PRC; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries that directly or indirectly hold the PRC taxable properties are limited and are insufficient to prove their economic substance; and (iv) the foreign tax payable on the gain derived from the indirect transfer of the PRC taxable properties is lower than the potential PRC income tax on the direct transfer of such assets. Nevertheless, the indirect transfer falling into the safe harbor available under SAT Circular 7 may not be subject to PRC tax and the scope of the safe harbor includes qualified group restructuring, public market trading and tax treaty exemptions as specifically set out in SAT Circular 7.

In October 2017, the SAT released the Public Notice Regarding Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Public Notice 37, effective from December 2017. SAT Public Notice 37 replaced a series of important circulars, including but not limited to SAT Circular 698, and revised the rules governing the administration of withholding tax on China-sourced income derived by a non-resident enterprise. SAT Public Notice 37 provides for certain key changes to the current withholding regime, for example, the withholding obligation for a non-resident enterprise deriving dividend arises on the date on which the payment is actually made rather than on the date of the resolution that declared the dividends.

Under SAT Circular 7 and SAT Public Notice 37, the entities or individuals obligated to pay the transfer price to the transferor are the withholding agents and must withhold the PRC income tax from the transfer price if the indirect transfer is subject to the PRC enterprise income tax. If the withholding agent fails to do so, the transferor should report to and pay the tax to the PRC tax authorities. In the event that neither the withholding agent nor the transferor fulfills their obligations under SAT Circular 7 and SAT Public Notice 37, according to the applicable law, apart from imposing penalties such as late payment interest on the transferor, the tax authority may also hold the withholding agent liable and impose a penalty of 50% to 300% of the unpaid tax on the withholding agent. The penalty imposed on the withholding agent may be reduced or waived if the withholding agent has submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with SAT Circular 7.

However, as there is a lack of clear statutory interpretation, we face uncertainties on the reporting and consequences of future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our Company by [REDACTED] that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us. Our Company and other non-resident enterprises in our Group may be subject to filing obligations or being taxed if our Company and other non-resident enterprises in our Group are transferors in such transactions, and may be subject to withholding obligations if our Company and other non-resident enterprises in our Group are transferees in such transactions. For the transfer of shares in our Company by [REDACTED] that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our Company and other non-resident enterprises in our Group should not be taxed under these rules and notices, which may have a material adverse effect on our financial condition and results of operations. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non-PRC residents were involved if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-PRC resident [REDACTED] may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices, which may have a material adverse effect on our financial condition and results of operations or such non-PRC resident [REDACTED] in us. We may conduct acquisition transactions in the future. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

Failure to obtain any preferential tax treatments or the discontinuation, reduction or delay of any of the preferential tax treatments that may be available to us in the future could materially and adversely affect our business, financial condition and results of operations.

Operating in the high-technology industry, Shanghai MedSci, one of our PRC operating entities, enjoys preferential tax treatment as a high and new technology enterprise according to the prevailing PRC tax laws. For a qualified high and new technology enterprise, the applicable enterprise income tax rate is 15%. The high and new technology enterprise qualification is re-assessed by the relevant authorities every three years. In December 2020, Shanghai MedSci was qualified as a "high and new technology enterprise" under the relevant PRC laws and regulations. Accordingly, Shanghai MedSci was entitled to a preferential income tax rate of 15% during the period from 2020 to 2023. Shanghai MedSci plans to file an application to renew the status in 2023. If Shanghai MedSci fails to maintain its respective qualification under the relevant PRC laws and regulations, its applicable enterprise income tax rates may increase to up to 25%, which could have a material adverse effect on our results of operations.

Any failure to comply with PRC regulations regarding any employee share incentive plan may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in China for a continuous period of not less than one year. As such, we and our executive officers may be subject to such regulations, if, in the future, additional options or stock incentive plans are adopted. Failure to complete SAFE registrations may subject them to fines of up to RMB300,000 for entities and up to RMB50,000 for individuals and may also limit our ability to contribute additional capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our Directors, executive officers and employees under PRC law.

In addition, the SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes

for those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

We rely to a significant extent on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business or financial condition.

We are a holding company, and we principally rely on dividends and other distributions on equity that may be paid by our PRC subsidiaries and remittances from our Consolidated Affiliated Entities, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our Shares and service any debt we may incur. If our PRC subsidiaries or our Consolidated Affiliated Entities incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their retained earnings as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. Our PRC subsidiaries may also allocate a portion of their respective after-tax profits based on PRC accounting standards to discretional reserve funds. These reserve funds are not distributable as cash dividends. Any limitation on the ability of our Consolidated Affiliated Entities to make remittances to our wholly-owned PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

PRC regulations of loans to, and direct investment in, PRC entities by offshore holding companies may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We may transfer funds to our PRC subsidiaries or finance our PRC subsidiaries by means of shareholders' loans or capital contributions, or to our Consolidated Affiliated Entities by means of loans, after completion of the [REDACTED] and the [REDACTED]. Any loans to our PRC subsidiaries or our Consolidated Affiliated Entities cannot exceed a statutory limit, and shall be filed with SAFE or its local counterparts, and if such loan is with a term of more than one year, it must be recorded and registered with the NDRC or its local branches. In addition, any capital contributions we make to our PRC subsidiaries shall submit the report of changes to MOFCOM or its local counterparts via the online information reporting system and registered with the SAMR or its local branches. We may not be able to complete these government reports on a timely basis, if at all. If we fail to

complete such procedures, our ability to provide loans or capital contributions to our PRC subsidiaries in a timely manner may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

In March 2015, SAFE promulgated the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**"), which took effect and replaced Circular of the Comprehensive Department of the SAFE on Improving the Business Operation of foreign exchange Capital Payment and Settlement of Foreign-invested Enterprises (《國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知》) (the "**SAFE Circular 142**") from June 1, 2015. On June 9, 2016, SAFE promulgated Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"). SAFE Circular 19 and SAFE Circular 16 removed certain restrictions previously provided under SAFE Circular 142 on the conversion by a foreign-invested enterprise of its capital denominated in foreign currency into RMB and the use of such RMB and allowed foreign-invested enterprises to settle their foreign currency-denominated capital at their discretion based on actual needs of their business operations. However, SAFE Circular 19 and SAFE Circular 16 continue to prohibit foreign-invested enterprises from, among other things, using an RMB fund converted from its foreign exchange capital for expenditure beyond its business scope, or providing loans to non-associated enterprises. In addition, neither SAFE Circular 19 nor SAFE Circular 16 clarifies whether a foreign-invested enterprise whose business scope does not include equity investment or similar activities may use RMB converted from the foreign currency-denominated capital for equity investments in the PRC. On October 23, 2019, the SAFE issued Circular on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**"), which expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as there is a true investment and such investment is in compliance with the foreign investment-related laws and regulations. See "Regulatory Overview — Regulations Relating to Foreign Exchange" for more details. If our Consolidated Affiliated Entities require financial support from us or our PRC subsidiaries in the future, and we find it necessary to use foreign currency-denominated capital to provide such financial support, our ability to fund our Consolidated Affiliated Entities' operations will be subject to statutory limits and restrictions, including those described above. The applicable foreign exchange circulars and rules may limit our ability to transfer the net [REDACTED] from the [REDACTED] to our PRC subsidiaries and convert the net [REDACTED] into RMB, which may adversely affect our business, financial condition and results of operations.

Restrictions on the remittance of RMB into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your [REDACTED].

The PRC government imposes controls on the convertibility of RMB into foreign currencies and the remittance of currency out of China. We receive substantially all of our revenue in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiaries. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our Shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency-denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration or filings with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. Pursuant to SAFE Circular 19, a foreign-invested enterprise may convert up to 100% of the foreign currency in its capital account into RMB on a discretionary basis according to the actual needs. SAFE Circular 16 provides for an integrated standard for conversion of foreign exchange under capital account items on a discretionary basis, which applies to all enterprises registered in China. In addition, SAFE Circular 16 has narrowed the scope of purposes for which an enterprise must not use the RMB funds so converted, which include, among others, (i) payment for expenditure beyond its business scope or otherwise as prohibited by the applicable laws and regulations, (ii) unless otherwise specified, investment in securities or other financial products other than banks' principal-secured products, (iii) provision of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope of the enterprise, and (iv) construction or purchase of non-self-used real properties, except for real estate developers. See "Regulatory Overview — Regulations Relating to Foreign Exchange" for more details. The PRC government may at its discretion further restrict access to foreign currencies for current account transactions or capital account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency needs, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of China.

Fluctuations in exchange rates could result in foreign currency exchange losses.

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes including the PRC government's policies, and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or

government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In addition, the People's Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in RMB exchange rates and achieve policy goals.

The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the RMB may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to obtain the SAFE's approval before converting significant sums of foreign currencies into RMB. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

It may be difficult to effect service of process upon us or our Directors or officers named in this Document who reside in China or to enforce foreign court judgments against them in China.

Most of our assets are situated in China and most of our Directors and officers named in this Document reside in, and most of their respective assets are located in, China. As a result, it may be difficult to effect service of process outside China upon most of our Directors and officers, including with respect to matters arising under applicable securities laws. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom and many other countries. Consequently, it may be difficult for you to enforce against us or our Directors or officers in China any judgments obtained from courts outside of China.

On July 14, 2006, Hong Kong and China entered into the Arrangement between the Courts of the Mainland and Courts of the Hong Kong Special Administrative Region on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters Where the Parties Involved Have a Choice of Court Agreement, or the Arrangement. Pursuant to the Arrangement, a final judgment on civil or commercial matters entered by Hong Kong courts can be recognized and enforced in China by application to a competent court of China if the judgment awards monetary payment and the parties thereto have agreed in writing to submit the matter exclusively to Hong Kong courts for resolution. Similarly, a final judgment entered by courts of China on civil or commercial matters are enforceable in Hong Kong if the judgment awards monetary payment and the parties thereto have agreed in writing to submit the matter exclusively to courts of China for resolution. In January 2019, Hong Kong and China entered into another arrangement on court judgment recognition and enforcement — the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region, or the New Arrangement — which no longer limits recognizable judgments to those granting monetary awards and whose parties have written and exclusive choice of forum agreement. The New Arrangement has yet come into effect and how it will be implemented remains uncertain.

It may be difficult for overseas regulators to conduct investigations or collect evidence within China.

Shareholder claims or regulatory investigations that are common in jurisdictions outside China are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to provide information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in Hong Kong or other jurisdictions may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigations or evidence collection activities within the territory of the PRC, and without the consent by the Chinese securities regulatory authorities and the other competent governmental agencies, no entity or individual may provide documents or materials related to securities business to any foreign party. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability of an overseas securities regulator to directly conduct investigations or evidence collection activities within China and the potential obstacles for information provision may further increase difficulties faced by you in protecting your interests.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares prior to the [REDACTED], and you may not be able to resell our Shares at or above the price you [REDACTED], or at all.

Prior to the completion of the [REDACTED], there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the [REDACTED] and the [REDACTED]. The [REDACTED] is the result of negotiations between our Company, the [REDACTED] and the [REDACTED] (for themselves and on behalf of the [REDACTED]), which may not be indicative of the price at which our Shares will be traded following completion of the [REDACTED] and the [REDACTED]. The market price of our Shares may drop below the [REDACTED] at any time after completion of the [REDACTED] and the [REDACTED].

The trading price and trading volume of our Shares may be volatile, which could result in substantial losses to you.

The trading price and trading volume of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the business, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have [REDACTED] their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of PRC-based companies have [REDACTED] their securities, and some are in the process of preparing for [REDACTED] their securities, in Hong Kong. Some of

these companies have experienced significant volatility, including significant price declines after their [REDACTED]. The trading performances of the securities of these companies at the time of or after their [REDACTED] may affect the overall [REDACTED] sentiment towards PRC-based companies [REDACTED] in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and substantial shareholders, could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and substantial shareholders, or the perception or anticipation of such sales, could negatively impact the market price of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Shares held by our Controlling Shareholders are subject to a six-month lock-up period beginning on the date on which [REDACTED] in our Shares commences on the Stock Exchange, during which period the Controlling Shareholders shall not dispose of any Shares held by them. Furthermore, the Controlling Shareholders shall not dispose of their Shares in the six-month period commencing on the expiry date of the first six-month lock-up period if such disposal shall result in them ceasing to be a controlling shareholder as such term is defined under the Listing Rules. See "[REDACTED]" for further details. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. In addition, certain existing shareholders of our Shares are not subject to lock-up agreements. Market sale of Shares by such shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

You may incur immediate and substantial dilution and may experience further dilution in the future.

If the [REDACTED] of Shares is higher than the net tangible book value per share of our Shares immediately prior to the [REDACTED], purchasers of our Shares in the [REDACTED] may experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

We cannot assure you that we will declare and distribute any amount of dividends in the future and you may have to rely on price appreciation of our Shares for return on your [REDACTED].

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a formal dividend policy with respect to future dividends. Therefore, you should not rely on an [REDACTED] in our Shares as a source for any future dividend income.

Our Board of Directors has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts at they fall due in the ordinary course of business. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board of Directors. Even if our Board of Directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Accordingly, the return on your [REDACTED] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your [REDACTED] in our Shares and you may even lose your entire [REDACTED] in our Shares.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from the industry expert report contained in this Document.

This Document, particularly the sections headed "Business" and "Industry Overview," contains information and statistics relating to the various digital service market for pharmaceutical and medical device companies and physicians. Such information and statistics have been derived from the Frost & Sullivan Report commissioned by us. We believe that the Frost & Sullivan Report is an appropriate source for information related to our industry, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information has not been independently verified by us, the [REDACTED], the Joint Sponsors, [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

You should rely solely upon the information contained in this Document, the [REDACTED] and any formal announcements made by us in Hong Kong in making your [REDACTED] decision regarding our Shares. We strongly caution you not to rely on any

information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this Document, there has been press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or media regarding our Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it and you should not rely on such information.

Our Controlling Shareholders Group have significant influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders Group has substantial influence over our business and operations, including matters relating to management and policies, decisions in relation to acquisitions, expansion plans, business consolidation, the sale of all or substantially all of our assets, nomination of directors, dividends or other distributions, as well as other significant corporate actions. Immediately following completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised), Dr. Li, Dr. Zhang, Microhealth Limited, Dtx Health Limited and Meilong Limited will in aggregate control approximately [REDACTED] of our issued Shares and will remain as a group of Controlling Shareholders of our Company. The concentration of voting power and the substantial influence of our Controlling Shareholders Group over our Company may discourage, delay or prevent a change in control of our Company, which could deprive other shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and reduce the price of our Shares. In addition, the interests of our Controlling Shareholders Group may differ from the interests of our other Shareholders. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, our Controlling Shareholders Group will continue to have the ability to exercise their substantial influence over us and to cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other shareholders.

We were incorporated under the laws of the Cayman Islands and these laws could provide different protections to minority shareholders than the laws of Hong Kong.

Our corporate affairs are governed by the Memorandum and the Articles and by the Companies Act and laws of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interest of minority shareholders could differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong. Such differences could mean that the minority shareholders could have different protections than they could have under the laws of Hong Kong.

RISK FACTORS

There will be a time gap of several business days between pricing and [REDACTED] of our Shares [REDACTED] in the [REDACTED]. Holders of our Shares are subject to the risk that [REDACTED] prices of our Shares could fall during the period before trading of our Shares begins.

The [REDACTED] of our Shares is expected to be determined on the [REDACTED]. However, our Shares will not commence [REDACTED] on the Stock Exchange until they are delivered, which is expected to be five Hong Kong business days after the [REDACTED]. As a result, [REDACTED] may not be able to sell or deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall before [REDACTED] begins as a result of unfavorable market conditions, or other adverse developments, that could occur between the time of sale and the time [REDACTED] begins.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

We do not have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. Our Group's management, headquarters, assets and business operations are primarily based, managed and conducted in the PRC. Currently, none of our executive Directors ordinarily resides in Hong Kong. The senior management of the Group are also primarily based in the PRC and they manage the Group's business operations from the PRC. As our executive Directors and the senior management team play important roles in the Company's business operations, our Directors consider that it is in the best interests of the Company for the executive Directors and the senior management team to be based in places where the Group has significant operations. As such, we do not, and will not for the foreseeable future, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We have ensured that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, namely Dr. Li Xinmei (李欣梅), our executive Director and Ms. Kwan Sau In (關秀妍) ("**Ms. Kwan**"), one of our joint company secretaries, to be the principal communication channel at all times between the Stock Exchange and our Company. Each of our authorized representatives will be readily contactable by the Stock Exchange based on information provided to the Stock Exchange for the contact details of authorized representatives and will be available to meet with the Stock Exchange within a reasonable period of time upon request of the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. Ms. Kwan shall be authorized to accept service of process and notices on behalf of our Company in Hong Kong under the Companies Ordinance;

(b) we have implemented a policy to provide the contact details of each Director (such as mobile phone numbers, office phone numbers and email addresses) to each of the authorized representatives and to the Stock Exchange. This will ensure that each of the authorized representatives, our company secretaries and the Stock Exchange will have the means to contact all the Directors (including the independent non-executive Directors) promptly as and when required. In the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number of the place of his/her accommodation to the authorized representatives or maintain an open line of communication via his/her mobile phone;

(c) we have ensured that all Directors who are not ordinarily resident in Hong Kong have or can apply for valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the Stock Exchange within a reasonable period of time when required;

(d) we have appointed TC Capital International Limited as our compliance advisor (the "**Compliance Advisor**") upon [REDACTED], in accordance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will serve as an additional channel of communication with the Stock Exchange in addition to the authorized representatives of our Company. The Compliance Advisor will provide our Company with professional advice on ongoing compliance with the Listing Rules. We have ensured that the Compliance Advisor has prompt access to our Company's authorized representatives and Directors who will provide to the Compliance Advisor such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor's duties. The Compliance Advisor will also provide advice in compliance with Rule 3A.24 of the Listing Rules;

(e) we will appoint other professional advisors (including legal advisors in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange;

(f) our Company has designated one of our staff members as the communication officer at our headquarters after the [REDACTED] who will be responsible for maintaining day-to-day communication with Ms. Kwan and our Company's professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Advisor, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company; and

(g) meetings between the Stock Exchange and the Directors could be arranged through the authorized representatives or the Compliance Advisor, or directly with the Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives, the Directors and/or the Compliance Advisor in accordance with the Listing Rules.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other [REDACTED] companies and the roles he or she played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Our Company has appointed Mr. Yang Chun (楊春) ("**Mr. Yang**") as one of the joint company secretaries of our Company. Mr. Yang has extensive experience in our business operations and corporate governance matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules. While Mr. Yang may not be able to solely fulfill the requirements of the Listing Rules, our Company believes that it would be in the best interests of our Company and the corporate governance of our Company to appoint Mr. Yang as our joint company secretary due to his thorough understanding of the internal administration and business operations of our Group. Our Company has also appointed Ms. Kwan Sau In (關秀妍) ("**Ms. Kwan**") to act as the other joint company secretary. Ms. Kwan is a manager of corporate services of Tricor Services Limited. She has over nine years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Kwan is a Chartered Secretary, a Chartered Governance Professional and an associate member of each of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Yang for an initial period of three years from the [REDACTED] to enable Mr. Yang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Since Mr. Yang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Yang may be appointed as a joint company secretary of our Company. Pursuant to the Guidance Letter HKEX-GL108–20, the waiver will be for a fixed period of time ("**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules ("**Qualified Person**") and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Ms. Kwan, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Yang in the discharge of his duties as a joint company secretary and in gaining the relevant company secretary experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. Given Ms. Kwan's professional qualifications and experience, she will be able to explain to both Mr. Yang and our Company the relevant requirements under the Listing Rules. Ms. Kwan will also assist Mr. Yang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. She is expected to work closely with Mr. Yang, and will maintain regular contact with Mr. Yang, the Directors and the senior management of our Company. The waiver will be revoked immediately if Ms. Kwan ceases to provide assistance to Mr. Yang as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our

Company. In addition, Mr. Yang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED].

In the course of preparation of the [REDACTED], Mr. Yang attended a training seminar on the respective obligations of the Directors and senior management and our Company under the relevant Hong Kong laws and the Listing Rules provided by our Company's Hong Kong legal adviser and has been provided with the relevant training materials. Our Company will further ensure that Mr. Yang has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer [REDACTED] on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, both Mr. Yang and Ms. Kwan will seek and have access to advice from our Company's Hong Kong legal and other professional advisers as and when required. Our Company has appointed TC Capital International Limited as the Compliance Advisor upon our [REDACTED] pursuant to Rule 3A.19 of the Listing Rules, which will act as our Company's additional channel of communication with the Stock Exchange, and provide professional guidance and advice to our Company and its joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.

Before the expiration of the three-year period, the qualifications and experience of Mr. Yang will be further evaluated by our Company to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance of Ms. Kwan will continue. We will liaise with the Stock Exchange to enable it to assess whether Mr. Yang, having benefited from the assistance of Ms. Kwan for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the "relevant experience" within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See "Directors and Senior Management" for further information regarding the qualifications of Mr. Yang and Ms. Kwan.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions which will constitute non-exempt continuing connected transactions of our Company under the Listing Rules upon [REDACTED]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers from strict compliance with certain requirements set out in Chapter 14A of the Listing Rules. See "Connected Transactions".

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Zhang Fabao (張發寶)	Room 1602, No. 46, Lane 100 Tianlin East Road Xuhui District Shanghai, China	Chinese
Dr. Li Xinmei (李欣梅)	Room 1602, No. 46, Lane 100 Tianlin East Road Xuhui District Shanghai, China	Chinese
Mr. Fan Jie (樊傑)	502, Lixun Shangzhu Lane 10, Shangzhu Road Zhujiang New Town Tianhe District Guangzhou, China	Chinese
Mr. Wang Shuai (王帥)	Room 0202 Lane 155, Guangyuan Road Xuhui District Shanghai, China	Chinese
Non-Executive Directors		
Mr. Hu Xubo (胡旭波)	1st Floor, No. 28 Lane 88, Zizhu Road Jinqiao Town, Pudong New Area Shanghai, China	Chinese
Mr. Yan Shengfeng (閆盛楓)	Room 601, Unit 1, Building 9 Guanhu International Chaoyang District Beijing, China	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Independent Non-Executive Directors		
Ms. Liu Tao (劉濤)	Room 10-2001 Lane 388, Chuanhe Road Pudong Shanghai, China	Chinese
Mr. Yu Mingyang (余明陽)	Room 16–2002 No. 726, Xinhua Road Changning District Shanghai, China	Chinese
Mr. Lau Yiu Kwan Stanley (劉耀坤)	No. 232, Lakeside Jiayuan Lane 1517, Huqingping Road Qingpu District Shanghai, China	Chinese (Hong Kong)

Further information is disclosed in "Directors and Senior Management".

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **Macquarie Capital Limited** 22/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
[REDACTED]	[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisers to Our Company

As to Hong Kong and U.S. laws

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central, Hong Kong

As to PRC law

Commerce & Finance Law Offices
12–14th Floor
China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004
China

As to Cayman Islands law

Ogier
11/F, Central Tower
28 Queen's Road Central
Central
Hong Kong

Legal Advisers to the Joint Sponsors and the [REDACTED]

As to Hong Kong and U.S. laws

Herbert Smith Freehills
23/F, Gloucester Tower
15 Queen's Road Central
Hong Kong

As to PRC law

Jingtian & Gongcheng
34th Floor, Tower 3, China Central Place
77 Jianguo Road, Chaoyang District
Beijing
China

Reporting Accountants and Auditors

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Shanghai 200040 China
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered Office	89 Nexus Way Camana Bay Grand Cayman, KY1-9009 Cayman Islands
Headquarters and Principal Place of Business in the PRC	18/F, Building 34 No. 258, Xinzhuan Road, Songjiang District Shanghai PRC
Principal Place of Business in Hong Kong	5/F, Manulife Place 348 Kwun Tong Road Kowloon Hong Kong
Company's Website	www.medsci.cn (*the information contained on this website does not form part of this Document*)
Joint Company Secretaries	Mr. Yang Chun (楊春) 1701, No. 17, Lane 891 Zaoyang Road, Putuo District Shanghai PRC Ms. Kwan Sau In (關秀妍) *(Chartered Secretary, Chartered Governance Professional, associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 5/F, Manulife Place 348 Kwun Tong Road Kowloon Hong Kong

CORPORATE INFORMATION

Authorized Representatives	Dr. Li Xinmei (李欣梅) Room 1602, No. 46, Lane 100 Tianlin East Road Xuhui District Shanghai, China Ms. Kwan Sau In (關秀妍) 5/F, Manulife Place 348 Kwun Tong Road Kowloon Hong Kong
Audit Committee	Ms. Liu Tao (劉濤) (*Chairwoman*) Mr. Yu Mingyang (余明陽) Mr. Lau Yiu Kwan Stanley (劉耀坤)
Remuneration Committee	Mr. Yu Mingyang (余明陽) (*Chairman*) Dr. Li Xinmei (李欣梅) Ms. Liu Tao (劉濤)
Nomination Committee	Dr. Zhang Fabao (張發寶) (*Chairman*) Mr. Yu Mingyang (余明陽) Mr. Lau Yiu Kwan Stanley (劉耀坤)
Compliance Advisor	TC Capital International Limited Suite 3508, 35/F, Tower 6 The Gateway, Harbour City 9 Canton Road Tsim Sha Tsui, Kowloon Hong Kong
[REDACTED]	[REDACTED]

Principal Banks

China Construction Bank Co. Ltd.
Shanghai Longcao Road Branch
No. 69–75, Longcao Road
Xuhui District
Shanghai
PRC

China Everbright Bank Co., Ltd.
Shanghai Changde Branch
No. 1518, Xinzha Road
Jingan District
Shanghai
PRC

Bank of Shanghai Co., Ltd.
Minhang Branch
No. 1885, Qixin Road
Minhang District
Shanghai
PRC

China Merchants Bank Co., Ltd.
Shanghai Branch
11/F, No. 1088, Lujiazui Ring Road
Pudong District
Shanghai
PRC

CMB Wing Lung Bank Limited
CMB Wing Lung Bank Building
45 Des Voeux Road Central
Hong Kong

The information and statistics set out in this section and other sections of this Document were extracted from the report prepared by Frost & Sullivan, which was commissioned by the Company, and from various official government publications and other publicly available publications. The Company engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by the Company, the Joint Sponsors, [REDACTED], any of their respective directors and advisers, or any other persons or parties (excluding Frost & Sullivan) involved in the [REDACTED], and no representation is given as to its accuracy.

HEALTHCARE MARKET IN CHINA

Overview

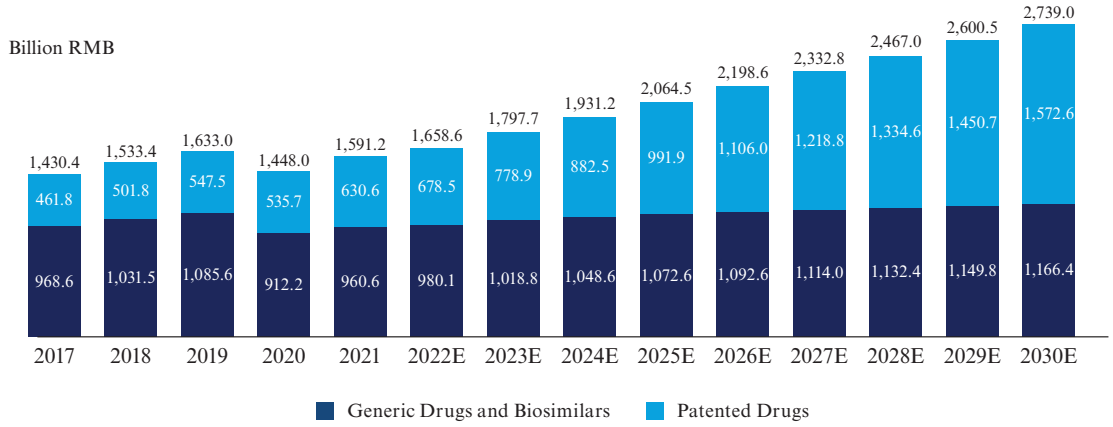
China was the second largest healthcare market globally in terms of total healthcare expenditure in 2020. According to Frost & Sullivan, the total healthcare expenditure in China increased from RMB5.3 trillion in 2017 to RMB7.6 trillion in 2021, representing a CAGR of 9.5%. The rapid increase in the total healthcare expenditure in China will continue in the future and is expected to reach approximately RMB11.0 trillion and RMB16.3 trillion by 2025 and 2030, respectively, representing a CAGR of 9.9% from 2021 to 2025 and a CAGR of 8.0% from 2025 to 2030.

China's pharmaceutical and medical device market also expanded in line with the growth of the healthcare market. According to Frost & Sullivan, the size of pharmaceutical market in China increased from RMB1.4 trillion in 2017 to RMB1.6 trillion in 2021, representing a CAGR of 2.7%, and the size of medical device market increased from RMB440.3 billion in 2017 to RMB843.8 billion in 2021, representing a CAGR of 17.7%. Both the pharmaceutical market and the medical device market are expected to grow further, reaching RMB2.1 trillion and RMB1.2 trillion, respectively, by 2025 and RMB2.7 trillion and RMB1.7 trillion, respectively, in 2030.

As a result of the growth of China's pharmaceutical and medical device companies, the continuous breakthroughs in research and development, the increasing clinical demand, the improved payment capacity, as well as the favorable policies that promote pharmaceutical innovation, brought huge opportunities for the overall biopharmaceutical industry, paving

the way for future development. The table below sets forth the breakdown of China's pharmaceutical market by generic drugs and biosimilars and patented drugs (broadly defined to include innovated drugs as defined in this Document):

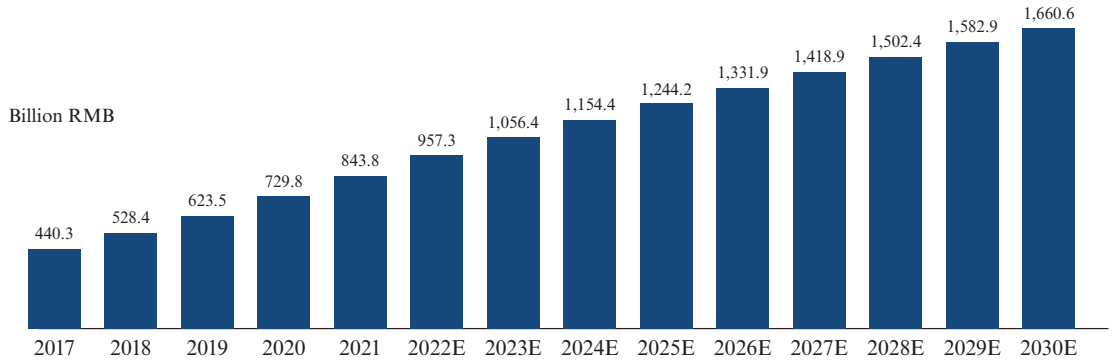
CAGR	Generic Drugs and Biosimilars	Patented Drugs	Total
2017–2021	-0.2%	8.1%	2.7%
2021–2025E	2.8%	12.0%	6.7%
2025E–2030E	1.7%	9.7%	5.8%



Source: Frost & Sullivan Report

The following table sets forth the market size of medical device market in China:

Period	CAGR
2017–2021	17.7%
2021–2025E	10.2%
2025E–2030E	5.9%



Source: Frost & Sullivan Report

Nevertheless, under the background of cost control and the price reductions, the intense competition in the commercialization of new drugs, and insufficient marketing resources of local biotech companies brought new challenges for the biopharmaceutical industry as well as the healthcare market in China.

Growth Drivers

According to Frost & Sullivan, growth of China's healthcare market has been driven by the following factors:

- ***Increasing Aging Population and Chronic Disease***. The population aged 65 and above increased rapidly in China at a CAGR of 6.1% from 2017 to 2021. According to the NBSC, individuals aged 65 and above reached 200.6 million in 2021. The number of individuals aged 65 and above is expected to reach 247.1 million and 317.6 million by 2025 and 2030, respectively. With more aging population in China, there will be a higher population base for chronic diseases, driving up the growth of the healthcare market.

- ***Favorable Government Policy.*** China has adopted various policies aiming to promote China's healthcare market, such as, among others, policies encouraging the innovation and development of pharmaceutical and medical device companies and policies optimizing the structure of the healthcare system and the medical security system. Furthermore, the reforms on "Hierarchical Diagnosis and Treatment" (分級診療) motivate primary hospitals to enhance their infrastructure and encourage physicians at such hospitals to improve their skills and medical knowledge so as to meet the growing needs of patients. The release of the "Medical Representative Registration System" (醫藥代表登記備案管理辦法) regulates and facilitates the process of drugs and medical devices entering into hospitals, under the general background of digitalization and the gradually proven value of academic-based marketing. Moreover, reforms on volume-based procurement decrease the overall profit of medical products, compelling pharmaceutical and medical device companies to commercialize their products in an efficient manner. As such, although a number of innovative drugs and medical devices have been launched under such favorable policies, it still takes time and money to commercialize and market such medical products, prompting pharmaceutical and medical device companies to find an efficient and cost-effective approach to promote and commercialize their innovative drugs and medical devices.

- ***Advocacy on Rational Use of Drugs and Medical Devices.*** Unlike conventional "one fits all" treatment, rational use of drugs and medical devices is increasingly advocated because it allows physicians to select and customize treatment to achieve potentially best outcomes in terms of safety, effectiveness and affordability. To better realize the rational use of drugs and medical devices, the way to keep complete and accurate records of patients' information has received increasing attention. As a good way to keep good records of patients, digitalization is expected to be applied more widely in the healthcare services, thereby driving the market forward.

- ***Advancement of Digital Technology.*** The development of science and technology promotes the integration of medical services with emerging digital technologies. As the technical basis of the digital healthcare service market, digital technologies such as big data, cloud storage and AI enhance the quality of the healthcare. With improved healthcare service quality, more patients are encouraged to seek digital healthcare services, therefore promoting the healthcare market.

Future Trends

According to Frost & Sullivan, the following are the future trends of China's healthcare market:

- ***Digital Transformation and Increasing Regulatory Support for Digitalization***. Digital transformation of the healthcare market includes three main stages — data generation, data analysis and data decision-making. In the data generation stage, customer data is only aggregated as records to use as a reference for subsequent marketing. At the data analysis stage, customer data is further analyzed to provide meaningful insights on the marketing process. At the decision-making stage, digitalization is no longer a tool for marketing solutions, but to connect all digital tools to provide customers with targeted services. For instance, physician platforms could utilize big data to accurately profile physicians, assisting pharmaceutical and medical device companies in efficiently promoting drugs and medical devices. More and more pharmaceutical and medical device companies are demanding data decision-making such that the physician platform that could provide data decision-making support is likely to dominate the future physician platform service markets. Affected by the development of science and technology, the encouragement of national policies, and the growth of clinical demand, the healthcare market in China, especially the healthcare marketing market, is showing a trend of digital transformation. Digital technology, despite its utility, has inbuilt drawbacks such as lower transparency and lower security. It is expected that the digital healthcare service market will be subject to more regulations promulgated by the government to regulate the industry practice in the future. This, together with regulations that promote digitalization, would accelerate the development of the digital healthcare marketing market.

- ***Two-way Mutual Promotion between Physician Resources and Physician Platform***. Currently, the medical resources in China are distributed unevenly, leading to excessive working hours of physicians in higher level hospitals. Whereas for physicians in primary healthcare institutions, career development could still be limited due to the lack of resources and most up-to-date medical knowledge. Under such circumstances, physicians tend to seek a more convenient and efficient approach to acquire academic knowledge, which could drive the growth of physician platforms. Physician platforms could provide physicians with basic, advanced, and expanded medical support services, which are comprehensive enough to meet the needs of physicians at different stages of their careers, including, but not limited to, reducing medical risks, enriching medical knowledge, improving medical capabilities and career promotion, expanding industry connections, producing academic achievements, and enhancing the public influence and industry influence. In the future, it is expected that platforms with abundant physician resources could enhance the connection between physicians, medical institutions, pharmaceutical practitioners, and professionals in life science, further improving the quality of healthcare.

DIGITAL HEALTHCARE MARKETING SERVICE MARKET

Overview of Digital Healthcare Marketing

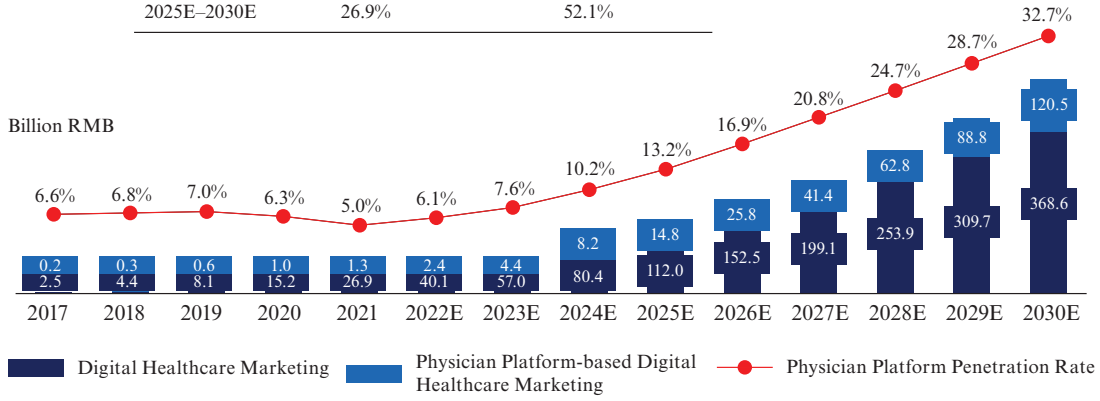
Healthcare marketing helps pharmaceutical and medical device companies promote sales by enabling healthcare professionals to better understand the characteristics of medical products. Within healthcare marketing, digital healthcare marketing is an emerging marketing method based on multiple channels such as telephone, SMS, email, social media and other channels to achieve precision marketing and data-driven marketing results. Furthermore, there is an increasing focus on academic-based digital detailing to raise physicians' awareness and understanding of specific drugs and medical devices and assist with physicians' prescription decisions. As a result, a digital marketing model that can incorporate high-quality clinical and scientific research output is likely to dominate the future digital healthcare marketing market.

Market Opportunity

Healthcare marketing can be further divided into traditional marketing by medical representatives and digital healthcare marketing. Centralized and volume-based procurement system, increasing competition resulted from the spurt of innovative drugs and medical devices, and restrictions on offline marketing due to the COVID-19 pandemic, together with the rapid development of digital technology, compel pharmaceutical and medical device companies to search for a cost-effective marketing solution to commercialize their medical products. As a result, the digital healthcare marketing market in China increased from RMB2.5 billion in 2017 to RMB26.9 billion in 2021, reaching a CAGR of 80.3%, and such market is expected to grow further reaching RMB112.0 billion and RMB368.6 billion, respectively, by 2025 and 2030, representing a CAGR of 42.9% from 2021 to 2025 and a CAGR of 26.9% from 2025 to 2030. Within the digital healthcare marketing market, the market for physician platform-based digital healthcare marketing

increased from RMB0.2 billion in 2017 to RMB1.3 billion in 2021, reaching a CAGR of 68.1%, and such market is expected to grow further reaching RMB14.8 billion and RMB120.5 billion, respectively, by 2025 and 2030, representing a CAGR of 82.4% from 2021 to 2025 and a CAGR of 52.1% from 2025 to 2030. Facing the pressure caused by several rounds of volume-based procurement, pharmaceutical and medical device companies have relatively reduced their spending on the overall expense on marketing, which caused the slight fluctuations on their marketing spending on physician platforms, resulting in fluctuations in the penetration rate of physician platforms, calculated as the size of physician platform-based digital healthcare marketing market over the size of the digital healthcare marketing market. However, as the research and development of innovative pharmaceutical and medical device products are still being conducted, physicians need to acquire the latest development and commercialization status of these products and learn new theories and treatments on various diseases. Thus, the physician platform-based digital healthcare marketing market is still expected to witness growth in the coming years. The table below sets forth the market size of digital healthcare marketing market and physician platform-based digital healthcare marketing market and the penetration rate of physician platform-based digital healthcare marketing:

CAGR	Digital Healthcare Marketing	Physician Platform-based Digital Healthcare Marketing
2017–2021	80.3%	68.1%
2021–2025E	42.9%	82.4%
2025E–2030E	26.9%	52.1%



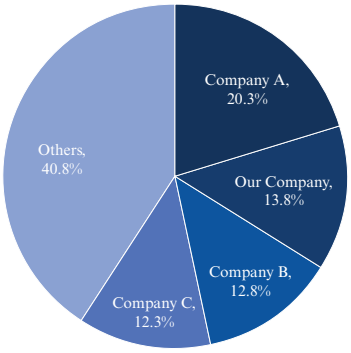
Source: Frost & Sullivan Report

Competitive Landscape

The market for digital healthcare marketing is an emerging market, and there are approximately 200 participants with varying business models in China. As the market for digital healthcare marketing is relatively small as compared to the overall market for healthcare marketing, even large players in this market represent a small fraction of the overall healthcare marketing market in China. Nevertheless, China's digital healthcare marketing market is intensively competitive. In view of the important role physicians play, it is expected that the penetration rate of platforms with abundant physician resources could grow rapidly. Furthermore, physician users on one platform may also register accounts on other physician platforms. As such, players in this market need to compete fiercely to attract, engage and retain physician users.

We believe that we can compete effectively with other players in the digital healthcare marketing market due to our large and experienced physician user base and advanced digital technologies, which allows us to reach a wider group of physicians more efficiently and helps pharmaceutical and medical device companies achieve better return on marketing spending. During the Track Record Period, our customers for precision omni-channel marketing solutions included all of the top 20 global pharmaceutical and medical device companies in 2021 in terms of revenue, 82% of the top 50 global pharmaceutical and medical device companies in 2021 in terms of revenue, 50% of the innovative drug companies listed on the STAR Market pursuant to the fifth set of listing standards as of December 31, 2021 and 45% of the biotech companies listed on the Hong Kong Stock Exchange pursuant to Chapter 18A of the Listing Rules as of December 31, 2021.

The following diagram sets forth the market share and ranking of the physician platform-based digital healthcare marketing market in China in 2021:



Company	Revenue (Million RMB)	Share	Revenue per Registered Physician (RMB)	Revenue per MAU (RMB)
Company A	270.9	20.3%	87	169
Our Company	184.1	13.8%	71	74
Company B	171.0	12.8%	57	143
Company C	164.9	12.3%	72	150
Others	544.9	40.8%	—	—
Total	1,335.7	100.0%	—	—

Source: Frost & Sullivan Report

Growth Drivers

The growth of digital healthcare marketing is primarily driven by the following factors:

- ***Growing Demand from Pharmaceutical and Medical Device Companies***. Reduced margins driven by policy initiatives and payer cost controls are compelling pharmaceutical and medical device companies to upgrade their traditional marketing methods to improve efficiency. Moreover, pharmaceutical and medical device companies will need to develop academic medical contents and product promotion capabilities that are more appealing to their target physicians in order to meet their digital marketing needs. Due to the cost and the market participants' inexperience in the transition, the demand for third-party digital marketing services is expected to continue to grow.

- ***Growing Number of Physician Users.*** The physician community has been profoundly affected by the rapidly evolving Internet industry and healthcare system reforms in China. Connections between patients and physicians, resulting in a demanding work schedule for physicians and an increased need for efficient access to latest medical knowledge information, have driven up the number of the physician audience to sign up for various digital platforms to access medical knowledge information. The physician platform that better understands the various demands of physicians could be more attractive to physician users, further facilitating the development of digital healthcare marketing services.

- ***Need for Academic-based Digital Marketing***. Physicians are required to keep abreast of the latest medical developments in order to provide patients with efficient treatment, and this drives the development of academic-based digital marketing. As such, digital marketing providers who can better address the interest, background and clinical needs of physicians through academic medical contents are likely to dominate the future digital healthcare marketing market.

- ***Growing Need for Novel Therapeutics.*** The increasing challenges of health problems are driving patients to seek better treatment. On the digital platforms, physicians can have access to a large variety of scientific knowledge on medical products and learn about the most recent therapeutics which cater to patients' needs. Therefore, with the continuously growing patients' needs for novel therapeutics, physicians are increasingly demanding a digital marketing service that can inform them about such novel therapeutics. As such, the demand for third-party digital marketing services is expected to grow.

Future Trends

According to Frost & Sullivan, the following are future trends of the digital healthcare marketing market in China:

- ***Focus on Academic-Based Digital Marketing.*** As a result of healthcare industry reforms, pharmaceutical and medical device companies are in need of evidence-based solutions in delivering their product information to physicians' communities. Academic medical contents are especially relevant given they can provide more background information on the underlying disease or potential cures for physicians, as well as make physicians more informed about latest medical information. Furthermore, with the development of big data technology, the professional academic contents can more efficiently reach the target physician audience who are interested in learning such professional academic medical contents in their field of expertise, satisfying their research or career development needs. As such, digital marketing campaigns that have proven ability to efficiently integrate and disseminate academic-based materials could be acclaimed among both pharmaceutical and medical device companies and physicians.

- ***Growing Penetration of Platform-based Digital Marketing***. Platform-based digital marketing service providers possess abundant physician resources, solid academic backgrounds and advanced digital technologies, which could provide a wide range of services to various stakeholders in the healthcare market. Thus, it is expected that the penetration rate of platform-based digital marketing could continue to rise in the future, further promoting the integration of healthcare and digital technology.

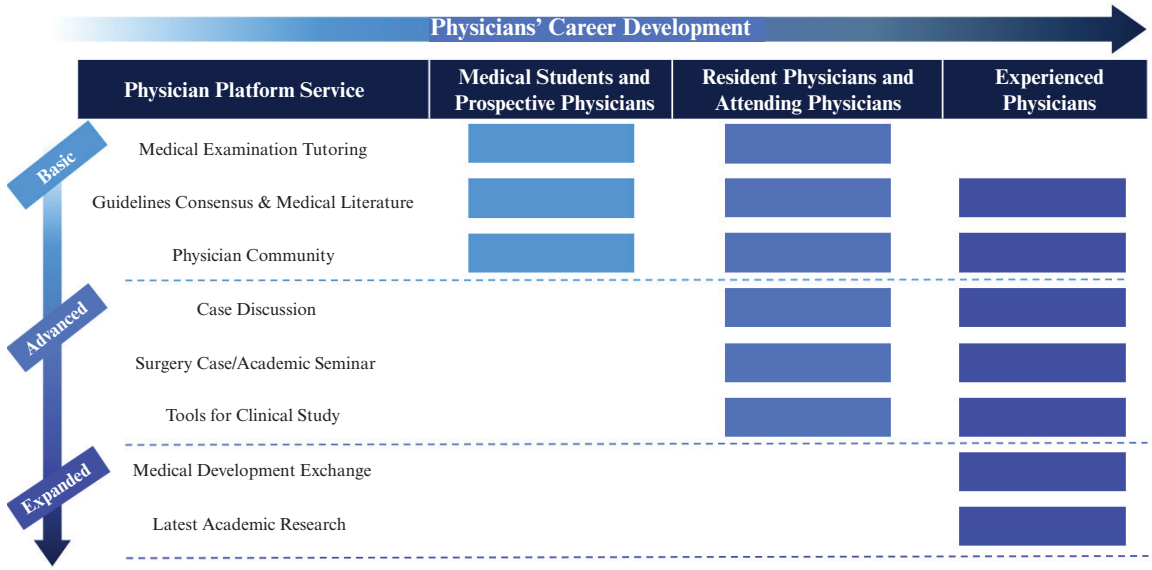
- ***Big Data Driven***. Big data, AI algorithms and other technologies have made the sharing of information more rapid, intelligent and efficient. The combination of new technological means with traditional medical information has greatly broadened the application of data. At the same time, the large amount of physicians' behavioral data accumulated by third-party physician platforms can also be analyzed through big data to obtain a more accurate portrait of physicians, thus better serving the physician users and marketing needs of pharmaceutical and medical device companies.

- ***Increasing Industry Concentration.*** The market for digital healthcare marketing remains in its early stage in China. However, in recent years, many information platforms with a sizable physician user base have expanded their business to digital marketing services. In the future, with the standardization and specialization of digital marketing services, leading platforms in this industry are expected to make up a large market share in the digital healthcare marketing market.

PHYSICIAN PLATFORM SERVICE IN CHINA

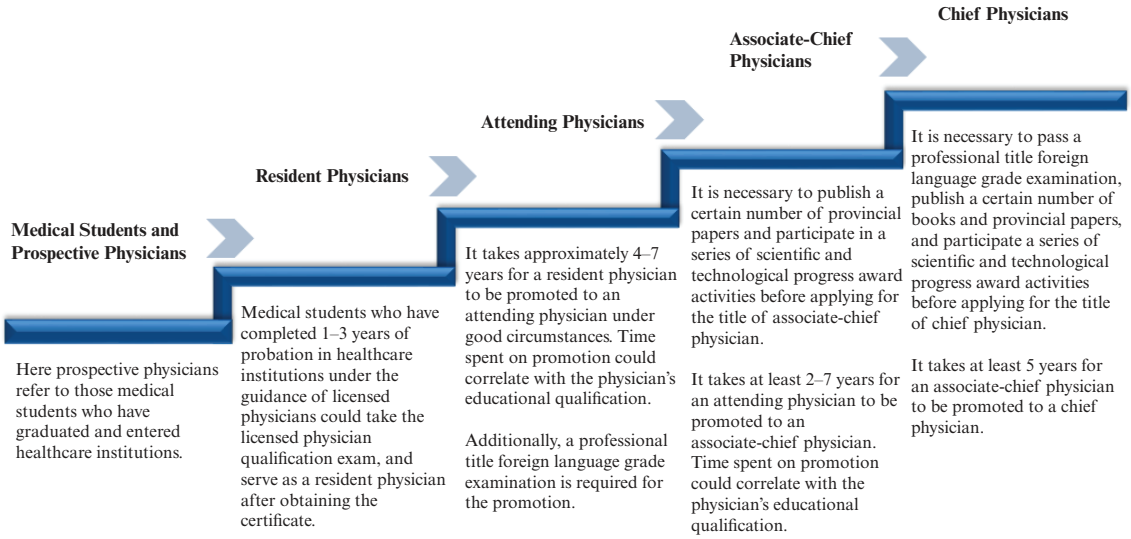
Overview of Physician Platform Service

A physician platform is a professional social network for physicians, medical institutions, pharmaceutical practitioners (broadly defined to include anyone who participates in pharmaceutical industry, such as pharmacists and researchers), and professionals in life science, supporting communication and pooling expertise, research, and other information in the fields of healthcare and life science. Physician platforms could provide physicians with basic, advanced and expanded medical support services, which are comprehensive enough to meet the needs of physicians at different stages of their careers, including, but not limited to, reducing medical risks, enriching knowledge, improving medical capabilities, promoting career development, expanding industry connections, producing academic achievements, and enhancing the public influence and industry influence.



Source: Frost & Sullivan Report

The career development of physicians takes a lot of time to accumulate medical knowledge and experience. In terms of career development lifespan, physicians need to go through various different stages in China, that can be roughly divided into resident physicians, attending physicians, associate-chief physicians and chief physicians. The diagram set forth below illustrates the career development stages of physicians in China. The time spent indicated in each career development stage is the minimum threshold under the assumption that every qualification standard is able to be managed and completed smoothly. It is highly possible that a physician's title remains to be associate-chief upon retirement, considering the limited number of available posts for chief physicians in China.



Source: Frost & Sullivan Report

Value of Physician in Healthcare Industry

Physicians are connected to all major parties in the healthcare and wellness market, such as patients, enterprises, hospitals and payers. Moreover, experienced physicians have a strong influence on all major parties involved in the healthcare and wellness market and physician platform that is rich in physician resources strengthens the connection between physicians and all major parties. According to Frost & Sullivan, experienced physicians, primarily physicians with the title of associate-chief physician and above, represent 18.0% of the total number of physicians in China as of December 31, 2021.

- ***Other Physicians***. The diagnostic and therapeutic habit and research methodology of experienced physicians could have a great impact and serve as guidance on other physicians.

- ***Hospitals***. Hospitals can enhance recognition and trust among patients by having a talent pool of experienced physicians due to such physicians' higher industry influence.

- ***Patients.*** Experienced physicians play a more important role in the prevention, diagnosis, treatment and rehabilitation of diseases, which results in high diagnosis and treatment efficiency and leads to a stronger patient-physician connection.

- ***Pharmaceutical and Medical Device Companies***. Although all physicians have prescription power, some drugs, especially innovative drugs, are generally prescribed only by experienced physicians. Therefore, they play a decisive role in guiding patients' medication and adjusting prescriptions. Academic-based promotional efforts made by pharmaceutical and medical device companies among experienced physicians may result in an increase in application of the underlying medical products.

- ***Payers***. Experienced physicians could promote the rational drug use, which reduces payers' costs. Furthermore, experienced physicians can provide payers with valuable information on pharmaceutical industry trends and the necessary information in order to promote comprehensive medical insurance coverage.

Furthermore, junior physicians, such as resident doctors, are playing an increasingly important role in the health and wellness industry. Addressing such physicians' needs are crucial for the development of the healthcare industry.

Market Opportunities

The number of physicians in China increased from 3.4 million in 2017 to 4.3 million in 2021, representing a CAGR of 5.9%, and is expected grow further. Despite the growing number of physicians in China, the physician platforms in China that address physicians' comprehensive needs are still in the early stage of commercialization and development cycle as compared to physician platforms in developed countries. For instance, the average revenue contribution per registered physician user reached approximately RMB115 for us and RMB92 for Company A, in 2021, according to Frost & Sullivan. In the meantime, in 2021, the average revenue contribution per registered physician user reached RMB2,001 and RMB1,021, respectively, for leading physician platforms in Japan and in the United States, respectively. As such, as compared to physician platforms in Japan and in the United States, there is sufficient room for physician platforms in China to further develop and commercialize and the average revenue contribution per registered physician in China is expected to grow further.

Competitive Landscape

The physician platform service market in China is growing and evolving fast. A large number of players have stepped in the market and there are a number of potential new entrants. We believe that we can compete effectively with these players due to our large and experienced physician user base and research support capabilities, which enable us to address the lifelong research and learning needs of physicians. According to Frost & Sullivan, we operate one of the largest online professional physician platforms in China in terms of registered physician users and average MAU in 2021. The following tables set forth the services provided, number of registered physicians and average MAU of major

physician platforms in China in 2021, as well as the number and percentage of users with the title of associate-chief physician and above of major physician platforms in China in 2021:

				Services Provided			
	Established	Number of Registered Physicians, 2021 (Million)	Average MAUs, 2021 (Million)	Medical Content & Tools	Clinical Evidence Collection	Academic-based Evidence Analysis	Evidence Dissemination and Application
Our Company	2012	2.6	2.5	×	×	×	×
Company A	2006	3.1	1.6	×	×		×
Company B	2000	3.0	1.2	×		×	×
Company C	2014	2.3	1.1	×			×
Company D	2011	1.9	0.4	×	×		×

	Number of Associate-Chief Physician and Above, 2021 (in thousands)	Percentage of Associate-Chief Physician and Above, 2021
Our Company	584	67.1%
Company A[(1)]	570	65.5%
Company B[(2)]	440	50.5%
Company C[(3)]	333	38.3%
Company D[(4)]	319	36.6%

Notes:

(1) Company A is a professional medical information service and precision digital marketing service provider established in Beijing, providing precision marketing and corporate solutions, medical knowledge solutions and intelligent patient management solutions. Company A acquired 60% equity interest of a service solution platform for academic medical conference in the PRC in October 2021. The acquisition led to a substantial growth in registered physicians of Company A. Since the identity of physicians including physician titles on the platform acquired by Company A have not been verified, the number of associate-chief physicians and above is based on reasonable estimates.

(2) Company B is a digital medical health technology enterprise established in Harbin with rich professional knowledge and medical data accumulation, providing high-quality medical services including health knowledge popularization, online health consultation, health product e-commerce, academic exchanges, continuing education, medication guidance and career development.

(3) Company C is a comprehensive platform established in Shanghai to support physicians' career development, providing high-quality medical contents, practical medical tools, academic exchange platforms, and comprehensive solutions for digital marketing.

(4) Company D is an Internet medical enterprise established in Beijing featuring digital tools, providing professional medical contents and clinical tools, case-based full-scenario marketing services and Internet hospital-related services.

Source: Frost & Sullivan Report

With respect to the medical knowledge services we offered under our physician platform solutions, we believe the medical knowledge services we offered are more attractive to physicians as compared to self-developed medical knowledge platforms of pharmaceutical and medical device companies, primarily because (i) unlike medical knowledge services offered by pharmaceutical and medical device companies that focus on their own products, the medical knowledge information we offered on our *MedSci* platform is more comprehensive and covers all major therapeutical areas and (ii) we believe the information we provided are regarded as more trustworthy in the eyes of physicians because we are a third-party medical knowledge information provider. In many cases, self-developed knowledge platforms of pharmaceutical and medical device companies provide links to materials on our *MedSci* platform for illustration and education purposes. As such, we do not believe we compete directly with the self-developed medical knowledge platforms of pharmaceutical and medical device companies and even if we do, we believe our platform has a competitive edge over such self-developed platforms by pharmaceutical and medical device companies.

REAL-WORLD STUDY SERVICE MARKET

Overview

RWS refers to the systematic collection of data generated from drugs and medical devices in real world settings and clinical application scenarios, and research using evidence-based medicine and clinical epidemiology methods. Randomized controlled trials ("**RCT**"), a common standard to evaluate the efficacy and safety of treatment, is constrained by the limitations of trial design and the patient inclusion criteria. As a result, the trial samples may not be enough to reflect the real-world clinical practice. However, unlike RCT, RWS covers a wide range of factors in the clinic such that the data obtained provide a more comprehensive picture of the real-world effects of drugs and medical devices and help answer a wide range of clinical questions.

Although there is no mandatory requirement on when to conduct RWS, RWS can support drug and medical devices development and regulatory decision-making, as well as other scientific purposes, such as non-registration-based clinical decision-making. Regarding drug and medical device development and regulatory decision-making, RWS can provide (i) evidence on effectiveness and safety for the commercialization of new medical products; (ii) evidence for changes to the instructions of commercialized products, including, among others, indication expansion of new products, dosing optimization, dosing regimens and routes of administration; and (iii) evidence for re-evaluation of commercialized products. Generally, RWS could support drug and medical device regulatory decision-making, covering multiple links such as pre-market clinical development and post-market evaluation, providing safety and effectiveness evidence for the products. For instance, real-world evidence could act as an external control of a single-arm clinical trial for rare diseases and life-threatening diseases that lack effective treatments.

It is noted that the use of real-world evidence for the purpose of drug and medical device registration and indication expansion requires sufficient communication with the drug and medical device review department to ensure that both parties reach a consensus on the use of real-world evidence and conducting real-world research. As regulatory policies for clinical trials keep evolving and become more reasonable for study designs under different clinical scenarios and development purposes, the scope of real-world research will be wider in the future. To be clear, RWS, as a clinical research method during recent years, is not able to replace the role of RCT as the mainstream clinical research method, but as a supplement to help resolve limitations of RCT.

Market Opportunity

RWS could reflect the effect of drugs and medical devices in real world settings, which could contribute to the acceleration of their commercialization process, safety and effectiveness evaluation of drugs and medical devices, expansion of indications and efficient marketing. As a result of such benefits brought by RWS, China's RWS market grew rapidly from RMB0.02 billion in 2017 to RMB0.7 billion in 2021, with a CAGR of 142.5%. The RWS market in China is expected to continue its growth trend to reach RMB7.4 billion and RMB42.8 billion, respectively, by 2025 and 2030, with a CAGR of 77.3% from 2021 to 2025 and a CAGR of 42.1% from 2025 to 2030.

Competitive Landscape

According to Frost & Sullivan, currently, there are three main types of players in the RWS market in China, namely, physician platform-based RWS, CRO-based RWS and big data-based RWS. The table below summarizes the key differences of different RWS players.

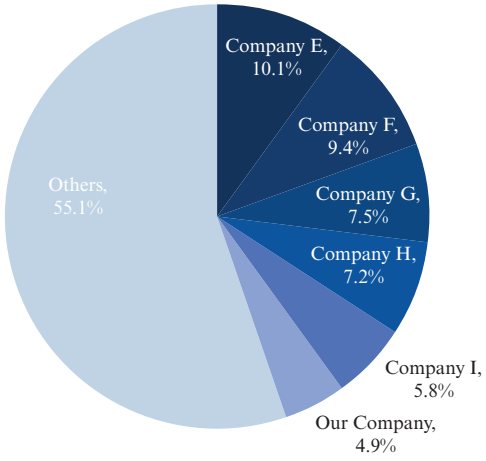
Pre-Research	Physician Platform-Based RWS	CRO-Based RWS	Big Data-Based RWS
Study Protocol	• Demand-based study protocol design	• Demand-based study protocol design	• Patient data-based study protocol design
Database	• Electronic Data Capture System	• Electronic Data Capture System	• Electronic Data Capture System
Ethical Review	• Assisting in ethical review	• Assisting in ethical review	• Assisting in ethical review
Project Management			
Patient Recruitment	• Recruiting patients with the support of abundant physician resources in a time-efficient and cost-efficient manner	• Recruiting patients at exorbitant expense	• Recruiting matched team members and patients via omni-channel
Site Options	• Site options based on physician resource	• Site options based on prior cooperation and internal BD list	• Site options based on limited cooperation-established hospitals
Project Execution	• Project execution under the surveillance of professional academic team	• Project execution supported by CRA Data collection supported by CRC from SM companies	• Self-owned CRC team for data collection
Data Transaction	• AI supported data collection, ensuring both quality and cost control	• Data collection supported by CRC from SMO companies and data management ran by DM team of the CRO company	• Direct data transaction from HIS of each site to data base through specific port
Research Results			
Data Management	• Data quality control and query management	• Data quality control and query management	• Data Processing and Polishing
Data Analysis	• Analysis of Research Results	• Analysis of Research Results	• Ongoing Patient Data Collection and Analysis
Research Output	• Article polishing, editing and transaction support	• Solutions for real-world evidence formation, drug commercialization, and indication extension	• Commercialization solutions based on research findings and market conditions

Source: Frost & Sullivan Report

Physician platform-based RWS, CRO-based RWS and big data-based RWS are classified based on the advantages and characteristics of these companies at a business start-up stage. With the development of the industry, physician platform-based RWS, CRO-based RWS and big data-based RWS are gradually realizing wider service coverage and making up for their respective shortcomings. The following table sets forth the top six market players of the RWS service market in China in terms of revenue in 2021:

Breakdown of China RWS Market, 2021

Million RMB



Company	Revenue	Share
Company E[(1)]	75.5	10.1%
Company F[(2)]	70.3	9.4%
Company G[(3)]	56.0	7.5%
Company H[(4)]	54.1	7.2%
Company I[(5)]	43.2	5.8%
Our Company	36.6	4.9%
Others	411.6	55.1%
Total	747.3	100.0%

Source: Frost & Sullivan Report

Notes:

(1) Company E is an advanced data-driven and AI-enabled healthcare technology company established in Beijing focusing on critical diseases, providing continuous patient care solutions, AI diagnosis and treatment, patient management services, RWS services, clinical trial matching services and data insights services.

(2) Company F is a comprehensive company serving the combined industries of health information technology and clinical research established in Durham, North Carolina, U.S., providing advanced analytics, technology solutions, and clinical research services.

(3) Company G is a healthcare big data solution provider established in Beijing, providing data processing and application solutions, analytics-driven clinical development, real-world evidence-based research, digital commercialization solutions, physicians' research and management tools, and insurance technology and disease management solutions.

(4) Company H is a computing and big data technology-based digital solutions provider established in Jiaxing, providing a wide range of products and services including clinical research, pharmacovigilance, and pharmaceutical marketing.

(5) Company I is a comprehensive big data-driven service platform established in Beijing, providing general and specialist disease diagnosis and treatment services, pharmacy-related services, health insurance-related services, healthcare data services, and new drug clinical trial services.

Although the three main types of players could all provide support during the whole life cycle of RWS, the physician platform-based RWS could offer customers the most flexible, selective and cost-efficient solutions. For instance, in terms of site options, the sites provided by big data-based RWS companies are relatively fixed, which could not provide diversified and flexible options and could not satisfy the specific needs of customers. CRO-based RWS companies can provide corresponding site options according to the needs of customers, but it could take a lot of time and labor cost in the process of site negotiation. The physician platform-based RWS companies have abundant physician resources, which directly contribute to linking to the site that is truly suitable for the situations of customers' RWS in a short time and at a lower labor costs. As such, physician platform-based RWS could provide their customers with the most suitable hospital choices to conduct clinical trials, which is supported by the strong physician resources accumulated over years. As such, according to Frost & Sullivan, physician platform-based RWS is expected to play a more important role in the RWS market in China in the future.

However, RWS still suffers from limitations. For instance, whether real-world evidence can fully support pharmaceutical and medical device development and regulatory decisions depends on various factors such as data sources, data standards, data quality, data sharing, and data infrastructure. Incomplete underlying data may not meet the criteria for statistical analysis and could not be used further. Furthermore, real-world evidence can act as an important part of the evidence for pharmaceutical and medical device regulatory decision-making in order to form a complete data chain in support of regulatory decision-making, which compels the scope of real-world evidence to be adjusted in time according to the actual situation. Currently, there remains no clear scope of application for real-world evidence. Last but not least, real-world evidence is mainly generated through fully analyzing real-world data with causal inference, which involves complex models, assumptions, and the application of artificial intelligence, leading to comparatively high requirements for relevant research analysts.

Growth Drivers and Future Trends

According to Frost & Sullivan, the following are growth drivers and future trends of RWS market in China:

- ***Improved Decision-Making Capability.*** Influenced by the increasing clinical needs and driven by national policy support, RWS is expected to be more widely used in clinical trials of drugs and medical devices in the future, playing a key role in the generation of clinical solutions. Furthermore, the real-world evidence generated by RWS can provide ideas for development of the healthcare industry, such as innovative drug research and development. Additionally, the real-world evidence could further be integrated with patient value to improve the clinical decision-making for drugs and medical devices.

- ***Increasing Demand for Medical Evidence.*** The medical products need medical evidence not only before the commercialization stage, but also during the commercialization stage to support the continuous output of medical evidence development. Meanwhile, as medical product homogenization intensifies, it is necessary to find subtle differences among the products of the same class to benefit a larger patient community. RWS can generate valuable real-world evidence to support medical evidence development, alleviate concerns over medical product homogenization and benefit patients. Furthermore, the update to the National Reimbursement Drug List has created an urgent need for pharmaceutical and medical device companies to communicate the latest medical evidence with physicians in primary healthcare institutions.

- ***Growing Patient Demand.*** With the aging population, the needs of patients for drugs and medical devices are increasing. However, research on effectiveness and safety data of new medical products takes a lot of time. RWS can save time for clinical trials of new medical products, speed up the launch of new drugs and medical devices, and benefit patients. Additionally, real-world evidence can effectively support the expansion of drug indications and adapted populations to meet patient needs. As a result, the demand for RWS is expected to increase.

- ***Address Shortcomings of RCT.*** At present, RCTs are used to evaluate the efficacy and safety of drugs and medical devices, but the trials have strict restrictions on the test contents and test subjects, and may not reflect the real world situation. Real-world research can make up for the limitations of RCT research and further help carry forward clinical research. For instance, in terms of rare diseases and life-threatening diseases, traditional RCTs have relatively high criteria for clinically enrolled patients, and the number of patients who meet the inclusion criteria is small. Compared to RCTs, RWS has fewer restrictions on patient enrollment criteria, age, and medication regimens, which could utilize the combination of prospective and retrospective researches to avoid conducting the randomized controlled trials of critical patients with rare diseases or life-threatening diseases, conforming to the ethics standards. Therefore, RWS can potentially cover possible problems in clinical practice, provide evidence support for the safety and effectiveness of drugs and medical devices.

- ***Empower Pharmaceutical and Medical Device Companies.*** Pharmaceutical and medical device companies need to invest significant time and money in the research and development of new drugs and medical devices, while RWS can link research institutions with healthcare enterprises to reduce investment in marketing through real-world evidence of drug's safety and effectiveness.

DIGITAL CHRONIC DISEASE MANAGEMENT AND DIGITAL THERAPY

Failure to adhere to prescribed medication regimens is one of the main reasons that patients do not achieve the expected outcomes from their treatments. Digital chronic disease management provides patients with more convenient access to reliable healthcare information, which offers patients a more direct and effective communication channel with physicians. As such, digital chronical disease management has enormous market potentials. According to Frost & Sullivan, the digital chronic disease management market in China increased from RMB73.6 billion in 2017 to RMB240.4 billion in 2021, at a CAGR of 34.4%. Such market is expected to reach RMB824.9 billion and RMB2,040.9 billion, respectively, by 2025 and 2030, representing a CAGR of 36.1% from 2021 to 2025 and a CAGR of 19.9% from 2025 to 2030.

The digital therapy programs are useful in chronic disease management. Through digital therapy programs, physicians can better understand their patients' clinical needs and manage their treatments, facilitating communication and achieving better treatment outcomes. As such, the digital therapy market is expected to continuously grow in the future.

SOURCE OF INFORMATION

This section contains information extracted from the Frost & Sullivan Report (the "**Frost & Sullivan Report**") prepared by Frost & Sullivan independently, which is commissioned by us, in connection with the [REDACTED]. We expect to pay Frost & Sullivan a total of RMB[REDACTED] for the Frost & Sullivan Report and our use of the report. Frost & Sullivan is a consulting company which provides industry consulting services, commercial due diligence and strategic consulting services for a variety of industries. In preparing the Frost & Sullivan Report, Frost & Sullivan conducted primary and secondary research to collect data and statistics and deliver conclusions. Primary research includes conducting in-depth telephone interviews with key industry experts and leading industry participants. Secondary research includes reviewing government-derived information, including, among others, the National Health Commission of China, the National Medical Products Administration of China and the United States Food and Drug Administration, Frost & Sullivan in-house research, academic journals and annual reports of publicly listed companies.

Frost & Sullivan prepared its report on the following basis and assumptions for historical data and projections: (i) the overall social, economic, and political environment in China is expected to remain stable during the forecast period, (ii) the Chinese economy is expected to grow steadily during the forecast period, and (iii) there will be no extreme unforeseen events, including regulations and government policies, which may materially affect the market during the forecast period. Our Directors have confirmed, after making reasonable inquiries and exercising reasonable care, that there is no adverse change in the market information since the date of the Frost & Sullivan Report which may qualify, contradict or impact the information disclosed in this section.

REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATION SERVICES

Regulations Relating to Value-added Telecommunications Services

Pursuant to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecommunications Regulations**") promulgated by the State Council on September 25, 2000, as most recently amended on February 6, 2016, which provide a regulatory framework for telecommunications services providers in the PRC, telecommunications services are categorized into infrastructure telecommunications services and value-added telecommunications services and the telecommunications services providers are required to obtain operating licenses prior to the commencement of their operations. Pursuant to the Classification Catalog of Telecommunications Business (2015 version) (《電信業務分類目錄(2015年版)》), which was amended on June 6, 2019, Internet information services and call center are classified as value-added telecommunications services.

The Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》) promulgated by the Ministry of Industry and Information Technology of the PRC (the "**MIIT**") on March 1, 2009, and amended on July 3, 2017, sets forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses. The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the "**ICP Measures**") which were promulgated by the State Council on September 25, 2000 and amended on January 8, 2011, set out the guidelines on the provisions of Internet information services. The ICP Measures classified Internet information services into commercial Internet information services and non-commercial Internet information services, and a commercial Internet information services provider must obtain a value-added telecommunications business operation license (《增值電信業務經營許可證》) from the appropriate telecommunications authorities. As for the provider of non-commercial Internet information services, only a filing procedure is required. The content of the Internet information is highly regulated in the PRC and pursuant to the ICP Measures, the Internet information services operators are required to monitor their websites. The PRC government may order the holder of value-added telecommunications business operation license for Internet information service (the "**ICP License**") that violates the content restrictions to correct those violations and revoke their ICP Licenses.

Regulations Relating to Mobile Internet Applications Information Services

In addition to the Telecommunications Regulations and the other regulations discussed above, the provision of Internet information services on mobile Internet apps is regulated by the Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》), which was promulgated by the Cyberspace Administration of China, or the CAC, on June 28, 2016 and recently amended on June 14, 2022 and came into effect on August 1, 2022. The providers of mobile Internet applications are subject to requirements under these provisions, including acquiring the qualifications and complying with other requirements provided by laws and regulations and being responsible for information security.

REGULATIONS RELATING TO ONLINE AUDIO-VISUAL PROGRAMS

According to the Administrative Regulations on Internet Audio-Visual Program Service (《互聯網視聽節目服務管理規定》) (the "**Audio-Visual Regulations**"), promulgated by the State Administration of Radio, Film and Television (the "**SARFT**", currently known as the National Radio and Television Administration) and the Ministry of Information Industry of the PRC (the "**MII**", which is the predecessor of MIIT) on December 20, 2007, as amended on August 28, 2015, Internet audio-visual program service refers to activities of making, editing and integrating audio-visual programs, providing them to the general public via Internet, and providing such services to others by uploading. An Internet audio-visual program service provider shall obtain a Permit for Dissemination of Audio-Visual Programs via Information Network (the "**AVSP**") issued by the competent department of radio, film and television, or handle the archive-filing formalities. The Audio-Visual Regulations provides that the applicant for AVSP shall, among other conditions, be a wholly state-owned entity or a state-controlled entity.

On February 9, 2021, the MIIT and six other government authorities jointly issued the Guiding Opinions on Strengthening the Standardized Administration of Online Live-streaming (《關於加強網絡直播規範管理工作的指導意見》), according to which, live-streaming platforms carrying out Internet audio-visual program services shall hold the AVSP (or complete registration with the national information registration management system for Internet audio-visual platforms) and go through ICP record-filing.

On April 10, 2022, we, with the assistance of our PRC Legal Adviser, conducted an online interview with the director of the Radio, Television and Network Audio-visual Program Administration Department (廣播電視和網路視聽節目管理處) of the Shanghai Municipal Administration of Culture and Tourism (上海市文化和旅遊局). The director, after reviewing contents on our *MedSci* platform, orally confirmed that (i) the online audio-visual programs that we provided mainly for targeted medical professionals, are not deemed as "audio-visual programs" under the relevant regulations and rules, and (ii) we have no act or record of violating the relevant laws and regulations or normative documents for the supervision of radio, television and network audio-visual program, and we have not been subject to any investigation or sanctions from it. According to our PRC Legal Adviser, the Shanghai Municipal Administration of Culture and Tourism (上海市文化和旅遊局) is the competent authority to provide such confirmation. See also "Risk Factors — Risks

Relating to Our Business and Industry — If we fail to obtain and maintain the requisite licenses, permits and approvals applicable to our business as a result of the complexity and uncertainties of laws and regulations, or fail to obtain additional licenses that become necessary as a result of new enactment or promulgation of laws and regulations or the expansion of our business, our business and results of operations may be materially and adversely affected" for further details. As such, our PRC Legal Adviser is of the view that (i) as the online audio-visual programs that we provide, such as short videos, livestreaming or pre-recorded courses, are not deemed as audio-visual programs according to the above government consultation, our provision of such programs does not fall within the scope of Internet audio-visual program service where foreign investment is prohibited according to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**Negative List**"), and (ii) our provision of such online audio-visual programs does not violate any applicable PRC laws or regulations in effect on Internet audio-visual program service.

REGULATIONS RELATING TO RADIO AND TELEVISION PROGRAM PRODUCTION AND OPERATION

According to the Administrative Provisions on the Production and Operation of Radio and Television Programs (《廣播電視節目製作經營管理規定》) which were promulgated by the SARFT on July 19, 2004, came into effect on August 20, 2004 and last amended on December 1, 2020, the State adopts a licensing system regarding the establishment of the institutions that produce and operate radio and television programs or engaging in production and operation of radio and television programs. License to Produce and Operate Radio or Television Programs shall be obtained for establishing institutions that produce and operate radio and television programs or engaging in production and operation of radio and television programs. The state encourages domestic social organizations, enterprises and institutions (excluding wholly foreign-owned enterprises, Sino-foreign equity joint venture enterprises or Sino-foreign cooperative joint ventures established in China) to establish institutions that produce and operate radio and television programs or engage in production and operation of radio and television programs. The license holders shall not alter, lease, lend, transfer, sell or forge in any form the License to Produce or Operate Radio and Television Programs. Those who violate the Administrative Provisions on the Production and Operation of Radio and Television Programs shall be penalized according to the Administrative Regulations on the Radio and Television (《廣播電視管理條例》). Any act that constitutes a crime shall be subject to prosecution for criminal responsibility.

REGULATIONS RELATING TO ONLINE DRUG INFORMATION SERVICES

According to the Measures Regarding the Administration of Drug Information Service over the Internet (《互聯網藥品信息服務管理辦法》), promulgated by the State Food and Drug Administration (the "**SFDA**", currently merged into the State Administration for Market Regulation, or the SAMR) on July 8, 2004 and amended on November 17, 2017, the operational Internet drug information service refers to the activities of providing medical information (including medical devices) and other services to Internet users through the Internet, and where any website intends to provide Internet drug information services, it

shall, prior to applying for an operation permit or record-filing from the State Council's department in charge of information industry or the telecom administrative authority at the provincial level, file an application with the provincial FDA, and shall be subject to the examination and approval thereof for obtaining the qualifications for providing Internet drug information services. The validity term for a Qualification Certificate for Internet Drug Information Services is five years and may be renewed at least six months prior to its expiration date upon a re-examination by the relevant authority. Pursuant to the Measures Regarding the Administration of Drug Information Service over the Internet, the Internet drug information services are classified into two categories, namely, profit-making services and non-profit-making services. Profit-making services refers to that of providing Internet users with drug information in return for service fees whilst non-profit-making services refers to that of providing Internet users with drug information which is shared and accessible by the public through the Internet free of charge. Furthermore, information relating to drugs must be accurate and scientific in nature, and its provision shall comply with the relevant laws and regulations. No product information of stupefacient, psychotropic drugs, medicinal toxic drugs, radiopharmaceutical, detoxification drugs and pharmaceutics made by medical institutes shall be distributed on the website. In addition, advertisements relating to drugs (including medical devices) shall be approved by the National Medical Products Administration (the "**NMPA**") or its competent branches, and shall specify the approval document number.

REGULATIONS RELATING TO DRUG OPERATION

In September 1984, the SCNPC promulgated the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**"), which was amended in 2001, 2013, 2015 and 2019, respectively, to regulate all entities or individuals engaging in research, manufacture, operation, use, supervision and management of drugs within the PRC. According to the Drug Administration Law, no drug operation, including drug wholesale and drug retail business, is permitted without obtaining the Drug-trading License (《藥品經營許可證》). If the trading of drugs is conducted without a Drug-trading License, the illegal incomes by selling drugs shall be confiscated and the local Food and Drug Administration (the "**FDA**", which is now known as the Medical Products Administration, or the "**MPA**") shall impose a fine ranging from 15 to 30 times of the value of the illegally sold drugs (including sold or unsold drugs). The Implementation Rules for the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》), were promulgated by the State Council in August 2002 and amended in 2016 and 2019, which emphasized the detailed implementation rules of drugs administration.

REGULATIONS RELATING TO CLINICAL TRIALS ON DRUGS

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), which were promulgated on January 22, 2020 and became effective on July 1, 2020, an applicant shall complete relevant research work in terms of pharmacy, pharmacology and toxicology, and drug clinical trials, etc. before applying for drug marketing registration. Drug clinical trials shall be approved, in which bioequivalence trials shall be filed; a drug clinical trial shall be conducted in a drug clinical trial institution that complies with relevant regulations, and shall conform to the Good Clinical Practice.

The Good Practice for Clinical Trails of Drugs (2020) (《藥物臨床試驗質量管理規範(2020)》) (the "**GCP (2020)**"), issued by the NMPA and the National Health Commission (the "**NHC**") on April 23, 2020 and effective on July 1, 2020, is a quality standard for the whole process of clinical drug trials involving protocol design, organization and implementation, monitoring, auditing, recording, analysis, summary and reporting. Pursuant to the GCP (2020), a trial protocol shall be distinct, explicit and operable and may be executed only upon the consent of the ethics committee. An investigator shall abide by the relevant trial protocol during a clinical trial, and each medical judgment or clinical decision-making involved shall be made by clinicians. The investigator and the clinical trial institution shall, when authorizing any individual or entity to undertake clinical trial-related responsibilities and functions, ensure that it has the corresponding qualifications, and establish complete procedures to ensure its performance of clinical trial-related responsibilities and functions and the generation of reliable data; and when authorizing any entity other than the clinical trial institution to undertake the trial-related responsibilities and functions, obtain the relevant sponsor's consent. The quality management system for clinical trials shall cover the whole process of a clinical trial with emphasis on the protection of subjects, reliability of the trial results and compliance with pertinent laws and regulations.

REGULATIONS RELATING TO MEDICAL DEVICES OPERATION AND TRIALS

The Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) (the "**Medical Device Regulations**") which were issued by the State Council in 2000 and recently amended on December 21, 2020 and came into effect on June 1, 2021, regulating entities that engage in the research and development, production, operation, use, supervision and administration of medical devices in the PRC. Medical devices are classified according to their risk levels. Class I medical devices are medical devices with low risks, and the safety and efficacy of which can be ensured through routine administration. Class II medical devices are medical devices with moderate risks, which are strictly controlled and administered to ensure their safety and efficacy. Class III medical devices are medical devices with relatively high risks, which are strictly controlled and administered through special measures to ensure their safety and efficacy. The classification of specific medical devices is stipulated in the Medical Device Classification Catalog (《醫療器械分類目錄》), which was issued by the SFDA on August 31, 2017 and most recently amended by the NMPA on March 28, 2022.

Pursuant to the Measures for the Supervision and Administration of Medical Devices Operation (《醫療器械經營監督管理辦法》) promulgated by the SFDA on July 30, 2014 and last amended by the SAMR on March 10, 2022 with effect as of May 1, 2022, licensing or filing is not required for business activities involving Class I medical devices, while filing administration shall apply to business activities involving Class II medical devices, and licensing administration shall apply to business activities involving Class III medical devices. An enterprise engaging in the operation of medical devices shall have business premises and storage conditions suitable for the operation scale and scope, and shall have a quality control department or personnel suitable for the medical devices it operates. Also, a quality control system compatible with the medical devices it operates is required, and an enterprise engaging in business activities involving Class III medical devices shall also have

a qualified computer information management system in order to ensure the traceability of the products it deals in. An enterprise engaged in the operation of Class II medical devices shall file with the municipal level drug supervision and administration department, and provide proofing materials for satisfying the relevant conditions of engaging in the operation of medical devices, while an enterprise engaged in the operation of Class III medical devices shall apply for an operation permit to the municipal level drug supervision and administration department, and provide proofing materials for satisfying the relevant conditions of engaging in the operation of such medical devices. An operation permit is valid for five years.

According to the Regulations on Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), an enterprise engaging in the operation of Class II medical devices shall make a record-filing (第二類醫療器械經營備案) with the food and drug supervision and administration department of the people's government of the city divided into districts where the operating enterprise is located. If an enterprise operates Class II medical devices without obtaining the medical device registration certificate, the authority shall confiscate illegal gains, the illegally operated medical devices and tools, equipment, raw materials and other articles used for illegal operation; where the value of illegally operated medical devices is less than RMB10,000, a fine of not less than RMB50,000 but not more than RMB100,000 shall be imposed; where the value is not less than RMB10,000, a fine of not less than ten times but not more than 20 times the value shall be imposed; where the circumstances are serious, the application for license of medical devices proposed by the relevant persons responsible and enterprises shall not be accepted within five years.

On March 1, 2016, the SFDA and the National Health and Family Planning Commission of PRC (the "**NHFPC**", currently known as the NHC) jointly promulgated the Good Clinical Practice for Medical Devices Trials (《醫療器械臨床試驗質量管理規範》), which was amended by the NMPA and the NHC on March 24, 2022 with effect as of May 1, 2022. The regulation includes full procedures of clinical trial of medical devices, including, among others, the protocol design, implementation, monitoring, verification, inspection, and data collection, recording, preservation, analysis, summary and reporting procedure of a clinical trial. For conducting clinical trials of medical devices, an applicant shall organize to formulate scientific and reasonable clinical trial protocols according to the purpose of the trial, and comprehensively consider the risks, technical characteristics, scope of application and expected use of the medical devices. The applicant shall select the clinical trial institutions and its researchers from the qualified medical device clinical trial institutions according to the characteristics of the medical devices to be used in the clinical study, and enter into a contract with them to specify the rights and obligations of each party in the clinical trials of medical devices. The applicant for clinical trials of medical devices shall be responsible for initiating, applying, organizing and monitoring such clinical trials, and shall be responsible for the authenticity and reliability of the clinical trials.

Pursuant to the Medical Device Regulations, clinical evaluation shall be conducted before the registration or record-filing of medical devices. However, medical devices may be exempt from clinical evaluation under any of the following circumstances: (i) they have clear and definite working mechanisms, finalized designs and mature manufacturing techniques, the marketed medical devices of the same category have been put into clinical application for years with no record of severe adverse event, and their general purposes remain unchanged; (ii) the safety and utility of such medical devices can be proved through non-clinical evaluation. During the process of clinical evaluation for medical devices, their safety and efficacy may be proved by carrying out clinical trials or analyzing and evaluating the clinical literature and data of medical devices of the same category on the basis of the product characteristics, clinical risks, existing clinical data and other circumstances. If the existing clinical literature and data are insufficient to confirm the safety and efficacy of the medical devices, clinical trials shall be conducted.

REGULATIONS RELATING TO INTERNET ADVERTISING

The Standing Committee of the NPC (the "**SCNPC**") released the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) on October 27, 1994 and latest amended on April 29, 2021, which provides that the Internet information service providers shall not publish medical, drugs, medical machinery or health food advertisements in disguised form of introduction of healthcare and wellness knowledge. According to the Advertising Law, medical, drugs, and medical machinery advertisements shall not contain (i) assertion or guarantee about efficacy or safety, (ii) any statement on cure rate or effective rate, (iii) comparison of efficacy and safety against other drugs, medical machinery or other medical institutions, (iv) recommendation or endorsement of an advertising spokesperson, or (v) any other contents prohibited by laws and administrative regulations. The contents of a drug advertisement shall not be inconsistent with the package insert approved by the drug administrative department of the State Council, and shall state the contraindications and adverse reactions prominently. Any advertisement for prescription drugs shall prominently indicate that "the advertisement is intended for medical and pharmaceutical professionals only", and any advertisement for non-prescription drugs shall prominently indicate that "please purchase and use it according to the package insert or a pharmacist's instructions". Any advertisement for medical devices intended for personal use shall prominently indicate that "please read the product specifications carefully or purchase and use it under the guidance of medical personnel". Where there are contraindications and precautions in the registration certificate for the medical device product, the advertisement shall prominently indicate that "please refer to the specifications for the contraindications and precautions".

The Interim Measures for Administration of Internet Advertising (《互聯網廣告管理暫行辦法》) (the "**Internet Advertising Measures**") regulating the Internet-based advertising activities, were adopted by the State Administration for Industry and Commerce (the "**SAIC**", currently known as the SAMR) on July 4, 2016. According to the Internet Advertising Measures, Internet advertisers are responsible for the authenticity of the advertisements content. Publishing and circulating advertisements through the Internet shall not affect the normal use of the Internet by users. It is not allowed to induce users to click on the content of advertisements by any fraudulent means, or to attach advertisements or advertising links in the emails without permission. An advertisement publisher shall

establish and maintain an accepting registration, examination and file management system concerning advertising business, examine, verify and record the name, address, existing contact number of each advertiser and other relevant information and verify and update such information on a regular basis. Advertisement publishers shall verify related supporting documents (including the advertisement approval documents issued by the NMPA or its competent branches) and check the contents of the advertisement provided by advertisers, and be prohibited from designing, producing, providing agency services or publishing any advertisement with nonconforming contents or without all the necessary certification documents. Where advertisement publishers fail to do these, the local authority of SAMR shall order them to make corrections, and may impose upon them a fine of not more than RMB50,000. The Company has established an accepting registration, examination and file management system to review the relative supporting documents of the advertisers. When the advertisers entrust us to publish the above-mentioned advertisements on the *MedSci* platform, it is the responsibility of advertisers seeking to advertise its drugs (including medical devices), not us, to obtain the approval documents (if applicable). Our obligation only involves verifying such approval documents before publishing the underlying advertisements on our *MedSci* platform.

Pursuant to the Interim Administrative Measures for Censorship of Advertisements for Drugs, Medical Devices, Dietary Supplements and Foods for Special Medical Purpose (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which were promulgated by the SAMR on December 24, 2019, effective on March 1, 2020, an enterprise seeking to advertise its drugs, medical devices, dietary supplement or food for special medical purpose shall apply for an advertisement approval number and seek approvals from NMPA or its competent branches. The validity period of the advertisement approval number concerning a drug, medical device, dietary supplement or food for special medical purpose shall be consistent with that of the registration certificate or record-filing certificate or the production license of the product, whichever is the shortest. Where no validity period is set forth in the registration certificate, record-filing certificate or the production license of the product, the advertisement approval number shall be valid for two years. The content of an approved advertisement may not be altered without prior approval. Where any alteration to the advertisement is needed, a new advertisement approval shall be obtained.

REGULATIONS RELATING TO FOREIGN INVESTMENT

Foreign Investment Law and Regulations

On March 15, 2019, the National People's Congress of the PRC (the "**NPC**") adopted the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), or the FIL, which came into effect on January 1, 2020, and replaced the trio of laws regulating foreign investment in the PRC, namely, the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》) and the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》). Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by,

amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Negative List which was promulgated by the NDRC and the Ministry of Commerce of the PRC (the "**MOFCOM**") on December 27, 2021 and became effective on January 1, 2022 and the Encouraged Industry Catalog for Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraging Catalog**"), which was promulgated by the NDRC and the MOFCOM on October 26, 2022 and became effective on January 1, 2023, replaced the previous Encouraged Industry Catalog for Foreign Investment (2020 Version) (《鼓勵外商投資產業目錄(2020年版)》). Pursuant to the Negative List, value-added telecommunication services fall into the restricted category and the foreign investment in value-added telecommunications services shall not exceed 50% (excluding e-commerce business, domestic multi-party communications, store-and-forward and call centers).

The Negative List further provides that a PRC domestic enterprise engaged in foreign investment prohibited business and intends to offer and list in overseas markets shall complete the examination process and obtain approval from relevant government authorities, that any overseas investor in the enterprise shall not participate in the operation and management of the enterprise, and that the equity ratio of overseas investor in the enterprise shall be subject to the relevant provisions on administration of domestic securities investment by overseas investors (the "**Domestic Enterprise Direct Listing Requirement**"). At a press conference held on January 18, 2022, the NDRC clarified that the Domestic Enterprise Direct Listing Requirement would only apply to PRC domestic enterprise's direct overseas listing. Therefore, the PRC Legal Adviser is of the view that as the Company is not a PRC domestic enterprise seeking direct overseas [REDACTED], the Domestic Enterprise Direct Listing Requirement is not applicable to us.

Based on the forgoing, our Directors, with the advice of our PRC Legal Adviser, and the Joint Sponsors, with the advice of their PRC legal adviser, believe that the [REDACTED] does not require any examination or approval from the relevant government authorities in accordance with the relevant laws and regulations currently in effect.

According to the FIL, "foreign investment" refers to investment activities directly or indirectly conducted by one or more natural persons, business entities, or other organizations of a foreign country (collectively referred to as "foreign investors") within China, and such investment activities including: (i) a foreign investor, individually or collectively with other investors, establishes a foreign-invested enterprise within China; (ii) a foreign investor acquires stock shares, equity shares, shares in assets, or other similar rights and interests of an enterprise within China; (iii) a foreign investor, individually or collectively with other investors, invests in a new project within China; and (iv) a foreign investor invests through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Although the FIL does not comment on the concept of "de facto control" or contractual arrangements with variable interest entities, it

has a catch-all provision to include investments made by foreign investors in China through means stipulated by laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions of the State Council to classify contractual arrangements as a form of foreign investment.

The FIL also provides that China establishes a foreign investment information report system. Foreign investors or the foreign investment enterprise shall submit investment information to the competent commerce department through the enterprise registration system and the enterprise credit information publicity system and the foreign investors or the foreign investment enterprise could be imposed a fine ranging from RMB100,000 to RMB500,000 by the competent commerce department for failing to report investment information as required to the foreign investment information report system. On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign investment enterprise shall submit the investment information to the competent commerce department.

On December 26, 2019, the State Council promulgated the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), or the Implementation Regulation for FIL, which became effective on January 1, 2020. The Implementation Regulation for FIL provides that foreign investment enterprises established in accordance with the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, the Wholly Foreign-owned Enterprise Law of the PRC and the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC prior to implementation of the FIL may, within the five-year period following the implementation of the FIL, adjust their organization form, organization structure pursuant to the provisions of the PRC Company Law, the PRC Partnership Enterprise Law and related laws, and complete change registration in accordance with the law, or may continue to retain their original enterprise organization form or organization structure. With effect from January 1, 2025, where an existing foreign investment enterprise has not adjusted its organization form or organization structure and complete the change registration in accordance with the law, the market regulatory authorities shall not process the application(s) for any other registration matter(s) of the said foreign investment enterprise, and shall publicly announce the relevant information.

M&A Rules

According to the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") which were jointly adopted by the MOFCOM, the State Administration of Foreign Exchange (the "**SAFE**") and other four ministries on August 8, 2006, took effect on September 8, 2006 and amended on June 22, 2009, "mergers and acquisitions of domestic enterprises by foreign investors" refers to: (a) a foreign investor converts a non-foreign invested enterprise (domestic company) to a foreign invested enterprise by purchasing the equity interest from

the shareholder of such domestic company or the increased capital of the domestic company; or (b) a foreign investor establishes a foreign invested enterprise to purchase the assets from a domestic enterprise by agreement and operates the assets therefrom; or (c) a foreign investor purchases the assets from a domestic enterprise by agreement and uses these assets to establish a foreign invested enterprise for the purpose of operation of such assets.

The M&A Rules, among other things, require that if an overseas company established or controlled by PRC companies or individuals intends to acquire equity interests or assets of any other PRC domestic company affiliated with such PRC companies or individuals, such acquisition must be submitted to MOFCOM for approval. After the FIL and its implementation regulations became effective on January 1, 2020, the provisions of the M&A Rules remain effective to the extent they are not inconsistent with the FIL and its implementation regulations.

Restrictions on Foreign Investment in Value-added Telecommunications Services

Pursuant to the Negative List, foreign investment in value-added telecommunications services is restricted, and the percentage of foreign ownership cannot exceed 50% (except for e-commerce, domestic multi-party communications, store-and-forward and call center).

Pursuant to the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》), which were most recently revised with effect from May 1, 2022, the foreign-invested value-added telecommunications enterprises in the PRC are required to be established as sino-foreign equity joint ventures, which the foreign investors may acquire up to 50% of the equity interests of such enterprise. Moreover, foreign invested enterprises that meet these requirements must obtain approvals from the MIIT for their commencement of value-added telecommunications business in the PRC.

On July 13, 2006, the MII promulgated the Circular on Strengthening the Administration of Foreign Investment and Operation of Value-added Telecommunications Business (《關於加強外商投資經營增值電信業務管理的通知》) (the "**MIIT Circular**"), pursuant to which, a domestic company that holds a value-added telecommunications business operation licenses is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors that conduct value-added telecommunications business illegally in China. In addition, under the MIIT Circular, the Internet domain names and registered trademarks used by a foreign-invested value-added telecommunications service operator shall be legally owned by that operator or its shareholders.

Prohibition on Foreign Investment in Radio and Television Program Production and Operation Services and Online Audio-Visual Program Services

Pursuant to the Negative List, the foreign investment in radio and television program production and operation services and online audio-visual program services are strictly prohibited.

REGULATIONS RELATING TO CYBER SECURITY

Cyber Security Law of the PRC

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), or the Cyber Security Law, which became effective on June 1, 2017. Under the Cyber Security Law, network operators shall take technical measures and other necessary measures in accordance with applicable laws, regulations and compulsory national requirements to ensure the safe and stable operation of the networks, respond to cyber security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. The Cyber Security Law also stipulates that the State adopts classified system for cybersecurity protection, under which network operators are required to fulfill relevant obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered.

On February 18, 1994, the State Council promulgated the Regulations on the Security Protection of Computer Information System (the "**CIS Regulations**") and amended it on January 8, 2011. The CIS Regulations requires safeguarding the computer and its related and supporting sets of equipment and facilities (including network), the operating environment and information and ensuring the normal performance of computer functions, so as to maintain the safe operation of computer information systems.

On June 22, 2007, the Ministry of Public Security as well as three other regulatory authorities issued the Administrative Measures for the Graded Protection of Information Security, which became effective on the same day. According to the Administrative Measures for the Graded Protection of Information Security, the security protection of an information system may be graded from Level 1 to Level 5. Information systems shall be graded as Level 3 when the destruction of the information system will cause material damage to social order and public interests or will cause damage to national security. Entities operating and using Level 3 information system shall protect the information system in accordance with relevant regulations and technical standards of the PRC as well as the special business needs.

Measures for Cyber Security Review

On April 13, 2020, the CAC and 11 other government authorities jointly promulgated the Measures for Cyber Security Review (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures (2020)**"), effective from June 1, 2020, which provides that crucial information infrastructure operators purchasing network products and services, which affects or may affect national security, shall apply for cybersecurity review to the cyberspace administrations in accordance with the provisions thereunder.

The CAC, jointly with other 12 governmental authorities, issued the Measures for Cyber Security Review (2021) (《網絡安全審查辦法》(2021)), or the Cybersecurity Review Measures (2021), on December 28, 2021, which became effective on February 15, 2022 and repeal the Cybersecurity Review Measures (2020) simultaneously. According to the Cybersecurity Review Measures (2021), an application for cybersecurity review shall be

made to the Office of Cybersecurity Review in the following circumstances: (i) when the purchase of network products and services by a crucial information infrastructure operator affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Cybersecurity Review Measures (2021). The aforesaid operators shall file for a cybersecurity review with Cybersecurity Review Office under the CAC if their behavior affects or may affect national security; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities on a foreign stock exchange; and (iii) the relevant PRC governmental authorities may initiate cybersecurity review if such governmental authorities believe that the network products or services, or data processing activities affect or may affect national security.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Crucial Information Infrastructure (《關鍵信息基礎設施安全保護條例》), or the CII Regulations, which became effective on September 1, 2021. According to the CII Regulations, crucial information infrastructure refers to any important network facilities or information systems of an important industry or field such as public communication and information service, energy, transport, water conservation, finance, public services, e-government affairs, science and technology industry for national defense and other industries and sectors that may seriously endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage.

REGULATIONS RELATING TO DATA SECURITY

The Data Security Law of the PRC (《中華人民共和國數據安全法》), or the Data Security Law, which was promulgated by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, applies to data processing activities, including the collection, storage, use, processing, transmission, provision and disclosure of data, and security supervision of such activities within the territory of the PRC. Where data processing activities outside the territory of the PRC damage national security, public interests or the legitimate rights and interests of PRC citizens and organizations, such activities shall be subject to legal liabilities. The PRC would also establish a data security review system, under which data processing activities that affect or may affect national security shall be reviewed. According to the Data Security Law, whoever carries out data processing activities shall establish a sound data security management system throughout the whole process, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security. Important data shall also be categorized and protected more strictly.

On November 14, 2021, the CAC publicly solicited opinions on 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)), or the Draft Data Security Regulations, which applies to activities relating to the use of networks to carry out data processing activities within the territory of the PRC. The Draft Data Security Regulations is to implement general requirements on data security management from the Cyber Security Law, the Data Security Law, and the Personal Information Protection Law, and supplement these with implementing details. More specifically, it addresses requirements including protection of personal information,

security of important data, security management of cross-border data transfer, obligations of Internet platform operators, and supervision and management of cyber data security. Under the Draft Data Security Regulations, data is divided into three categories — common data, important data and core data — depending on its impact and importance on national security, public interests or the legitimate rights and interests of individuals and organizations. Data processors shall comply with the requirements of cybersecurity multi-level protection, strengthen the security protection of data processing system, data transmission network and data storage environment. Data processors shall establish a data security emergency response mechanism, and promptly start the emergency response mechanism in the event of a data security incident. The Draft Data Security Regulations also set out detailed rules for data processors to implement when providing personal information to third parties, or sharing, trading or entrusting important data to third parties.

The Draft Data Security Regulations also provides that a data processor who processes more than one million users' personal information aiming to list abroad or a data processor who seeks to complete a listing in Hong Kong which affects or may affect national security is required to apply for cybersecurity review pursuant to relevant rules and regulations. However, the Draft Cyber Data Security Regulations does not provide the standard to determine the circumstances that would be determined to "affect or may affect national security". As of the Latest Practicable Date, the Draft Data Security Regulations have not been formally adopted, and there is no definite timetable for the adoption of these regulations.

On October 29, 2021, the CAC has publicly solicited the Measures for Security Assessment for Cross-border Data Transfer (Draft for Comments) (《數據出境安全評估辦法(徵求意見稿)》). On July 7, 2022, the CAC officially promulgated the Measures for Security Assessment for Cross-border Data Transfer (《數據出境安全評估辦法》), or the Security Assessment Measures, which came into effect on September 1, 2022. The Security Assessment Measures shall apply to the security assessment of the provision to overseas parties of important data and personal information collected and produced during operations within the mainland of the PRC by data processors. Such measures provide four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where a data processor provides important data overseas; (ii) where a crucial information infrastructure operator and a data processor processing the personal information of more than one million individuals provide personal information overseas; (iii) where a data processor provides personal information of 100,000 individuals or sensitive data of 10,000 individuals cumulatively overseas since January 1 of the previous year; or (iv) other circumstances in which the application for security assessment of cross-border transfer of data is required as stipulated by the CAC.

REGULATIONS RELATING TO PERSONAL INFORMATION PROTECTION

On December 29, 2011, the MIIT issued Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which provides that an Internet information service provider may not collect any user's personal information or provide any such information to third parties without such user's consent. Pursuant to the Several Provisions on Regulating the Market Order of Internet Information Services, Internet information service providers are required to, among others, (i) expressly inform the users of the method, content and purpose of collecting and processing such users' personal information and may only collect such information necessary for the provision of its services; and (ii) properly store and secure the users' personal information, and in case of any leak or possible leak of a user's personal information, Internet information service providers must take immediate remedial measures and, in severe circumstances, make an immediate report to the telecommunications regulatory authority.

Pursuant to the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》), issued by the SCNPC on December 28, 2012, and the Order for the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), issued by the MIIT on July 16, 2013, any collection and use of any user's personal information must be subject to the consent of the user, and abide by the principles of lawfulness, fairness, necessity, and good faith and fall within the specified purposes, methods and scopes. An Internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering with or destroying any such information, or selling or illegally providing such information to other parties. An Internet information service provider is required to take measures to prevent the collected personal information from any leakage, damage, tampering or loss.

Pursuant to the Regulations for Medical Institutions on Medical Records Management (2013 Version)(《醫療機構病歷管理規定(2013年版)》) released by the NHFPC and the NATCM on November 20, 2013, and effective from January 1, 2014, the medical institutions and medical practitioners shall strictly protect the privacy information of patients, and any leakage of patients' medical records for non-medical, non-teaching or non-research purposes is prohibited. The NHFPC issued the Measures for Administration of Population Health Information (Trial) (《人口健康信息管理辦法(試行)》) on May 5, 2014, which refers the medical health service information as the population healthcare information, and emphasizes that such information cannot be stored in offshore servers, and the offshore servers shall not be hosted or leased. Pursuant to the Management Measures of Standards, Safety and Service of National Health and Medical Big Data (Trial) (《國家健康醫療大數據標準、安全和服務管理辦法(試行)》), promulgated by the NHC on July 12, 2018, the medical institutions should establish relevant safety management systems, operation instructions and technical specifications to safeguard the safety of healthcare big data generated in the process of health management service or prevention and cure service of diseases. And it also stipulates that such healthcare big data should be stored in onshore servers and shall not be provided overseas without safety assessment.

Pursuant to the Ninth Amendment to the Criminal Law (《刑法修正案(九)》), issued by the SCNPC on August 29, 2015, which became effective on November 1, 2015, when persons sell or provide personal information of citizens to others in violation of relevant rules and regulations, and if the circumstances are serious, imprisonment of no more than 3 years or criminal detention, in combination of fines, or fines alone could be imposed. In addition, Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Personal Information (《關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), issued on May 8, 2017 and effective as of June 1, 2017, clarified certain standards for the conviction and sentencing of the criminals in relation to personal information infringement.

The PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), or the PIPL, released by the SCNPC on August 20, 2021 and effective from November 1, 2021, stipulates the scope of personal information and establishes rules for processing personal information onshore and offshore. The PIPL sets forth certain specific personal information protection requirements, including but not limited to more specific inform and consent requirements in various contexts, strengthened and classified obligations of personal information processors, and more limitations and rules on process of personal information.

REGULATIONS RELATING TO OVERSEAS LISTING

On December 24, 2021, the China Securities Regulatory Commission (the "**CSRC**") issued the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) (the "**Draft Overseas Listing Administration Provisions**") and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the "**Draft Overseas Listing Filing Measures**", and together with the Draft Overseas Listing Administration Provisions, the "**Draft Regulations on Listing**"), which are open for public comments until January 23, 2022.

On February 17, 2023, the CSRC issued the Tentative Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies(《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines (collectively referred to as the "**Tentative Measures on Listing**"), which has been approved by the State Council and will take effect on March 31, 2023.

The Tentative Measures on Listing brings all overseas listing activities including both direct and indirect overseas offering and listing under regulation by adopting a filing-based administration system. The Tentative Measures on Listing applies to domestic companies of equity shares directly or indirectly issuing securities overseas or listing their securities overseas. Domestic companies that seek to offer and list securities on overseas markets shall fulfill the filing procedure with the CSRC and report relevant information. Overseas offerings and listings that involve security review in accordance with relevant laws and

regulations should duly perform security review procedures. Overseas offerings and listings (i) that are explicitly prohibited by specific PRC laws and regulations, (ii) that constitute threat to or endanger national security, (iii) where the PRC domestic enterprises, their controlling shareholder or actual controller of the issuer is involved in certain criminal offense in the past three years, (iv) where the PRC domestic enterprises of the issuer are involved in criminal offense or administrative penalties with serious circumstances and there are no clear conclusions yet, or (v) that involve material ownership dispute over the equity held by the controlling shareholder or the shareholder controlled by the controlling shareholder or the actual controller, are explicitly forbidden by the Tentative Measures on Listing (the "**Forbidden Circumstances**"). Domestic companies that seek to offer and list securities on overseas markets can raise funds and pay dividend in foreign currency or RMB.

The Tentative Measures on Listing details the filing procedures and regulatory requirements on overseas offering and listing activities by domestic companies. The Tentative Measures on Listing specifies the filing entity and procedures. For direct overseas offering and listing, the issuer shall fulfill the filing obligations; for indirect overseas offering and listing, the issuer shall designate a major domestic operating entity to fulfill the filing obligations. Where an issuer makes an application for initial public offering on an overseas market, the filing entity shall submit to the CSRC filing documents within 3 working days after such application is submitted. If an issuer listed in an overseas market makes refinancing by offering securities in the same overseas market, filings shall be made within 3 working days after such securities offering is completed. Subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed within 3 working days after the listing application is submitted. After completing the filing procedures and immediately prior to the completing of listing in overseas market, the issuer shall report to the CSRC on material events, which include material change in main business, licenses or qualifications, material change in equity structure or change of control, material change in the offering and listing plan. After the completion of listing on overseas market, the issuer shall report material events to the CSRC, which include change of control, investigations or sanctions imposed by overseas securities regulatory authorities, conversion of listing status or listing sector and voluntary or forced delisting. At a press conference held on February 17, 2023, the officials from the CSRC clarified that for domestic enterprises that have been approved by overseas regulators or overseas stock exchanges (for example, a contemplated offering and/or listing in Hong Kong has passed the hearing of the Stock Exchange) on or before the effective date of the Tentative Measures on Listing (i.e., March 31, 2023), but have not completed the indirect overseas offering and listing, a six-month transition period will be granted. Those who complete the overseas issuance and listing within six months are deemed as stock enterprises. The stock enterprises do not require filing immediately. Subsequent filing matters such as refinancing shall be filed as required. If the above-mentioned domestic enterprises need to re-perform the issuance and listing procedures to the overseas regulatory authorities within six months (such as requiring a new hearing of the Stock Exchange) or fail to complete the overseas issuance and listing within six months, such domestic enterprises shall complete the filing procedures.

At a press conference held on February 17, 2023, the officials from the CSRC clarified that the overseas listing of VIE-structured enterprises meeting the compliance requirements can complete the filing procedures with the CSRC. Therefore, our PRC Legal Adviser is of the view that the Tentative Measures on Listing allow PRC domestic companies with a VIE structure that has compelted the filing procedures pursuant to the Tentative Measures on Listing and comply with applicable PRC laws and regulations to conduct overseas offering and listing.

To the best of our knowledge, none of the Forbidden Circumstances specified under the Tentative Measures on Listing that would prohibit us from conducting overseas [REDACTED] and [REDACTED] exist. None of our PRC domestic companies, their controlling shareholders, actual controllers or directors are involved in criminal offense or administrative penalties that would prohibit us to conduct overseas [REDACTED] and [REDACTED] pursuant to Tentative Measures on Listing.

Based on the foregoing analysis, our Directors, with the advice of our PRC Legal Adviser, and the Joint Sponsors, with the advice of their PRC legal adviser, are of the view that the Tentative Measures on Listing would not have any material adverse impact on our business operations.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) (the "**Copyright Law**"), which was latest amended on November 11, 2020 with effect from June 1, 2021, copyrights comprises of personal rights (such as the right to publish the work and the right of attribution) and property right (such as the right to reproducing or distributing the work). Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the relevant right owner would constitute infringement of copyright, unless otherwise provided in the Copyright Law. The infringer shall, depending on the circumstances of the case, cease the infringement, take remedial action, make an apology, and/or pay damages.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**"), which was recently revised on April 23, 2019 with effect from November 1, 2019, registered trademarks refer to trademarks that have been approved and registered by the Trademark Office (商標局). Registered trademarks could be commodity trademarks, service trademarks, collective marks or certification marks. The trademark registrant shall enjoy an exclusive right to use the trademark, which shall be protected by law.

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**"), which was recently revised on October 17, 2020 and came into effect on June 1, 2021, after the grant of the patent right for an invention, utility model, or design, unless otherwise provided in the Patent Law, no entity or individual may, without the authorization of the patent owner, infringe the patent. Where the infringement of a patent is found, the infringer shall, in accordance with the laws and regulations, cease the infringement, take remedial action and/or pay damages.

Domain Name

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on August 24, 2017 with effect from November 1, 2017, domain name registration is performed on a "first come, first served" basis. The domain names registered or used by an organization or individual shall not contain any contents prohibited by laws and administrative regulations. A domain name registration applicant shall provide the domain name registration service agency with true, accurate and complete identity information about the domain name holder.

REGULATIONS RELATING TO LABOR PROTECTION

According to the Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**"), which was promulgated by the SCNPC on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, respectively, an employer shall establish a comprehensive management system to safeguard the rights of its employees, including developing and improving its labor safety and health system, stringently implementing national protocols and standards on labor safety and health, conducting labor safety and health education for workers, guarding against labor accidents and reducing occupational hazards. Labor safety and health facilities must comply with relevant national standards. An employer must provide employees with the necessary labor protection equipment that comply with labor safety and health conditions stipulated under national regulations, as well as provide regular check-ups for workers that engage in operations with occupational hazards. Laborers who engage in special operations shall have received specialized training and obtained the pertinent qualifications. An employer shall develop a vocational training system. Vocational training funds shall be set aside and used in accordance with national regulations and vocational training for workers shall be carried out systematically based on the actual conditions of the company.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) which was promulgated by the SCNPC on June 29, 2007 and amended on December 28, 2012, and the Implementation Regulations on Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated and became effective on September 18, 2008, regulate employer and employee relations and contain specific provisions on the terms of the labor contract. Labor contracts must be made in writing. An employer and an employee may enter into a fixed-term labor contract, an un-fixed term labor contract, or a labor contract that concludes upon the completion of certain work assignments, after reaching due negotiations. An employer may legally terminate a labor contract and dismiss its

employees after reaching agreement upon due negotiations with the employee or by fulfilling the statutory conditions. Labor contracts concluded prior to the enactment of the Labor Contract Law and subsisting within the validity period thereof shall continue to be honored.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the Regulations on Work Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》), and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), enterprises in the PRC shall provide benefit plans for their employees, which include basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work injury insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies, and shall pay or withhold relevant social insurance premiums for or on behalf of employees. On September 6, 2011, the MHRSS promulgated the Interim Measures for Participation in the Social Insurance System by Foreigners Working within the Territory of China (《在中國境內就業的外國人參加社會保險暫行辦法》), which clarifies that employers shall also participate in the basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work injury insurance for its foreign national employees.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated and became effective on April 3, 1999 and last amended on March 24, 2019, employers are required to contribute to housing provident funds for the benefit of their employees.

REGULATIONS RELATING TO TAX

Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**"), which was enacted on March 16, 2007 and last amended on December 29, 2018, and the Implementation Rules to the EIT Law (《中華人民共和國企業所得税法實施條例》), which was promulgated on December 6, 2007 and amended on April 23, 2019 by the State Council, enterprises are classified as either resident enterprises or non-resident enterprises. The income tax rate for resident enterprises, including both domestic-invested and foreign-invested enterprises, shall typically be 25%. Non-resident enterprises which have not established agencies or offices in China, or which have established agencies or offices in China but whose income has no association with such agencies or offices shall pay enterprise income tax on its income deriving from inside China at the reduced rate of 10%.

Income Tax in Relation to Dividend Distribution

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of the PRC and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得税避免雙重徵税和防止偷漏税的安排》) (the "**Double Tax Avoidance Arrangement**")

on August 21, 2006. According to the Double Tax Avoidance Arrangement, when a PRC company is distributing dividends to a HK resident who is the beneficial owner of such dividends, the PRC withholding tax rate is 5% in the case where the receiver holds directly no less than 25% equity interests in the aforesaid PRC company, or 10% in other cases.

Pursuant to the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) promulgated by the State Administration of Taxation (the "**SAT**") and becoming effective on February 20, 2009, all of the following requirements shall be met in order for a resident of the counterparty country to a tax agreement to enjoy the preferential tax rate treatment as provided in such tax agreement: (i) the counterparty's tax resident who is receiving dividends is an enterprise; (ii) the counterparty's tax resident directly owns a requisite percentage in the owner's equity of or voting rights in the PRC company; and (iii) the counterparty's tax resident directly owns a requisite percentage in the capital of the PRC company as required in the tax agreement at any time during the 12 months prior to receiving dividends.

Pursuant to the Administrative Measures for Agreements Treatment for Non-resident Taxpayers (《非居民納税人享受協定待遇管理辦法》) promulgated by the SAT on October 14, 2019, a non-resident taxpayer meeting conditions for enjoying the tax agreement treatment may be entitled to the tax agreement treatment itself/himself when filing a tax return or making a withholding declaration through a withholding agent and shall collect and keep the supporting documents for inspection upon request.

Value-added Tax

According to the Temporary Regulations on Value-added Tax (《增值税暫行條例》) which was promulgated by the State Council on December 13, 1993 and amended on November 10, 2008, February 6, 2016 and November 19, 2017, respectively, and the Detailed Implementation Rules of the Temporary Regulations on Value-added Tax (《增值税暫行條例實施細則》), which was promulgated by the Ministry of Finance on December 25, 1993, and was amended on December 15, 2008 and October 28, 2011 respectively, all taxpayers selling goods, providing processing, repair or replacement services, selling services, intangible properties or immovable properties within the PRC or importing goods to the PRC shall pay value-added tax.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The fundamental regulation governing foreign exchange in China is the Foreign Exchange Administration Rules of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Administration Rules**"). This was promulgated by the State Council of the PRC on January 29, 1996 and amended on January 14, 1997 and August 5, 2008 with effect from the same day. Under the Foreign Exchange Administration Rules, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China, unless the prior approval of SAFE or its local counterparts is obtained.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》), which was promulgated on January 26, 2017, a foreign-invested enterprise can pay dividends to its foreign investors through the financial institutions without the approval of SAFE; financial institutions shall review the relevant documents to ensure the authenticity of the transaction. A foreign-invested enterprise shall cover any losses from previous years before paying dividends to its foreign investors.

In accordance with the Foreign Exchange Administration Rules, foreign exchange transactions involving overseas direct investment or investment and trading in securities, derivative products abroad are subject to registration with SAFE or its local counterparts and approval from or filling with the relevant PRC government authorities (if necessary).

According to the Circular on the Management of Offshore Investment and Financing and Round Trip Investment By Domestic Residents through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 37**") which was promulgated on July 4, 2014 with effect from the same day, the domestic resident shall be required to register with the local branch of SAFE for foreign exchange registration of overseas investments before contributing the domestic and overseas lawful assets or interests into a SPV, and to update such registration in the event of any change of basic information of the registered SPV or major changes in the SPV's capital, including increases and decreases of capital, share transfers, share swaps, mergers or divisions. The SPV is defined as an "offshore enterprise directly established or indirectly controlled by the domestic resident (including domestic institution and individual resident) with their legally owned assets and equity of the domestic enterprise, or legally owned offshore assets or equity, for the purpose of investment and financing"; "Round Trip Investments" refers to "the direct investment activities carried out by a domestic resident directly or indirectly via a SPV, i.e., establishing a foreign-invested enterprise or project within the PRC through a new entity, merger or acquisition and other ways, while obtaining ownership, control, operation and management and other rights and interests". In addition, according to the procedural guidelines as attached to the SAFE Circular 37, the principle of review has been changed to "the domestic individual resident is only required to register the SPV directly established or controlled (first level)."

Pursuant to Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**"), which was promulgated on February 13, 2015 and implemented on June 1, 2015, the initial foreign exchange registration for establishing or taking control of a SPV by domestic residents can be conducted with a qualified bank, instead of the local foreign exchange bureau, and the SAFE Circular 13 also simplifies some procedures relating to foreign exchange for direct investments.

On March 30, 2015, SAFE promulgated the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**"), which came into effect from June 1, 2015. According to the SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretional Foreign Exchange Settlement (the "**Discretional Foreign Exchange Settlement**"). The Discretional Foreign Exchange Settlement refers to the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of Discretional Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined to be 100%. The Renminbi converted from the foreign exchange capital will be kept in a designated account and if a foreign invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and go through the review process with the banks.

Furthermore, the SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes:

(i) directly or indirectly used for the payment beyond the business scope of the enterprises or the payment as prohibited by relevant laws and regulations;

(ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations;

(iii) directly or indirectly used for granting the entrust loans in Renminbi (unless permitted by the scope of business), repaying the inter-enterprise borrowings (including advances by the third party) or repaying the bank loans in Renminbi that have been sub-lent to the third party; and

(iv) used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), on June 9, 2016, which became effective simultaneously. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on self-discretionary basis. The SAFE Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on self-discretionary basis which applies to all enterprises registered in the PRC. The SAFE Circular 16 reiterates the principle that Renminbi converted from

foreign currency- denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On October 23, 2019, the SAFE issued the Circular on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**"), which became effective immediately upon promulgation. The SAFE Circular 28 allows all foreign-invested enterprises, including enterprises which are not registered as foreign-funded investment enterprises, to make equity investment in the PRC using their capital, subject to compliance with the Negative List.

REGULATIONS RELATING TO THE LEASING OF PROPERTY

Pursuant to the Law of the PRC on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》), which was most recently amended by the SCNPC on August 26, 2019 with effect as of January 1, 2020, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and lessee are required to register the lease contract with the real estate administration department for filing. According to the Civil Code of the PRC (《中華人民共和國民法典》), failure to register and file the lease contract in accordance with the provisions of laws and administrative regulations shall not affect the validity of the lease contract.

Pursuant to the Administrative Measures for the Leasing of Commodity Housing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and coming into force on February 1, 2011, within 30 days after the execution of the lease contract, parties to the lease contract shall register the lease contract with the competent construction (real estate) department under government of municipalities directly under the central government, cities and counties where the housing is located for filing. In the event that the parties fail to complete the registration and filing procedure of the lease, the competent construction (real estate) department shall order rectification within a time limit. If the rectification is not made within the time limit, a fine of less than RMB1,000 shall be imposed for an individual or a fine between RMB1,000 to RMB10,000 shall be imposed for an entity.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to November 2012, when Shanghai MedSci, being one of our Consolidated Affiliated Entities and our major operating entity, was founded by Dr. Li and Dr. Zhang. For details of the background and experience of Dr. Li and Dr. Zhang, see "Directors and Senior Management". Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on June 22, 2021 and as the [REDACTED] vehicle. In preparation for the [REDACTED], we undertook the Reorganization. Please see "— Reorganization" below for details.

BUSINESS MILESTONES

The following table summarizes the key milestones in our business development:

Year	Event
2012	Shanghai MedSci, one of our Consolidated Affiliated Entities and our major operating entity, was founded in Shanghai, the PRC.
	Our *MedSci* platform commenced operation.
2013	Shanghai Chungu, one of our Consolidated Affiliated Entities and our major operating entity, was founded in Shanghai, the PRC.
2015	We joined the Global Alliance of Medical Education and attended the 18th annual meeting of the Chinese Society of Clinical Oncology.
	We completed the series A financing by Qiming Venture Partners in an aggregate amount of RMB70 million.
2016	We launched omni-channel marketing services.
	We were awarded the "Frost & Sullivan Asia Pacific Best Practices Awards" in the clinical, research and academic services platform market.
2017	We launched our real-world study solutions business.
2018	Our revenue exceeded RMB100 million for the first time.
2019	We were recognized as the "2019 Red Herring Top 100 Asia Winner".

Year	Event
2020	We were recognized by "2020–2021 The Future Medical 100" as one of the top 10 digital healthcare marketing companies.
	We completed the series B financing led by Qiming Venture Partners in an aggregate amount of RMB100 million.
2021	Our Company was incorporated in the Cayman Islands as the [REDACTED] vehicle in anticipation of the [REDACTED] Investments and the [REDACTED].
	We completed the series C financing by Tencent in an aggregate USD amount equivalent to RMB300 million.

OUR MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The principal business activities, place and date of establishment and commencement of business of each of the operating entities of our Group that made a material contribution to our results of operations during the Track Record Period are shown below:

Name of entity	Place of establishment	Date of establishment and commencement of business	Principal business activities
Shanghai MedSci	PRC	November 6, 2012	Provision of physician platform solutions services, precision omni-channel marketing solutions services and RWS solutions services
Shanghai Chungu[(2)]	PRC	January 21, 2013	Provision of omni-channel marketing solutions services

Notes:

(1) Our major subsidiaries and operating entities are selected with reference to the entities which have contributed to more than 5% of the Group's revenue or assets during any year or period of the Track Record Period.

(2) Shanghai Chungu became a wholly-owned subsidiary of Shanghai MedSci in 2015. See "— Major Acquisitions, Disposals and Mergers" below for details.

For information on our other subsidiaries or operating entities, please see Note 1 of the Accountants' Report set out in Appendix I to this Document.

OUR ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES

(a) Establishment of Shanghai MedSci

Shanghai MedSci was established in the PRC on November 6, 2012 as a limited liability company with a registered capital of RMB1 million. Upon its establishment, it was held as to 80.0% by Dr. Li and as to 20% by Dr. Zhang.

(b) Incorporation/Establishment of our Company and Subsidiaries

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on June 22, 2021 with an authorized share capital of US$50,000 divided into 50,000 ordinary shares with a par value of US$1.00 each. On the date of incorporation, our Company issued one share to Ogier Global Subscriber (Cayman) Limited, which is our registered office services provider.

On June 24, 2021, MedSci Healthcare BVI was incorporated as a limited liability company in the British Virgin Islands as a direct wholly-owned subsidiary of our Company.

On August 6, 2021, MedSci Healthcare HK was incorporated as a limited liability company in Hong Kong as a direct wholly-owned subsidiary of MedSci Healthcare BVI.

On October 9, 2021, Shanghai Meiyi Hehong was established as a limited liability company in the PRC as a direct wholly-owned subsidiary of MedSci Healthcare HK.

Each of MedSci Healthcare BVI and MedSci Healthcare HK is an investment holding company. For details of our corporate structure, see "— Our Corporate and Shareholding Structure" below.

(c) Shareholding Changes of our Company, Major Subsidiaries and Operating Entities

We have conducted three rounds of [REDACTED] Investments in 2015, 2020 and 2021. See "— [REDACTED] Investments" below for details. In preparation of the [REDACTED], we undertook the Reorganization. See "— Reorganization" below for details. Our major shareholding changes other than the [REDACTED] Investments and the Reorganization are as follows.

Major shareholding changes of Shanghai MedSci

On March 18, 2015, Dr. Li agreed to transfer equity interests in Shanghai MedSci as follows to facilitate the business development of Shanghai MedSci: (i) approximately 16.312% to Dr. Zhang at a consideration of RMB1,304,960, (ii) approximately 3.756% to Mr. Yang at a consideration of RMB300,480, (iii) approximately 1.565% to Mr. Hu Rui (胡睿) at a consideration of RMB125,200, and (iv) approximately 8.281% to Shanghai Meiyue at a consideration of RMB662,480. Mr. Hu Rui is one of the Shanghai Chungu Sellers (as defined below). Shanghai MedSci obtained the updated business license on April 1, 2015 to reflect these equity transfers.

On December 5, 2016, (i) Dr. Li agreed to transfer approximately 4% equity interests to Meilong Investment at a consideration of RMB3,057,221.19, and (ii) Dr. Zhang agreed to transfer approximately 1.1% equity interests in Shanghai MedSci to Mr. Huang Gang (黃剛) at a consideration of RMB840,737.45 , as employee incentives. Mr. Huang Gang was then an employee of Shanghai MedSci. The share transfers were fully settled on March 17, 2017.

On July 31, 2017, Dr. Zhang agreed to purchase approximately 1.1% equity interests in Shanghai MedSci from Mr. Huang Gang at a consideration of RMB840,737.45 as Mr. Huang Gang left Shanghai MedSci in 2017. The share transfer was fully settled on August 14, 2017.

On October 31, 2018, the then shareholders of Shanghai MedSci resolved to increase the registered capital of Shanghai MedSci, in relation to which Shanghai Meiyue and Meilong Investment made a capital injection of RMB174,494 and RMB107,859 to Shanghai MedSci, respectively, and thereby acquired approximately 1.59% and approximately 1.00% equity interests in Shanghai MedSci. The capital injections were fully settled on November 26, 2018.

On February 4, 2021, the then shareholders of Shanghai MedSci resolved to reduce the registered capital of Shanghai MedSci by RMB125,200, upon which Mr. Hu Rui ceased to be a shareholder of Shanghai MedSci. The capital reduction was fully completed on April 19, 2021. Following the capital reduction, Shanghai MedSci was held in the following manner:

Name of Shareholders	**Amount of Registered Capital Held** *(RMB)*	**Ownership Percentage**
Dr. Li	3,630,408	36.11%
Dr. Zhang	2,832,254	28.17%
Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)) ("**Qiming Ronghe**")[1]	1,077,315	10.72%
Shanghai Meiyue	836,978	8.33%
Meilong Investment	484,331	4.82%
Mr. Yang	276,245	2.75%
Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)) ("**Shanghai Weita**")[1]	242,353	2.41%
Beijing Qiming Rongxin Equity Investment Partnership (Limited Partnership) (北京啟明融新股權投資合夥企業(有限合夥)) ("**Qiming Rongxin**")[1]	242,353	2.41%

Name of Shareholders	Amount of Registered Capital Held *(RMB)*	Ownership Percentage
Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)) ("**Yachang Hongkai**")[1]	111,482	1.11%
Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)) ("**Kechuang Borui**")[1]	111,482	1.11%
Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) (now known as Huzhou Jingwo Equity Investment Partnership (Limited Partnership) (湖州璟沃股權投資合夥企業(有限合夥)) ("**Jingwo Investment**")[1]	111,482	1.11%
Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) ("**Hongpan One**")[1]	96,941	0.96%
Total	**10,053,624**	**100%**

Note:

(1) These shareholders of Shanghai MedSci participated in our [REDACTED] Investments. See "— [REDACTED] Investments" below for further details.

The consideration of the aforesaid share transfers and capital injections was determined based on arm's length negotiations among relevant parties after taking into account the then valuation of Shanghai MedSci.

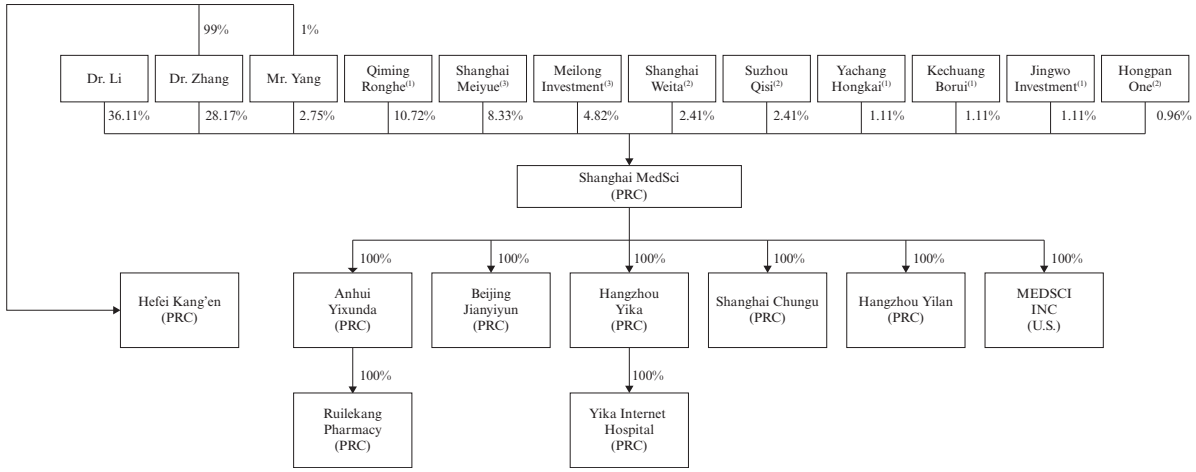
Major shareholding changes of Shanghai Chungu

Shanghai Chungu was established in the PRC on January 21, 2013 as a limited liability company with registered capital of RMB10,000,000. Upon its establishment, it was held as to 60% by Dr. Zhang, 18% by Mr. Yang, 10% by Dr. Li, 5% by Mr. Hu Rui, 5% by Mr. He Jiayuan (賀加原), 1% by Mr. Ruan Shaoxun (阮少勛) and 1% by Mr. Yang Qingfeng (楊慶峰). On February 2, 2015, Shanghai Chungu became a wholly-owned subsidiary of Shanghai MedSci. See "— Major Acquisitions, Disposals and Mergers" below for details.

For details of changes in the share capital of our Company, major subsidiaries and operating entities during the two years immediately preceding the date of this Document, also see "— Reorganization" and "— [REDACTED] Investments" below and "Appendix IV — Statutory and General Information — A. Further Information about our Company and our Subsidiaries".

REORGANIZATION

The following chart depicts our Group's corporate and shareholding structure immediately prior to the commencement of the Reorganization:



Notes:

(1) Qiming Ronghe participated in the series A financing conducted by Shanghai MedSci. Yachang Hongkai, Kechuang Borui and Jingwo Investment acquired equity interests in Shanghai MedSci from Qiming Ronghe. See "— [REDACTED] Investments" below for details.

(2) Shanghai Weita, Qiming Rongxin and Hongpan One participated in the series B financing conducted by Shanghai MedSci. On October 25, 2021, Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啓斯企業管理諮詢合夥企業(有限合夥)) ("**Suzhou Qisi**") agreed to acquire 2.41% equity interests in Shanghai MedSci from Qiming Rongxin. See "— [REDACTED] Investments" below for details.

(3) Shanghai Meiyue and Meilong Investment are our former employee equity incentive platforms. See "— Equity Incentive Plan" below for details.

In anticipation of our [REDACTED], we underwent the following Reorganization steps:

(a) Offshore reorganization

(1) Incorporation of shareholding vehicles by Dr. Li, Dr. Zhang and Mr. Yang

On June 16, 2021, Dr. Li, Dr. Zhang and Mr. Yang established Microhealth Limited, Dtx Health Limited and Dighealth Limited as limited liability companies in the British Virgin Islands, which are their respective wholly-owned shareholding vehicles.

(2) Incorporation of shareholding vehicles by other shareholders of Shanghai MedSci

On July 13, 2021, (i) Sinodigital Limited was incorporated as a limited liability company in the British Virgin Islands and held as to 90% by Mr. Zhou Tianming (周天明) and as to 10% by Ms. Liu Jinghua (劉靜華), who are the beneficial owners of Shanghai Weita; and (ii) Microleap Limited was incorporated as a limited liability company in the British Virgin Islands and held as to 90% by Mr. Chen Erjia (陳爾佳) and as to 10% by Mr. Yu Junjian (虞俊健), who are the beneficial owners of Hongpan One.

On July 15, 2021, Meiyue Limited and Meilong Limited, our Employee Equity Incentive Platforms, were incorporated as limited liability companies in the British Virgin Islands. See "— Equity Incentive Plan" below for details.

On September 10, 2021, Dragon Step Ventures Limited was incorporated as a limited liability company in the British Virgin Islands and wholly owned by Qiming Ronghe.

In October 2021, Gleaming Global Investments Limited was incorporated as a limited liability company in the British Virgin Islands and wholly owned by Suzhou Qisi.

In November 2021, (i) YCHK Investments Ltd was incorporated as a limited liability company in the British Virgin Islands and indirectly owned as to 90% by Yachang Hongkai; (ii) Control Button Limited was incorporated as a limited liability company in the British Virgin Islands and indirectly owned as to 99.99% by Kechcuang Borui; and (iii) Color Stone Investment Co., Ltd was incorporated as a limited liability company in the British Virgin Islands and indirectly owned as to 99% by Jingwo Investment.

(3) Incorporation of our Company, MedSci Healthcare BVI, MedSci Healthcare HK and Shanghai Meiyi Hehong

For details of the incorporation/establishment of our Company, MedSci Healthcare BVI, MedSci Healthcare HK and Shanghai Meiyi Hehong, see "— (b) Incorporation/Establishment of our Company and Subsidiaries" above.

(4) Mirroring the shareholding in Shanghai MedSci in our Company

In order to reflect the shareholding structure of Shanghai MedSci prior to the Reorganization, we entered into a series of agreements with the Shareholders, pursuant to which, a total of 10,053,624 Shares were issued and allotted by the Company to the Shareholders from September 2021 to April 25, 2022, details of which are set out as below:

Shareholders	Class of Shares	Number of Issued Shares
Microhealth Limited[(1)]	Ordinary Shares	3,630,408
Dtx Health Limited[(1)]	Ordinary Shares	2,832,254
Dragon Step Ventures Limited[(2)]	Series A Preferred Shares	1,077,315
Meiyue Limited[(1)]	Ordinary Shares	836,978
Meilong Limited[(1)]	Ordinary Shares	484,331
Dighealth Limited[(1)]	Ordinary Shares	276,245
Sinodigital Limited[(1)]	Series B Preferred Shares	242,353
Gleaming Global Investments Limited[(2)]	Series B Preferred Shares	242,353
YCHK Investments Ltd[(2)]	Series A Preferred Shares	111,482
Control Button Limited[(2)]	Series A Preferred Shares	111,482
Color Stone Investment Co., Ltd[(2)]	Series A Preferred Shares	111,482
Microleap Limited[(1)]	Series B Preferred Shares	96,941
Total		**10,053,624**

Notes:

(1) On September 24, 2021, as part of the Reorganization and to mirror the shareholding structure of Shanghai MedSci, our Company issued and allotted (i) 3,630,408 Ordinary Shares of par value of US$0.0001 each to Microhealth Limited, (ii) 2,832,254 Ordinary Shares of par value of US$0.0001 each to Dtx Health Limited, (iii) 836,978 Ordinary Shares of par value of US$0.0001 each to Meiyue Limited, (iv) 484,331 Ordinary Shares of par value of US$0.0001 each to Meilong Limited, (v) 276,245 Ordinary Shares of par value of US$0.0001 each to Dighealth Limited, (vi) 242,353 Series B Preferred Shares of par value of US$0.0001 each to Sinodigital Limited and (vii) 96,941 Series B Preferred Shares of par value of US$0.0001 each to Microleap Limited.

(2) On April 25, 2022, as part of the Reorganization and to mirror the shareholding structure of Shanghai MedSci, our Company issued and allotted (i) 1,077,315 Series A Preferred Shares of par value of US$0.0001 each to Dragon Step Ventures Limited, (ii) 242,353 Series B Preferred Shares of par value of US$0.0001 each to Gleaming Global Investments Limited, (iii) 111,482 Series A Preferred Shares of par value of US$0.0001 each to YCHK Investments Ltd, (iv) 111,482 Series A Preferred Shares of par value of US$0.0001 each to Control Button Limited and (v) 111,482 Series A Preferred Shares of par value of US$0.0001 each to Color Stone Investment Co., Ltd.

After the completion of the aforesaid issuance and allotment, the shareholding in Shanghai MedSci immediately before the Reorganization was reflected in our Company.

(5) Transfer of shares of MEDSCI INC from Shanghai MedSci to MedSci Healthcare HK

On April 18, 2018, MEDSCI INC was incorporated in the United States as a directly wholly-owned subsidiary of Shanghai MedSci. As of the Latest Practicable Date, MEDSCI INC has no substantial operations. On December 1, 2021, Shanghai MedSci transferred 100% equity interests in MEDSCI INC to MedSci Healthcare HK at nil consideration as the transfer was part of the intragroup reorganization, after which MEDSCI INC became a direct wholly-owned subsidiary of MedSci Healthcare HK. The aforesaid transfer was completed on December 1, 2021.

(b) Onshore reorganization

(1) Transfer of Yika Internet Hospital to Hangzhou Yilan

Yika Internet Hospital is a limited liability company established in the PRC on September 3, 2018 with a registered share capital of RMB1 million, and is one of our Consolidated Affiliated Entities. As of the Latest Practicable Date, it has no substantial operation and plans to engage in the provision of physician platform solutions, precision omni-channel marketing solutions and/or RWS solutions, which involve providing the value-added telecommunication services. On September 24, 2021, in order to streamline our structure, Hangzhou Yika agreed to transfer 100% equity interests in Yika Internet Hospital to Hangzhou Yilan at nil consideration, as the transfer was part of intragroup reorganization. The aforesaid transfer was completed on September 26, 2021.

(2) Disposal of Anhui Yixunda

Anhui Yixunda is a limited liability company established in the PRC on March 29, 2019 with a registered capital of RMB5 million, which did not have substantial operations. Anhui Yixunda wholly owned Ruilekang Pharmacy, which is a limited liability company established under the laws of the PRC on August 9, 2019 and principally engaged in sales of medical products. In order to streamline our structure and to ensure that our Contractual Arrangements will be narrowly tailored in accordance with the Stock Exchange's requirements, on November 1, 2021, Shanghai MedSci agreed to transfer 100% equity interests in Anhui Yixunda to Mr. Wu Zhicheng (吳志成), an Independent Third Party, at a nominal consideration of RMB1, which was determined taking into account the loss-making status and negative net assets of both Anhui Yixunda and Ruilekang Pharmacy. The aforesaid disposal was completed on November 17, 2021.

(3) Deregistration of Hangzhou Yika, Beijing Jianyiyun and Shanghai Yicheng

Hangzhou Yika was a limited liability company established in the PRC on May 31, 2018 with a registered capital of RMB1 million. Beijing Jianyiyun was a limited liability company established in the PRC on January 28, 2019 with a registered capital of RMB1 million. Neither Hangzhou Yika nor Beijing Jianyiyun had substantial operations.

In order to streamline our structure and to ensure that our Contractual Arrangements will be narrowly tailored in accordance with the Stock Exchange's requirements, Hangzhou Yika and Beijing Jianyiyun, both wholly owned by Shanghai MedSci, were deregistered on December 15, 2021 and February 8, 2022, respectively.

Shanghai Yicheng Information Technology Co., Ltd. (上海醫呈信息技術有限公司) ("**Shanghai Yicheng**") is a limited liability company established in the PRC on August 19, 2021 with a registered capital of RMB1 million, which had no substantial operations. It is held as to (i) 60% by Shanghai Meiyi Hehong; and (ii) 14% by Xie Wei (謝偉), 13% by Wang Yanhua (王延華) and 13% by Zhang Jing (張靜), all of whom are Independent Third Parties.

In order to streamline the structure of the Group, Shanghai Yicheng was deregistered in July 2022.

As confirmed by our Directors, each of Anhui Yixunda, Hangzhou Yika, Beijing Jianyiyun and Shanghai Yicheng had complied with the applicable laws and regulations in all material respects, and had not been involved in any material legal, regulatory, arbitral or administrative proceedings, investigations or claims prior to its disposal or deregistration.

(c) Contractual Arrangements in respect of Shanghai MedSci, its subsidiaries and Hefei Kang'en

In order to comply with the PRC laws and regulations while availing ourselves of capital markets and maintaining effective control over all of our PRC operations, on November 5, 2021, Shanghai Meiyi Hehong entered into various agreements (as further amended by supplemental agreements dated April 17, 2022) that constituted the Contractual Arrangements with, among others, (i) Shanghai MedSci, its subsidiaries and Shanghai MedSci Registered Shareholders and (ii) Hefei Kang'en and Hefei Kang'en Registered Shareholders. Pursuant to the Contractual Arrangements, Shanghai Meiyi Hehong is able to exercise effective control over the operations of, and enjoy all the economic benefits of Shanghai MedSci, its subsidiaries and Hefei Kang'en. See "Contractual Arrangements" for details.

Our PRC Legal Adviser has confirmed that all material regulatory approvals in relation to the Reorganization have been obtained in accordance with the PRC laws and regulations. The share transfers, reorganizations, changes in registered capital and deregistration as part of the Reorganization in respect of the PRC companies in our Group as described above as well as the transaction in "— Major Acquisitions, Disposals and Mergers" below have been properly and legally completed in all material aspects.

See "Our Corporate and Shareholding Structure — Corporate Structure immediately before the [REDACTED] and the [REDACTED]" below for the structure of the Group immediately after the completion of the Reorganization.

CAPITALIZATION OF OUR COMPANY

The following table sets out the shareholding structure of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] and the [REDACTED], assuming the [REDACTED] is not exercised:

	As of the Latest Practicable Date					Immediately upon completion of the [REDACTED] and the [REDACTED][(1)]	
Shareholders	**Ordinary Shares**	**Series A Preferred Shares**	**Series B Preferred Shares**	**Series C Preferred Shares**	**Approximate percentage of shareholding**	**Aggregate number of shares**	**Approximate percentage of shareholding**
Microhealth Limited	3,558,595	—	—	—	32.93%	[REDACTED]	[REDACTED]
Dtx Health Limited	2,832,254	—	—	—	26.21%	[REDACTED]	[REDACTED]
Dragon Step Ventures Limited	—	1,077,315	—	—	9.97%	[REDACTED]	[REDACTED]
Meiyue Limited	836,978	—	—	—	7.74%	[REDACTED]	[REDACTED]
Image Frame Investment (HK) Limited	—	—	—	754,015	6.98%	[REDACTED]	[REDACTED]
Meilong Limited	484,331	—	—	—	4.48%	[REDACTED]	[REDACTED]
Dighealth Limited	276,245	—	—	—	2.56%	[REDACTED]	[REDACTED]
Sinodigital Limited	—	—	242,353	—	2.24%	[REDACTED]	[REDACTED]
Gleaming Global Investments Limited	—	—	242,353	—	2.24%	[REDACTED]	[REDACTED]
YCHK Investments Ltd	—	111,482	—	—	1.03%	[REDACTED]	[REDACTED]
Control Button Limited	—	111,482	—	—	1.03%	[REDACTED]	[REDACTED]
Color Stone Investment Co., Ltd	—	111,482	—	—	1.03%	[REDACTED]	[REDACTED]
Microleap Limited	—	—	96,941	—	0.90%	[REDACTED]	[REDACTED]
Suzhou Lintai Enterprise Management Consulting Partnership (Limited Partnership) (蘇州臨泰企業管理諮詢合夥企業(有限合夥)) ("**Suzhou Lintai**")	—	—	71,813	—	0.66%	[REDACTED]	[REDACTED]
[REDACTED] taking part in the [REDACTED]	—	—	—	—	—	[REDACTED]	[REDACTED]
Total	7,988,403	1,411,761	653,460	754,015	100%	[REDACTED]	100%

Note:

(1) Based on the assumption that each of the Preferred Shares will be converted into Shares on a one-to-one basis immediately before the completion of the [REDACTED] and the [REDACTED].

For details on the background of our Shareholders, see "— 5. Information on the [REDACTED] Investors" below.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Shanghai Chungu is a limited liability company established in the PRC on January 21, 2013 with a registered capital of RMB10 million. It is principally engaged in provision of omni-channel marketing solutions services.

On February 2, 2015, with a view to integrate our business operation and widen our service spectrum, Shanghai MedSci entered into an agreement with the then shareholders of Shanghai Chungu (the "**Shanghai Chungu Sellers**") to acquire 100% equity interests in Shanghai Chungu. The Shanghai Chungu Sellers comprised Dr. Zhang, Mr. Yang, Dr. Li, Mr. He Jiayuan (賀加原), Mr. Hu Rui (胡睿), Mr. Ruan Shaoxun (阮少勛) and Mr. Yang Qingfeng (楊慶峰), who held 60%, 18%, 10%, 5%, 5%, 1% and 1% equity interests in Shanghai Chungu, respectively. All of the Shanghai Chungu Sellers (other than Dr. Li, Dr. Zhang and Mr. Yang) were Independent Third Parties. The consideration of such acquisition was RMB1 million, which was determined taking into account, among other factors, Shanghai Chungu's total assets and profitability, as well as potential significant strategic synergies between our Group and Shanghai Chungu. The aforesaid transaction was completed and settled on March 26, 2015, upon which Shanghai Chungu became a wholly-owned subsidiary of Shanghai MedSci.

Other than the above and as disclosed in "— Reorganization — (b) Onshore reorganization", we have not conducted any acquisitions, disposals or mergers since our inception that we consider material to us.

[REDACTED]

Subject to the share premium account of our Company being credited as a result of the issue of the [REDACTED] pursuant to the [REDACTED], our Company will, on the [REDACTED], allot and issue a total of [REDACTED] Shares credited as fully paid at par to the holders of Shares whose names appear on the register of members of our Company on the business day preceding the [REDACTED] in proportion to their then-existing shareholdings in our Company (on the basis that each Preferred Share is converted into one Share and no holder of Shares shall be entitled to be allotted or issued any fraction of a Share) by [REDACTED] the relevant sum from the share premium account of our Company. The Shares allotted and issued pursuant to the [REDACTED] will rank *pari passu* in all respects with the then-existing issued Shares.

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] on the Stock Exchange in order to raise further capital for the development and expansion of our business and to further strengthen our business profile, as described with more detail in "Future Plans and Use of [REDACTED]". The Board believes that the [REDACTED] will enhance our brand recognition and business operations in every major aspect, with a view to strengthen our market position and achieve long-term growth.

[REDACTED] INVESTMENTS

1. Overview

Our Group has received multiple rounds of [REDACTED] Investments, which are summarized below.

Round	Date of the investment agreement	Date on which investment was fully settled	Total number of shares subscribed	Total funds raised by our Group	Post money valuation	Cost per share paid (approx.)[2]	Discount to the [REDACTED][3]
Series A[1][4]	April 20, 2015	May 12, 2015	1,411,761 Series A Preferred Shares	RMB70,000,000	RMB466,666,667	RMB49.6	[REDACTED]
Series B[1][5]	September 21, 2020	September 29, 2020	484,706 Series B Preferred Shares	RMB100,000,000	RMB2,100,000,000	RMB206.3	[REDACTED]
Series C[6]	October 29, 2021	November 25, 2021	754,015 Series C Preferred Shares	RMB300,000,000	RMB4,300,000,000	RMB397.9	[REDACTED]

Notes:

(1) For the avoidance of doubt, in the case of our series A financing and series B financing, the information presented in this table reflects the details of the offshore issuance of Series A Preferred Shares and Series B Preferred Shares, except for the calculation of cost per Preferred Share paid which is based on the consideration of onshore financing of Shanghai MedSci.

(2) The cost per Share paid is calculated by dividing the total investment amount by the number of shares allotted.

(3) The discount to the [REDACTED] is calculated based on (i) the assumption that the [REDACTED] is HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED], assuming the conversion of each of the Preferred Shares into Shares on a one-to-one basis immediately prior to the completion of the [REDACTED] and the [REDACTED], and (ii) that [REDACTED] Shares will be allotted and issued pursuant to the [REDACTED] prior to the [REDACTED].

(4) On February 6, 2015 and April 20, 2015, Shanghai MedSci entered into an investment framework agreement and a capital increase agreement, respectively, with Qiming Ronghe and the then shareholders of Shanghai Medsci, pursuant to which Qiming Ronghe subscribed for additional registered capital in Shanghai MedSci in the amount of RMB1.4118 million for a total cash consideration of RMB70 million.

(5) On September 21, 2020, Shanghai MedSci entered into a capital increase agreement with Qiming Rongxin, Hongpan One, Shanghai Weita and the then shareholders of Shanghai MedSci, pursuant to which, Qiming Rongxin, Hongpan One and Shanghai Weita subscribed for additional registered capital in Shanghai MedSci in an aggregate amount of RMB484,706, for a total cash consideration of RMB100 million.

(6) On October 29, 2021, our Company entered into a subscription agreement with Image Frame Investment (HK) Limited and the then Shareholders, pursuant to which our Company issued and allotted to Image Frame Investment (HK) Limited 754,015 Series C Preferred Shares, for a total USD cash consideration equivalent to RMB300 million.

(7) On September 1, 2020, (i) Dr. Zhang agreed to transfer approximately 0.75% equity interests in Shanghai MedSci to Qiming Rongxin at a consideration of RMB15 million, (ii) Mr. Yang agreed to transfer approximately 0.25% equity interests in Shanghai MedSci to Qiming Rongxin at a consideration of RMB5 million. On September 10, 2020, Qiming Ronghe agreed to transfer approximately 1.15% equity interests in Shanghai MedSci to each of Yachang Hongkai, Jingwo Investment and Kechuang Borui at a respective consideration of RMB23 million. Each of Qiming Rongxin, Qiming Ronghe, Yachang Hongkai, Jingwo Investment and Kechuang Borui is associated with our [REDACTED] Investors. See "— 5. Information on the [REDACTED] Investors" below for details. The equity transfers were fully settled on October 11, 2020.

On October 25, 2021, Qiming Rongxin agreed to transfer approximately 2.41% equity interests in Shanghai MedSci to Suzhou Qisi at nil consideration, as Qiming Rongxin is a limited partner of Suzou Qisi. Suzhou Qisi is associated with Gleaming Global Investments Limited. See "— 5. Information on the [REDACTED] Investors" below for details. The share transfer was fully settled on November 30, 2021.

On November 5, 2021, Microhealth Limited entered into a share purchase agreement with Shanghai Linsong Industrial Internet Start-up Investment Fund (Limited Partnership) (上海臨松工業互聯網創業投資基金合夥企業(有限合夥)) ("**Shanghai Linsong**"), pursuant to which Shanghai Linsong agreed to purchase 71,813 Ordinary Shares from Microhealth Limited at a consideration of RMB15,000,000 payable in equivalent U.S. dollars, which was determined based on arm's length negotiation after taking into consideration of the timing of the investment and the then pre-money valuation of the Company. According to the share purchase agreement, the 71,813 Ordinary Shares shall be transferred to Shanghai Linsong or its designated entity, and shall be re-classified into 71,813 Series B Preferred Shares upon completion. Suzhou Lintai, which is under the same ultimate control as Shanghai Linsong, is the designated transferee of the aforesaid share transfer. See "— 5. Information on the [REDACTED] Investors" below for details. The share transfer was fully settled on May 6, 2022.

2. Principal terms of the [REDACTED] Investments and [REDACTED] Investors' rights

Basis of determining the consideration paid	The consideration for each round of the [REDACTED] Investments was determined based on arm's length negotiations between our Company and the [REDACTED] Investors after taking into consideration the timing of the [REDACTED] Investment, our valuation when the investment agreement was entered into and the business operations and financial performance of our Group.
Lock-up period	The [REDACTED] Investors are not subject to lock-up under the terms of the [REDACTED] Investments. See "[REDACTED]" for details of other lock-up arrangements.
Use of [REDACTED] from the [REDACTED] Investments	We utilized the [REDACTED] for the principal business of our Group as approved by the Board, including for the purpose of business expansion and general working capital. As of the Latest Practicable Date, approximately [REDACTED] of the net [REDACTED] from the [REDACTED] Investments had been utilized by our Group.

Strategic benefits from the [REDACTED] Investors	At the time of the [REDACTED] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the [REDACTED] Investors' investments in our Company and the [REDACTED] Investors' knowledge and experience. Our [REDACTED] Investors include well-known investors covering various industries, some of which are especially experienced in information technology and healthcare industry. Our [REDACTED] Investors include experienced investors who can share their experience on brand building and market expansion as well as their insight on business strategies workplace operations, along with professional institutional investors who can provide us with professional advice on our Group's corporate governance, financial reporting and internal control. Moreover, our Directors were also of the view that our Company could benefit from the [REDACTED] Investments as the [REDACTED] Investors' investments demonstrated their confidence in our operations and served as an endorsement of our performance, strengths and prospects.
Conversion rights	Each Preferred Share shall automatically be converted into one Share on a one-to-one basis, at the then applicable conversion price immediately prior to the completion of the [REDACTED] and the [REDACTED].

3. Special rights of the [REDACTED] Investors

Our Company and, among others, the [REDACTED] Investors entered into a shareholders agreement dated November 25, 2021 (the "**Shareholders Agreement**"), pursuant to which certain shareholder rights were agreed upon among the parties.

Pursuant to the Shareholders Agreement and the existing articles of association of our Company, certain [REDACTED] Investors have, among other rights, (i) the right to appoint, remove and replace Directors, (ii) protective provisions according to which certain acts of the Company require the prior written approval of a majority of the [REDACTED] Investors, (iii) a pre-emptive right, (iv) a right of first refusal, (v) tag-along and drag-along rights, (vi) an information right, (vii) a conversion right, (viii) a redemption right, (ix) a registration right, (x) preferential treatment upon liquidation and (xi) a most-favored-nation right.

Other than the redemption right detailed below, all of the above special rights will be terminated automatically upon the completion of the [REDACTED] as provided under the Shareholders Agreement. The redemption right granted to the [REDACTED] Investors under the Shareholders Agreement to require the Company to repurchase the outstanding Preferred Shares shall be terminated and cease to apply upon the Company's submission of our [REDACTED] for the [REDACTED] of our Shares on the Stock Exchange and shall resume to be effective upon the (a) withdrawal of the [REDACTED] by our Company, (b) rejection of the [REDACTED] by the Stock Exchange or (c) expiry of 12 months from the submission of the [REDACTED] to the Stock Exchange. No special rights will survive after the [REDACTED].

On the basis that (i) the consideration for the [REDACTED] Investments will be settled no less than 120 clear days before the [REDACTED]; and (ii) all the special rights granted under the Shareholders Agreement as set out above will be automatically terminated immediately prior to the [REDACTED], the Joint Sponsors confirm that the [REDACTED] Investments are in compliance with Guidance Letter HKEX-GL29–12 issued in January 2012 and updated in March 2017, Guidance Letter HKEX-G43–12 issued in October 2012 and updated in July 2013 and March 2017, and Guidance Letter HKEX-44–12 issued in October 2012 and updated in March 2017 by the Stock Exchange.

4. Public Float

Upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised), Shares held by certain of our Shareholders who are our core connected persons, will not be counted towards the public float. Details of these Shareholders are set out below:

- Microhealth Limited, wholly owned by Dr. Li, our executive Director, chief executive officer and Controlling Shareholder, holding [REDACTED] of the total issued Shares;

- Dtx Health Limited, wholly owned by Dr. Zhang, our executive Director, chairman of the Board and Controlling Shareholder, holding [REDACTED] of the total issued Shares;

- Meilong Limited, held as to approximately 44.67% by Dr. Zhang (including approximately 2.58% held through Dtx Health Limited) as of the Latest Practicable Date and therefore a close associate of Dr. Zhang, holding [REDACTED] of the total issued Shares;

- Dighealth Limited, wholly owned by Mr. Yang, the director and vice president of Shanghai MedSci, holding [REDACTED] of the total issued Shares;

- Dragon Step Ventures Limited, our [REDACTED] Investor and wholly owned by Qiming Ronghe, which is a substantial shareholder of Shanghai MedSci, holding [REDACTED] of the total issued Shares;

- Gleaming Global Investments Limited, our [REDACTED] Investor and a close associate of Dragon Step Ventures Limited due to their common ultimate control under Mr. Hu Xubo and Ms. Yujia, holding [REDACTED] of the total issued Shares.

Save as disclosed above in this section and the section headed "Substantial Shareholders" in this Document, to the best of the Directors' knowledge, all other Shareholders are not core connected persons of our Company. In the view of (i) all other Shareholders are not core connected persons; (ii) all other Shareholders and their respective beneficial owner(s) are independent of and not acting upon or accustomed to take instructions from any core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of securities of our Company registered in their name or otherwise held by them, nor directly or indirectly, financed by any core connected persons of our Company; and (iii) none of the other Shareholders will become a substantial Shareholder upon [REDACTED], such Shares held by them will constitute part of the public float for the purposes of Rule 8.08 of the Listing Rules. Details of the Company's public float upon [REDACTED] are listed below:

Shareholders	**Approximate percentage of shareholding immediately prior to the [REDACTED]**	**Approximate percentage of shareholding immediately following the completion of the [REDACTED] and the [REDACTED]**[(1)]
Meiyue Limited	7.74%	[REDACTED]
Image Frame Investment (HK) Limited	6.98%	[REDACTED]
Sinodigital Limited	2.24%	[REDACTED]
YCHK Investments Ltd	1.03%	[REDACTED]
Control Button Limited	1.03%	[REDACTED]
Color Stone Investment Co., Ltd	1.03%	[REDACTED]
Microleap Limited	0.90%	[REDACTED]
Suzhou Lintai	0.66%	[REDACTED]
Other public Shareholders	—	[REDACTED]
Total	**21.61%**	**[REDACTED]**

Note:

(1) Assuming the [REDACTED] is not exercised.

5. Information on the [REDACTED] Investors

Our [REDACTED] Investors include Dragon Step Ventures Limited, YCHK Investments Ltd, Control Button Limited, Color Stone Investment Co., Ltd, Gleaming Global Investments Limited, Microleap Limited, Sinodigital Limited, Image Frame Investment (HK) Limited and Suzhou Lintai. We became acquainted with the [REDACTED] Investors in the course of 2014 to 2015, and 2018 to 2020 through our business network. Set out below is a description of our [REDACTED] Investors:

(a) Dragon Step Ventures Limited

Dragon Step Ventures Limited is a limited liability company incorporated in the British Virgin Islands that is wholly owned by Qiming Ronghe. Qiming Ronghe is a limited liability partnership established in the PRC with a fund size of RMB1 billion, and is focused on investing in outstanding companies at their early and growth stages in TMT, healthcare and other industries. Qiming Ronghe is a RMB fund under Qiming Venture Partners brand. We became acquainted with Qiming Venture Partners in industry conferences in 2014, and stayed in contact with it thereafter. Qiming Ronghe, optimistic about our prospects, participated in our series A financing conducted by Shanghai MedSci, and its interests in Shanghai MedSci were reflected in our Company through the Reorganization. See "— Reorganization — (a) Offshore reorganization — (4) Mirroring the shareholding in Shanghai MedSci in our Company" above for details. Suzhou Qicheng Investment Management Partnership (Limited Partnership) (蘇州啓承投資管理合夥企業(有限合夥)) ("**Suzhou Qicheng**") is the general partner of Qiming Ronghe. Suzhou Qicheng is a partnership established in the PRC with Shanghai Qichang Investment Consulting Co., Ltd. (上海啟昌投資諮詢有限公司) ("**Shanghai Qichang**") as its general partner, a company held as to 50% and 50% by Mr. Hu Xubo (胡旭波) and Ms. Yu Jia (于佳), respectively. Mr. Hu is our non-executive Director and has over 15 years of experience in investment management, strategy consulting and operations management in the biomedicine industry, whereas Ms. Yu has been specializing in RMB fundraising and investor relations. See "Directors and Senior Management — Non-executive Directors" for further details about Mr. Hu. Qiming Ronghe has 13 limited partners and its largest limited partner is Suzhou Industrial Park Qiming Rongzhi Venture Capital Investment Partnership (Limited Partnership) (蘇州工業園區啟明融智創業投資合夥企業(有限合夥)) ("**Qiming Rongzhi**"), holding approximately 20.6% of the partnership interests in Qiming Ronghe and whose general partner is also Suzhou Qicheng. To the best knowledge of our Directors, all of the limited partners of Qiming Ronghe, other than Qiming Rongzhi, are Independent Third Parties and institutional investors.

Qiming Venture Partners is a leading China venture capital firm, whose portfolios include some influential brands in their respective sectors, such as Shanghai Aohua Photoelectricity Endoscope Co., Ltd. (上海澳華內鏡股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688212), MicroTech Medical (Hangzhou) Co., Ltd. (微泰醫療器械(杭州)股份有限公司) (a company listed on the Stock Exchange, stock code: 02235), Xiaomi Corporation (a company listed on the Stock Exchange, stock code: 01810), Meituan (a company listed on the Stock Exchange, stock code: 03690), Bilibili Inc. (a company listed on the Nasdaq (symbol: BILI) and the Stock Exchange (stock code: 09626)), Zhihu Inc. (a company listed on the New York Stock Exchange (symbol: ZH) and the Stock Exchange (stock code: 02390)), Beijing Roborock Technology Co., Ltd. (北京石頭世紀科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688169), Gan & Lee Pharmaceuticals (甘李藥業股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603087), Hanghzou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300347) and the Stock Exchange (stock code: 03347)), Zai Lab Limited (a company listed on the Nasdaq (symbol: ZLAB) and the Stock Exchange (stock code: 09688)), CanSino Biologics Inc. (康希諾生物股份公司) (a company listed on the Shanghai Stock Exchange (stock code: 688185) and the Stock Exchange (stock code: 06185)), Schrödinger Inc. (a company listed on the Nasdaq, symbol: SDGR), APT Medical Inc. (深圳惠泰醫療器械股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688617), New Horizon Health Limited (a company listed on the Stock Exchange, stock code: 06606), Venus Medtech (Hangzhou) Inc. (杭州啓明醫療器械股份有限公司) (a company listed on the Stock Exchange, stock code: 02500), Shanghai Sanyou Medical Co., Ltd. (上海三友醫療器械股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688085), Amoy Diagnostics Co., Ltd. (廈門艾德生物醫藥科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300685), Berry Genomics Co., Ltd. (成都市貝瑞和康基因技術股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000710), and Sinocelltech Group Limited (北京神州細胞生物技術集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688520).

(b) YCHK Investments Ltd

YCHK Investments Ltd is a limited liability company incorporated in the British Virgin Islands that is wholly owned by Suzhou Yachang Hongkai Enterprise Management Consulting Partnership (Limited Partnership) (蘇州亞昌宏愷企業管理諮詢合夥企業(有限合夥)) ("**Suzhou Yachang**") which is in turn held as to 90% by Yachang Hongkai (as limited partner) and as to 10% by Gongqingcheng Yachang Jiajian Investment Management Partnership (Limited Partnership) (共青城亞昌嘉健投資管理合夥企業(有限合夥)) ("**Yachang Jiajian**") (as general partner). Yachang Hongkai is a limited liability partnership established in the PRC, with Yachang Jiajian as its general partner. Yachang Hongkai has five limited partners, of which Mr. Xu Erming (許爾明), an entrepreneur and the founder of Shengshan Group Co., Ltd. (聖山集團有限公司), holds more than one-third and the largest portion of its partnership interests. Yachang Jiajian is a limited liability partnership established in the PRC, with Beijing Yachangfu Investment Management Co., Ltd. (北京亞昌富投資

管理有限公司) ("**Yachangfu**"), a private equity and venture capital fund manager registered with the Asset Management Association of China (中國證券投資基金業協會), as its general partner and two limited partners including Mr. Wang Guozhen (王國振) and Mr. Xiao Jian (肖健). Yachang Jiajian is ultimately controlled by Mr. Xiao Jian (肖健), who has extensive experience in investments. To the best knowledge of our Directors, each of YCHK Investments Ltd, Suzhou Yachang, Yachang Hongkai, Yachang Jiajian, Yachangfu, Mr. Xu Erming, Mr. Wang Guozhen and Mr. Xiao Jian is an Independent Third Party. We became acquainted with Yachang Hongkai in August 2020 through the introduction of Qiming Venture Partners. Yachang Hongkai, managing assets exceeding RMB900 million, has been investing in well-known funds specializing in information technology and healthcare industries such as certain funds managed by Gobi Partners China and Qiming Venture Partners. As Yachang Hongkai appreciated our business model, management and prospects, and healthcare industry is one of its major investment focuses, Yachang Hongkai invested in Shanghai MedSci, and its interests in Shanghai MedSci were reflected in our Company through the Reorganization. See "— Reorganization — (a) Offshore reorganization — (4) Mirroring the shareholding in Shanghai MedSci in our Company" above for details.

(c) Control Button Limited

Control Button Limited is a limited liability company incorporated in the British Virgin Islands that is wholly owned by Suzhou Borui Huigang Enterprise Management Consulting Partnership (Limited Partnership) (蘇州博睿匯港企業管理諮詢合夥企業(有限合夥)) ("**Suzhou Borui**"), which is in turn held as to 99.99% by Kechuang Borui (as limited partner) and as to 0.01% by Beijing Kechuang Borui Investment Management Co., Ltd. (北京科創博睿投資管理有限公司) ("**Beijing Kechuang Borui**") (as general partner). Kechuang Borui is a limited liability partnership established in the PRC, with Beijing Kechuang Borui as its general partner. Kechuang Borui has three limited partners, namely Pingtan Chuyuan Investment Co., Ltd. (平潭初元投資有限公司) ("**Pingtan Chuyuan**"), Mr. Hu Zhehua (胡哲華) and Beijing Yuanruijunhe Business Consulting Co., Ltd. (北京元瑞君合商務諮詢有限公司) ("**Beijing Yuanruijunhe**"), each holding approximately 84.86%, 7.91% and 5.77% of the partnership interests, respectively. Each of Pingtan Chuyuan and Beijing Yuanruijunhe is controlled by individuals who are Independent Third Parties. Beijing Kechuang Borui is a limited liability company established in the PRC and is ultimately controlled by Mr. Li Zhen (李臻). Kechuang Borui became acquainted with us through the introduction of Qiming Venture Partners, and invested in Shanghai MedSci out of its interest in our comprehensive solutions offerings and the potential of the industry. Kechuang Borui's interests in Shanghai Medsci were reflected in our Company through the Reorganization. See "— Reorganization — (a) Offshore reorganization — (4) Mirroring the shareholding in Shanghai MedSci in our Company" above for details. To the best knowledge of our Directors, each of Control Button Limited, Suzhou Borui, Beijing Kechuang Borui, Kechuang Borui, Mr. Hu Zhehua, Pingtan Chuyuan, Beijing Yuanruijunhe and Mr. Li Zhen is an Independent Third Party.

(d) Color Stone Investment Co., Ltd

Color Stone Investment Co., Ltd is a limited liability company incorporated in the British Virgin Islands that is wholly owned by Suzhou Jingsheng Enterprise Management Consulting Partnership (Limited Partnership) (蘇州景笙企業管理諮詢合夥企業(有限合夥)) ("**Suzhou Jingsheng**"), which is in turn held as to 99% by Jingwo Investment (as limited partner) and as to 1% by Huzhou Jingyuan Equity Investment Partnership (Limited Partnership) (湖州景源股權投資合夥企業(有限合夥)) ("**Huzhou Jingyuan**") (as general partner). Jingwo Investment is a limited liability partnership established in the PRC with an investment scale exceeding RMB700 million. Jingwo Investment became acquainted with us in August 2020 through the introduction of Qiming Venture Partners. Other than us, Jingwo Investment also invested in Our United Corporation (西安大醫集團股份有限公司), Leto Laboratories Co., Ltd. (北京志道生物科技有限公司), Beijing Euronet Alliance Technology Co., Ltd. (北京億歐網盟科技有限公司) and other companies in information technology and/or healthcare industry. Recognizing the potential of our online physician platform and comprehensive solutions offering, Jingwo Investment invested in Shanghai MedSci, and its interests in Shanghai MedSci were reflected in our Company through the Reorganization. See "— Reorganization — (a) Offshore reorganization — (4) Mirroring the shareholding in Shanghai MedSci in our Company" above for details. Mr. Zhang Shigang (張士剛), an experienced investor, is the general partner of Jingwo Investment. Jingwo Investment has two limited partners, namely Shandong Yizhou Energy Co., Ltd. (山東沂州能源股份有限公司) ("**Yizhou Energy**") and Shandong Linyi Yizhou Cement Co., Ltd. (山東臨沂沂州水泥股份有限公司) ("**Yizhou Cement**"), which hold more than one third of partnership interests and are both controlled by Mr. Zhang Jianqun (張劍群), an entrepreneur and the director and president of Yizhou Group Co., Ltd. (沂州集團有限公司). Huzhou Jingyuan is a limited partnership established in the PRC, with Ms. Li Xinyan (李新燕), an experienced investor, as its general partner and two limited partnerships including Yizhou Energy and Yizhou Cement. To the best knowledge of our Directors, each of Color Stone Investment Co., Ltd, Suzhou Jingsheng, Huzhou Jingyuan, Jingwo Investment, Yizhou Energy, Yizhou Cement, Mr. Zhang Shigang , Mr. Zhang Jianqun and Ms. Li Xinyan is an Independent Third Party.

(e) Gleaming Global Investments Limited

Gleaming Global Investments Limited is a limited liability company incorporated in the British Virgin Islands that is wholly owned by Suzhou Qisi, with Beijing Qiyao Investment Management Partnership (Limited Partnership) (北京啓耀投資管理合夥企業(有限合夥)) ("**Beijing Qiyao**") as its general partner and Qiming Rongxin as its limited partner. Qiming Rongxin is a limited liability partnership established in the PRC with a fund size of RMB2.852 billion, and is focused on investing in outstanding companies at their early and growth stages in the TMT and healthcare industries. Qiming Rongxin is an RMB fund under Qiming Venture Partners brand. Qiming Rongxin, optimistic about our prospects, participated in our series B financing conducted by Shanghai MedSci, and its interests in Shanghai MedSci were reflected in our Company through the Reorganization. See "— Reorganization — (a) Offshore

reorganization — (4) Mirroring the shareholding in Shanghai MedSci in our Company" above for details. Beijing Qiyao, the general partner of Qiming Rongxin, is a partnership established in the PRC with Suzhou Qiman Investment Management Co., Ltd. (蘇州啟滿投資管理有限公司) ("**Suzhou Qiman**") as its general partner, a company held as to 50% and 50% by Mr. Hu Xubo (胡旭波) and Ms. Yu Jia (于佳), respectively. Mr. Hu is our non-executive Director. See "— Dragon Step Ventures Limited" above for details of Qiming Venture Partners, Mr. Hu and Ms. Yu. Qiming Rongxin has 36 limited partners, all of which hold less than 15% of the partnership interests in Qiming Rongxin. Among the limited partners of Qiming Rongxin, Zhuhai Qiguan Investment Management Partnership (Limited Partnership) (珠海啓冠投資管理合夥企業(有限合夥)) ("**Zhuhai Qiguan**"), whose general partner is Suzhou Qiman, holds approximately 0.26% partnership interests in Qiming Rongxin, and Zhuhai Qiming Rongxin No.1 Venture Capital Investment Partnership (Limited Partnership) (珠海啓明融新壹號創業投資合夥企業(有限合夥)) ("**Zhuhai Qiming**"), whose general partner is Beijing Qiyao, holds approximately 6.69% partnership interests in Qiming Rongxin. To the best knowledge of our Directors, all of the limited partners of Qiming Rongxin, other than Zhuhai Qiguan and Zhuhai Qiming, are Independent Third Parties and most of them are institutional investors.

(f) Microleap Limited

Microleap Limited is a limited liability company incorporated in the British Virgin Islands that is held as to 90% by Mr. Chen Erjia (陳爾佳) and as to 10% by Mr. Yu Junjian (虞俊健). Mr. Chen Erjia and Mr. Yu Junjian are also the beneficial owners of Hongpan One, which is a limited liability partnership established in the PRC and participated in our series B financing conducted by Shanghai MedSci with Mr. Yu Junjian as its general partner and Mr. Chen Erjia as its limited partner. Mr. Yu Junjian and Mr. Chen Erjia became acquainted with us in 2020 through the introduction of Qiming Venture Partners. In view of the prospects of the industry and our strengths and advantages, Mr. Yu Junjian and Mr. Chen Erjia, through Hongpan One, invested in Shanghai MedSci, and Hongpan One's interests in Shanghai MedSci were reflected in our Company through the Reorganization. See "— Reorganization — (a) Offshore reorganization — (4) Mirroring the shareholding in Shanghai MedSci in our Company" above for details. Mr. Yu Junjian has over 15 years of experience in management consulting and investments, and Mr. Chen Erjia is one of the founders of Walvax Biotechnology Co., Ltd. (雲南沃森生物技術股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300142) and a rising investor. They also invested in other companies in technology and/or healthcare industries such as Shanghai Leateck Co., Ltd. (上海雷昶科技有限公司). To the best knowledge of our Directors, each of Microleap Limited, Hongpan One, Mr. Chen Erjia and Mr. Yu Junjian is an Independent Third Party.

(g) Sinodigital Limited

Sinodigital Limited is a limited liability company incorporated in the British Virgin Islands that is held as to 90% by Mr. Zhou Tianming (周天明), an entrepreneur and the president of Changjiu Industrial Group Co., Ltd. (長九實業集團有限公司), and as to 10% by Ms. Liu Jinghua (劉靜華). Mr. Zhou Tianming and Ms. Liu Jinghua, who have enriched investment experience and personal connection with our management team, are also the beneficial owners of Shanghai Weita, which is a limited liability partnership established in the PRC managing assets of approximately RMB50 million and participated in our series B financing conducted by Shanghai MedSci in view of the prospect of the industry and our strengths and advantages. Shanghai Weita's interests in Shanghai MedSci were reflected in our Company through the Reorganization. See "— Reorganization — (a) Offshore reorganization — (4) Mirroring the shareholding in Shanghai MedSci in our Company" above for details. To the best knowledge of our Directors, each of Sinodigital Limited, Shanghai Weita, Mr. Zhou Tianming and Ms. Liu Jinghua is an Independent Third Party.

(h) Image Frame Investment (HK) Limited

Image Frame Investment (HK) Limited, a limited liability company incorporated in Hong Kong, is a wholly-owned subsidiary of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 700). It became acquainted with us through the introduction of Qiming Venture Partners around the end of 2020. To the best knowledge of our Directors, each of Image Frame Investment (HK) Limited and Tencent Holdings Limited is an Independent Third Party.

(i) Suzhou Lintai

Suzhou Lintai is a limited partnership established in the PRC with Shanghai Lingang Songjiang Venture Capital Management Co., Ltd. (上海臨港松江創業投資管理有限公司) ("**Lingang VC**") as its general partner and Shanghai Linsong as its limited parter. Shanghai Linsong is a limited partnership established in the PRC, with Lingang VC as its general partner and 14 limited partners, of which none holds more than one third of its partnership interests. Lingang VC, managing investments exceeding RMB500 million, is ultimately controlled by Mr. Gao Hongbing (高紅兵), who has extensive investment experience. Lingang VC and Shanghai Linsong also invested directly or indirectly in Information & Data Security Solutions Co., Ltd. (上海觀安信息技術股份有限公司), ICkey (Shanghai) Internet and Technology Co., Ltd. (雲漢芯城(上海)互聯網科技股份有限公司), Shanghai Advanced Analytic Service Co., Ltd. (上海音智達信息技術有限公司), Prismlab China Ltd. (上海普利生機電科技有限公司) and other companies in information technology and/or healthcare industries. Shanghai Lingang Songjiang Science and Technology City Investment and Development Co., Ltd. (上海臨港松江科技城投資發展有限公司), which is a shareholder of Lingang VC, a limited partner of Shanghai Linsong and controlled by Shanghai SASAC, operates Shanghai Lingang Songjiang Science and Technology City (上海臨港松江科技城) where Shanghai MedSci is located, and procured the investment in us in view of its

understanding of our development, its investment preferences and the prospects of our business. To the best knowledge of our Directors, each of Suzhou Lintai, Lingang VC, Shanghai Linsong and Mr. Gao Hongbing is an Independent Third Party.

Qiming Ronghe, Shanghai Weita, Suzhou Qisi, Kechuang Borui, Yachang Hongkai, Hongpan One and Jingwo Investment are also Shanghai MedSci Registered Shareholders, which entered into the Shanghai MedSci Contractual Arrangements with us. See "Contractual Arrangements" for details.

Save as disclosed above, there are no other past or present relationships (business, employment, family, financing or otherwise) between (i) each of the [REDACTED] Investors and (ii) the Company, its subsidiaries and the Consolidated Affiliated Entities, their directors, senior management or the Controlling Shareholders, or any of their respective associates.

EQUITY INCENTIVE PLAN

On September 20, 2020, the shareholders of Shanghai MedSci approved an equity incentive plan (the "**Previous Plan**"), the purposes of which are to attract, motivate, retain and reward the directors, officers and employees of our Group. Shanghai MedSci awarded its shares to selected participants on January 1, 2021 pursuant to the Previous Plan, and the award shares are held by Shanghai Meiyue and Meilong Investment, which are our former employee equity incentive platforms. All grants of award shares in Shanghai MedSci under the Previous Plan were completed.

On April 20, 2022, our Company adopted the Equity Incentive Plan, which replaced the Previous Plan and the award shares in Shanghai MedSci granted under Previous Plan shall be replaced and superseded by award Shares granted under the Equity Incentive Plan. The vesting schedule and other key terms of the Equity Incentive Plan mirrored those of the Previous Plan, and the shareholders of Shanghai MedSci have agreed to terminate the Previous Plan. Shares awarded to the selected participants pursuant to the Equity Incentive Plan are held by the Employee Equity Incentive Platforms, which are Meiyue Limited and Meilong Limited. The shareholding structures of Meiyue Limited and Meilong Limited reflected the shareholding by the participants in Shanghai Meiyue and Meilong Investment, respectively. All grants of award Shares of the Company have been completed as of the date of the Document.

Meiyue Limited was incorporated as a limited liability company in the British Virgin Islands on July 15, 2021. As of the Latest Practicable Date, Meiyue Limited is held as to (i) 14.95% by Mr. Wang Shuai and 12.69% by Dr. Zhang and (ii) 72.36% by our 19 employees who are neither our Directors nor senior management members. As of the Latest Practicable Date, Meiyue Limited holds approximately 7.74% equity interests in our Company.

Meilong Limited was incorporated as a limited liability company in the British Virgin Islands on July 15, 2021. As of the Latest Practicable Date, Meilong Limited is held as to (i) 44.67% and 3.88% by Dr. Zhang (including approximately 2.58% held through Dtx Health Limited) and Ms. Huang Mingai, respectively, and (ii) 51.45% by our 41 employees who are neither our Directors nor senior management members. As of the Latest Practicable Date, Meilong Limited holds approximately 4.48% equity interests in our Company.

See "Appendix IV — Statutory and General Information — D. Equity Incentive Plan" for details of the Employee Incentive Plan.

PRC REGULATORY REQUIREMENTS

According to the M&A Rules jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign-invested enterprise (the "**Regulated Activities**").

Given that (i) our WFOE was established as a wholly foreign-owned enterprise by means of direct investment rather than by merger or acquisition by our Company under the M&A Rules, and (ii) no Regulated Activities were involved in the Reorganization under the M&A Rules, as advised by our PRC Legal Adviser, the establishment of our WFOE and the Reorganization are not subject to the M&A Rules, and the [REDACTED] of our Company does not require approvals from CSRC and MOFCOM under the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented, and we cannot assure you that relevant PRC governmental authorities, including the CSRC, would reach the same conclusion as our PRC Legal Adviser.

SAFE REGISTRATION IN THE PRC

Pursuant to SAFE Circular 37, promulgated by SAFE and which became effective on July 4, 2014, (i) a PRC resident must register with the local SAFE branch in connection with their contribution of offshore assets or domestic enterprises' equity interests in an overseas special purpose vehicle (the "**Overseas SPV**") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting overseas investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of the Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. In addition, the PRC subsidiaries of that Overseas SPV may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the Overseas SPV and its offshore subsidiary may be restricted in their ability to contribute additional capital to their PRC subsidiaries.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) ("**SAFE Circular 13**"), promulgated by SAFE and effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to qualified banks.

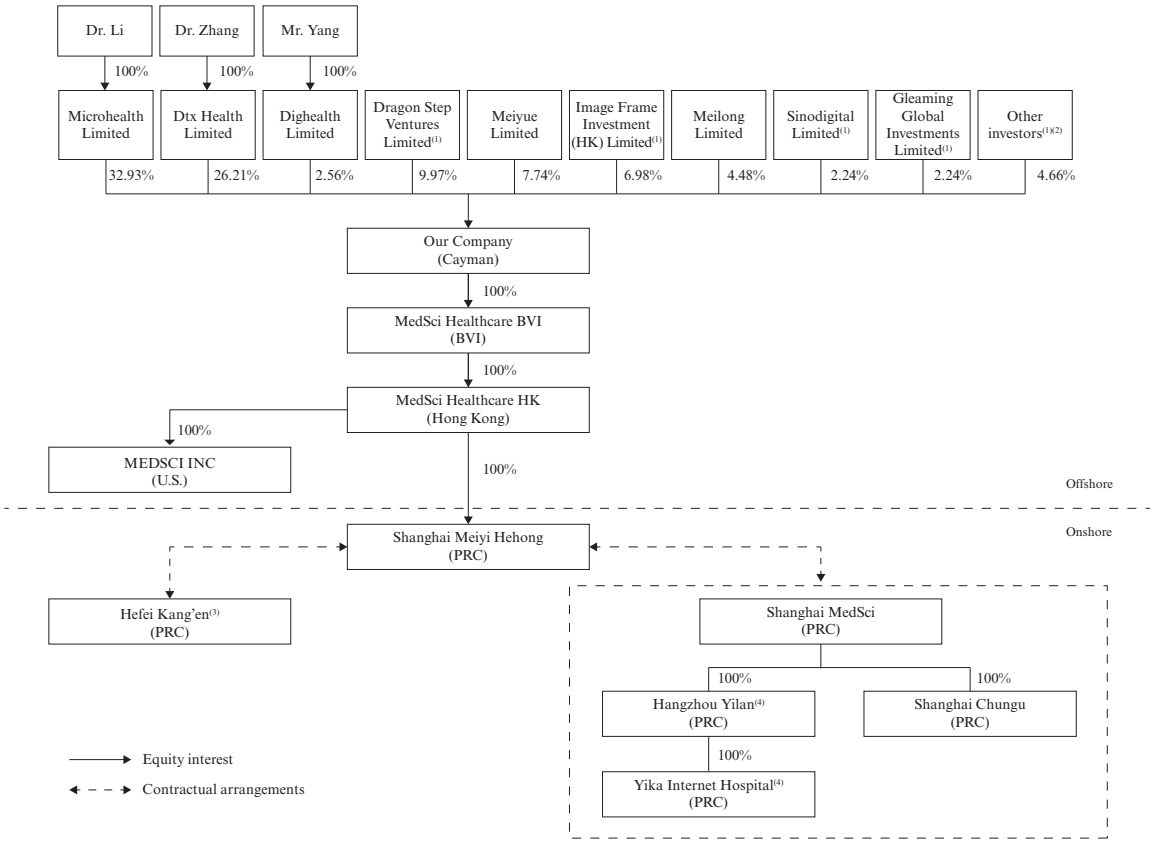
As advised by our PRC Legal Adviser, Dr. Li, Dr. Zhang, Mr. Yang, the shareholders of Shanghai Meiyue, the shareholders of Meilong Investment, Mr. Chen Erjia, Mr. Yu Junjian, Mr. Zhou Tianming and Ms. Liu Jinghua who are PRC residents have completed their respective registration under the SAFE Circular 37 and SAFE Circular 13 on September 29, 2021.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR CORPORATE AND SHAREHOLDING STRUCTURE

Corporate structure immediately before the [REDACTED] and the [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the [REDACTED] and the [REDACTED]:



Notes:

(1) For details on such Shareholders, see "— 5. Information on the [REDACTED] Investors" above.

(2) These include all of our other [REDACTED] Investors, each holding less than 2% of our total issued share capital, including YCHK Investments Ltd, Control Button Limited, Color Stone Investment Co., Ltd, Microleap Limited and Suzhou Lintai. See "— 5. Information on the [REDACTED] Investors" above.

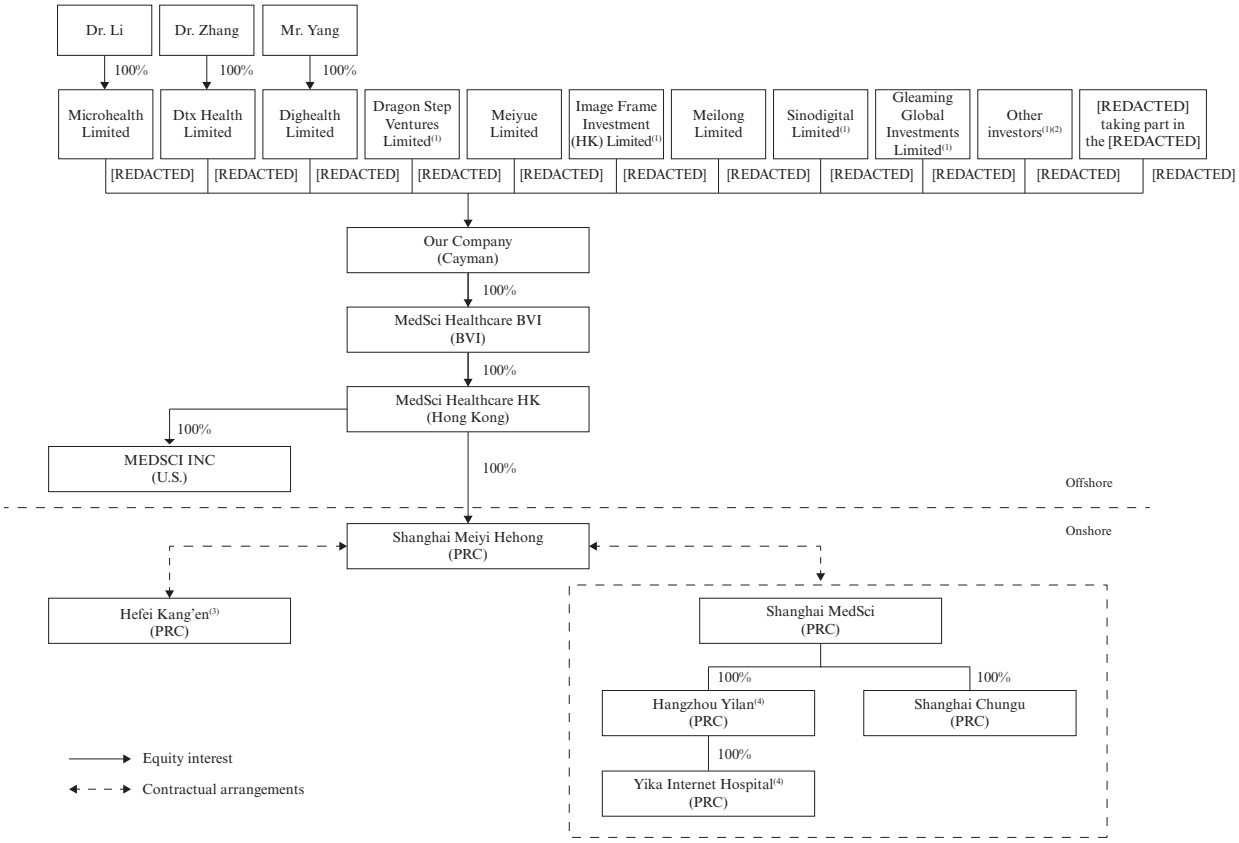
(3) Hefei Kang'en was established in the PRC on June 8, 2021 as a limited liability company with registered capital of RMB1 million. Hefei Kang'en commenced its development and production of educational materials on medical areas in the form of radio and television program in January 2023. See "Contractual Arrangements" for details.

(4) Hangzhou Yilan was established in the PRC on May 31, 2018 as a limited liability company with registered capital of RMB10 million. Yika Internet Hospital is a limited liability company established in the PRC on September 3, 2018 with a registered share capital of RMB1 million. As of the Latest Practicable Date, Hangzhou Yilan and Yika Internet Hospital have no substantial operations, and plan to engage in the provision of physician platform solutions, precision omni-channel marketing solutions and/or RWS solutions. See "Contractual Arrangements" for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate structure immediately following the [REDACTED] and the [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes:

For notes (1) to (4), see "Corporate structure immediately before the [REDACTED] and the [REDACTED]" above.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN OWNERSHIP RESTRICTIONS

Overview

Foreign investment activities in the PRC are mainly governed by the Encouraged Industry Catalog for Foreign Investment (2022 version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Catalog**"), which was promulgated and is amended from time to time jointly by the MOFCOM and the NDRC and the Special Administrative Measures on Access of Foreign Investment (2021 version) (Negative List) (《外商投資准入特別管理措施(負面清單)(2021年版)》), the latest amended version of which was jointly promulgated by the MOFCOM and the NDRC and took effect from January 1, 2022 (the "**Negative List**"). The Catalog and the Negative List stipulate industries in which foreign investment is restricted and prohibited. A summary of our businesses/operations that are subject to foreign investment restriction or prohibition in accordance with the Negative List and other applicable PRC laws is set out below:

Categories	Our business/operations	Our Relevant Entity
"**Restricted**" Value-added telecommunication services	According to the Negative List, foreign investors are not allowed to hold more than 50% equity interests in any enterprise conducting value-added telecommunication business (excluding e-commerce, domestic multiparty communication services, store-and-forward services and call center services). According to the 2016 FITE Regulations and the 2022 Decision, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, except as otherwise specified by the State.	Shanghai MedSci, Shanghai Chungu, Hangzhou Yilan and Yika Internet Hospital

Categories	Our business/operations	Our Relevant Entity
	Shanghai MedSci and Shanghai Chungu operate our websites and our mobile applications, where precision omni-channel marketing solutions, physician platform solutions and RWS solutions (the "**Solutions Services**") are provided. • In terms of our precision omni-channel marketing solutions, we charge our clients, primarily pharmaceutical and medical device companies, for marketing-related services such as delivering customized academic medical contents through multiple digital channels on our *MedSci* platform, creating customized academic medical contents presented on our *MedSci* platform, and offering online survey services. • In terms of our physician platform solutions, our *MedSci* platform provides certain premium contents, such as *Selected Curriculum*, which are accessible to subscribed users who pay annual or monthly subscription fees or per-download fees, as well as clinical study assistance to physicians for fees. • In terms of our RWS solutions, we provide solutions covering the full cycle of RWS including offering digital tools through our *MedSci* platform, for which our customers, primarily pharmaceutical and medical device companies, pay fees. Each of the Solutions Services involves providing medical information and content for fees, and therefore are subject to restrictions under PRC regulations relating to value-added telecommunication under the PRC Telecommunication Regulations (《中華人民共和國電信條例》). Hangzhou Yilan and Yika Internet Hospital had no substantial operations as of the Latest Practicable Date and plan to provide Solutions Services.	

Categories	Our business/operations	Our Relevant Entity
	Shanghai MedSci, Shanghai Chungu and Hangzhou Yilan hold the value-added telecommunication business operating license for internet information service (增值電信業務經營許可證) (the "**ICP License**") required for carrying out the Solutions Services issued by the competent authority, whereas Yika Internet Hospital is in preparation for applying for an ICP License. As of the Latest Practicable Date, Yika Internet Hospital has no substantial operation and plans to engage in the provision of precision omni-channel marketing solutions, physician platform solutions and/or RWS solutions, which require an ICP License. Yika Internet Hospital will not commence any such business until an ICP Licenses is granted to it. To satisfy the regulatory requirements for ICP License application in respect of, among others, personnel composition and employee social security plan threshold, Yika Internet Hospital has been undertaking intensive preparations, aiming to file such application in the year ending December 31, 2023. Our Directors are of the view that there would be no legal impediment for Yika Internet Hospital to obtain an ICP License. We will undertake to procure Yika Internet Hospital not to conduct any businesses that are not subject to foreign investment restrictions or prohibitions, and to the extent that it does, we will transfer it outside of the Contractual Arrangements prior to engaging in any unrestricted businesses. For the avoidance of doubt, Yika Internet Hospital does not provide or contemplate to provide Internet hospital services which may render it a medical institution or make it fall within scope of businesses or operations subject to foreign investment restriction or prohibition in accordance with the Catalog, the Negative List or other applicable PRC laws other than value-added telecommunications services in the foreseeable future. Our PRC Legal Adviser is of the view that as Yika Internet Hospital does not provide Internet hospital services, it does not constitute a medical institution under the applicable PRC laws and regulations.	

Categories	Our business/operations	Our Relevant Entity
"**Prohibited**" Radio and television program production and operation business	According to the Negative List and other applicable PRC Laws, foreign investors are prohibited from holding equity interests in an enterprise engaging in radio and television program production and operation business. Hefei Kang'en holds a radio and television program production and operation license (廣播電視節目製作經營許可證) issued by the competent authority. As our solutions offering during the Track Record Period such as provision of short videos, live-streaming or prerecorded videos to targeted medical professionals does not require such license, and radio and television program is a new channel for our solutions offering which takes more time for strategic crafting and preparation, Hefei Kang'en had no substantial operations during the Track Record Period. In January 2023, Hefei Kang'en commenced production of customized educational video programs with contents easily comprehensible to viewers with no medical backgrounds and intended for the general public according to the specific requirements of our customers, which constitute radio and television programs under the applicable PRC laws and require a radio and television program production and operation license. Such programs are delivered to our customers for their further use, and are not used by us otherwise, thus not available on the *MedSci* platform. Hefei Kang'en will renew the license upon its expiration. See "Business — Licenses and Permits" for details.	Hefei Kang'en

Categories	Our business/operations	Our Relevant Entity
	Information dissemination and conveyance is fundamental to our business and operations. For instance, we provide medical knowledge information to physicians on our physical platforms, and create medical content used for marketing or training purposes for pharmaceutical and medical device companies. Therefore, it is critical for us to constantly broaden and diversify the channels of medical information sharing as well as the variety and the carrier of the medical content we create. Radio and television programs would enhance our accessibility to users, and provide us with more flexibility when choosing the media to use for the solutions we offer so as to better serve different purposes, thereby further strengthening our market competitiveness and appeal. In particular, Hefei Kang'en has recruited talents with relevant expertise and carried out internal trainings on, among others, medical education methodology, distance education and clinical research, and commenced its development and production of educational materials on medical areas in the form of radio and television program in January 2023. Therefore, radio and television program production and operation business is of fundamental and strategic significance to our current and future business.	

Note: For the avoidance of doubt, the Consolidated Affiliated Entities does not operate any business where foreign investment is not restricted or prohibited.

As advised by our PRC Legal Adviser, the aforementioned businesses (the "**Relevant Businesses**") are considered to involve (i) value-added telecommunications services, and (ii) radio and television program production and operation business, which are subject to foreign investment restrictions and foreign investment prohibition, respectively, under the Negative List or pursuant to other rules and regulations. For further details of the limitations on foreign ownership in PRC companies conducting the aforementioned business under PRC laws and regulations, see "Regulatory Overview".

Regulatory Requirements

According to the 2016 FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in and a proven track record of operating value-added telecommunications businesses overseas. Such qualification requirements have been repealed according to the 2022 Decision.

Our PRC Legal Adviser and the PRC legal adviser of the Joint Sponsors conducted consultations with the SCA on April 15, 2022 (the "**2022 SCA Consultation**") and February 10, 2023 (the "**2023 SCA Consultation**", together with the 2022 SCA Consultation, the "**SCA Consultations**") respectively, during which it was confirmed that: (i) there are no clear guidelines, explanations or criteria for the implementation of the 2022 Decision; (ii) it is uncertain when the aforesaid guidelines, interpretations or criteria will be promulgated; (iii) based on the current regulatory requirements and regulatory practice, our offshore entities or onshore entities are not allowed to hold any equity interest in our Consolidated Affiliated Entities engaged in value-added telecommunication services; and (iv) the execution of the Contractual Arrangements does not require approval from the SCA.

According to Article 12 of the 2016 FITE Regulations in effect at the time of the 2022 SCA Consultation, in order to establish a foreign-invested telecommunications enterprise engaging in value-added telecommunications business, the major Chinese investor shall submit an application to the provincial telecommunications administrative department ("**Provincial TAD**") for preliminary examination. Such application, if approved by the Provincial TAD, shall be forwarded to the MIIT, which shall then determine on such application. According to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) in effect at the time of each of the SCA Consultations, the Provincial TAD shall supervise and administrate the telecommunications industry within their regional jurisdiction under the leadership of the MIIT. The SCA, being the Provincial TAD in Shanghai at the relevant time of each of the SCA Consultations, is responsible for implementing the policies and regulations of the communication industry as well as supervising and managing telecommunications and information service market in Shanghai. Thus, our PRC Legal Adviser is of the view that the SCA is a competent authority to provide such confirmation at the relevant time of the SCA Consultations.

As advised by the PRC Legal Adviser, the MIIT is the ultimate governing authority for foreign-invested enterprises' telecommunications license in China and in theory has the discretion to re-evaluate the SCA's decisions, however it is uncommon for the MIIT to challenge the opinions of the SCA in practice. Therefore, we, as advised by the PRC Legal Adviser, believe that the risk of the SCA's confirmations in the SCA Consultations being challenged by higher authority(ies) such as the MIIT is remote.

CONTRACTUAL ARRANGEMENTS

As of the Latest Practicable Date, based on the consultations with the SCA and as advised by our PRC Legal Adviser, (i) no applicable PRC laws, regulations or rules have provided clear guidance or interpretation about the 2022 Decision; and (ii) it remains uncertain as to the interpretation and enforcement of the 2022 Decision in practice and relevant regulations by government authorities. Our PRC Legal Adviser is of the view that given the lack of clear guidance or interpretation about the 2022 Decision as of the Latest Practicable Date and the consultation with the SCA, (i) it is not viable for us to hold our Consolidated Affiliated Entities engaged in the Solutions Services directly through equity ownership; and (ii) the 2022 Decision does not have any adverse impact on the conclusion that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations.

Notwithstanding the above, we will make periodic inquiries with the relevant authorities to stay abreast of the regulatory developments, including but not limited to any guidance or interpretation of the 2022 Decision and any regulatory changes regarding the shareholding restrictions of foreign investors in respect of our Consolidated Affiliated Entities, with a view to unwinding the Contractual Arrangements wholly or partially as and when practicable and permissible under the PRC laws, and to holding the maximum percentage of ownership interests in our Consolidated Affiliated Entities permissible under the PRC laws if the competent government authorities allow us to do so.

Our PRC Legal Adviser have opined that, other than the exception as discussed in paragraph (b) under "— Legality of the Contractual Arrangements" below, the Contractual Arrangements as a whole and each of the agreements thereunder are legal, valid and binding on the parties thereto, notwithstanding that the 2022 Decision has repealed the Qualification Requirements which applied to foreign investment in value-added telecommunications services business. According to our PRC Legal Adviser, under PRC laws and regulations, the adoption of the Contractual Arrangements to operate the Solutions Services do not render our business as an illegal operation in the PRC.

On April 18, 2022, our PRC Legal Adviser and the PRC legal adviser of the Joint Sponsors made a consultation with the ARTA, which have provided oral confirmations that our offshore entities or onshore entities, as foreign investors or foreign-invested enterprises, are prohibited from holding equity interests in Hefei Kang'en, and that the execution of the Contractual Arrangements does not require examination from the ARTA. According to Article 8 of the Administrative Provisions on the Production and Operation of Radio and Television Programs (《廣播電視節目製作經營管理規定》), application for a radio and television program production and operation license by an institution like Hefei Kang'en shall be subject to the examination and approval by the provincial radio, film and television administrative department. The ARTA is the provincial radio, film and television administrative department of Anhui Province, where Hefei Kang'en is located. Thus, our PRC Legal Adviser is of the view that the ARTA is a competent authority to provide such confirmation.

Narrowly Tailored Contractual Arrangements

In light of the above, we believe that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations and to enable the Group to consolidate the financial results of our Consolidated Affiliated Entity which are engaged in the Relevant Businesses.

The revenue contribution of all of the Consolidated Affiliated Entities to our Group amounted to approximately 99.49%, 99.79% and 100% of the total revenue of our Group for the three years ended December 31, 2022, respectively.

Joint Sponsors' View

After considering that: (i) the Contractual Arrangements enable our Group to conduct business in industries that are subject to foreign investment restrictions or prohibitions in the PRC and enable our Group to consolidate the financial results of our Consolidated Affiliated Entities which are engaged in the Relevant Businesses; (ii) the interview results with the SCA and the ARTA dated April 15, 2022 and February 10, 2023 as disclosed above; (iii) the views from the PRC Legal Adviser relating to regulatory requirements and the competency of SCA and ARTA on their views and that the likelihood that any higher authority(ies) such as MIIT would challenge the views of the SCA is remote; (iv) the consolidation of financial results of operating entities provided by the Reporting Accountant as disclosed in this "Contractual Arrangements" section; and (v) the reasons for control of Shanghai MedSci, its subsidiaries and Hefei Kang'en through the Contractual Arrangements, the Joint Sponsors concurred with our Company that the Contractual Arrangements are narrowly tailored for the purpose of foreign ownership restrictions requirement.

OUR CONTRACTUAL ARRANGEMENTS

Because foreign investment in the Relevant Businesses is subject to foreign investment restrictions or prohibitions under current PRC laws and regulations as outlined above, we are restricted from holding direct interests in Shanghai MedSci, Shanghai Chungu, Hangzhou Yilan, Yika Internet Hospital and Hefei Kang'en, namely our Consolidated Affiliated Entities.

We do not directly own any equity interests in the Consolidated Affiliated Entities. Shanghai MedSci is held by Dr. Li, Dr. Zhang, Qiming Ronghe, Shanghai Meiyue, Meilong Investment, Mr. Yang, Suzhou Qisi, Shanghai Weita, Yachang Hongkai, Jingwo Investment, Kechuang Borui and Hongpan One as to approximately 36.11%, 28.17%, 10.72%, 8.33%, 4.82%, 2.75%, 2.41%, 2.41%, 1.11%, 1.11%, 1.11% and 0.96%, respectively. Shanghai Chungu, Hangzhou Yilan and Yika Internet Hospital are wholly owned by Shanghai MedSci. Hefei Kang'en is held by Dr. Zhang as to 99% and Mr. Yang as to 1%.

In view of the aforementioned PRC regulatory background, after consultation with our PRC Legal Adviser and the relevant authority, we determined that it was not viable for our Company to hold the Consolidated Affiliated Entities directly through equity

ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions or prohibitions, we would be able to gain effective control over, and receive all the economic benefits generated by the businesses currently operated by the Consolidated Affiliated Entities, and have an exclusive option to purchase all or part of the equity interests in or all or part of the assets of or inject registered capital into the Consolidated Affiliated Entities when and to the extent permitted by the PRC law, through (i) the Shanghai MedSci Contractual Arrangements between the WFOE, on one hand, and Shanghai MedSci (which directly and indirectly holds all of the equity interests in Shanghai Chungu, Hangzhou Yilan and Yika Internet Hospital) and the Shanghai MedSci Registered Shareholders, on the other, and (ii) the Hefei Kang'en Contractual Arrangements between the WFOE, on one hand, and Hefei Kang'en and the Hefei Kang'en Registered Shareholders, on the other. The Contractual Arrangements allow the results of operations and assets and liabilities of the Consolidated Affiliated Entities to be consolidated into our results of operations and assets and liabilities under IFRS as if they were subsidiaries of our Group.

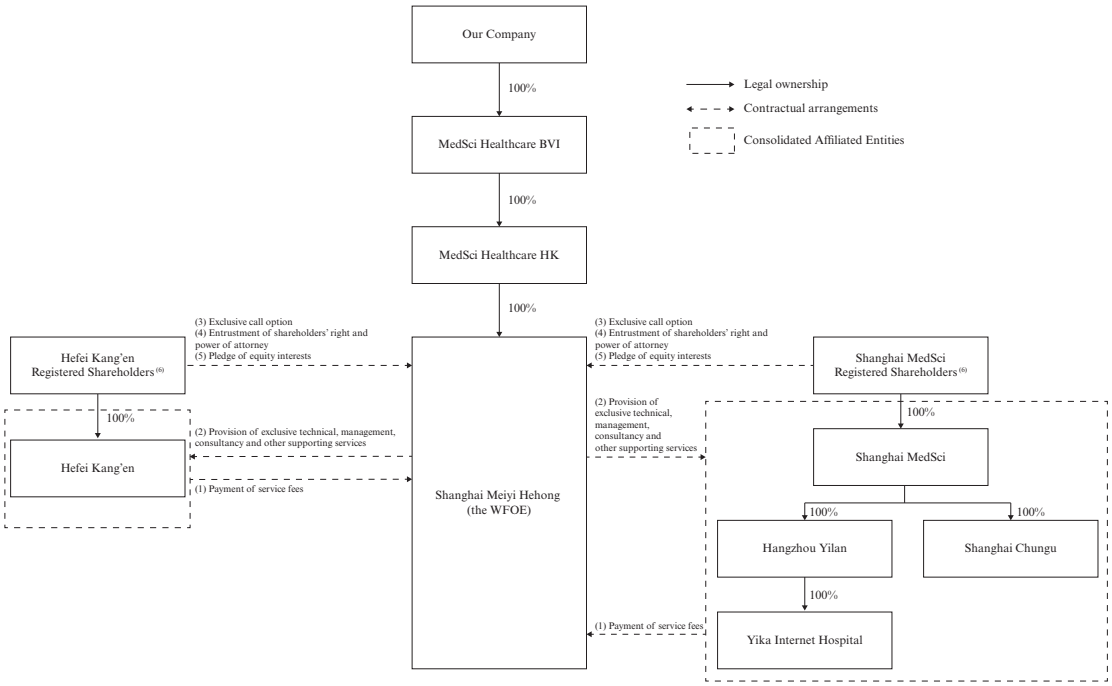
In order to comply with PRC laws and regulations while availing ourselves of international capital markets and maintaining effective control over all of our operations, we conducted a series of reorganization steps as illustrated below.

In connection with the [REDACTED] and in order to streamline our structure as well as to ensure that our Contractual Arrangements are, and will continue to remain, narrowly tailored in accordance with the Stock Exchange's requirements: (i) Hangzhou Yika, which had no substantial operations, transferred 100% of the equity interests in Yika Internet Hospital to Hangzhou Yilan on September 26, 2021 and was subsequently deregistered on December 15, 2021; (ii) Shanghai MedSci transferred 100% of the equity interests in Anhui Yixunda on November 17, 2021, which had no substantial operations, to Mr. Wu Zhicheng (吴志成), being an Independent Third Party; (iii) Beijing Jianyiyun, which had no substantial operations, was deregistered on February 8, 2022; (iv) Shanghai Yicheng, which had no substantial operations, was deregistered in July 2022; and (v) we entered into the Contractual Arrangements on November 5, 2021, as further amended by supplemental agreements dated April 17, 2022. The WFOE has effective control over the financial and operational policies of the Consolidated Affiliated Entities and have become entitled to all the economic benefits derived from their operations. See "History, Reorganization and Corporate Structure — Reorganization" for further details. Based on the above, we believe that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations.

Our Directors believe that the Contractual Arrangements are fair and reasonable and in the interests of the Shareholders as a whole because: (i) the Contractual Arrangements were freely negotiated and entered into between the WFOE, the Consolidated Affiliated Entities and the Registered Shareholders; (ii) by entering into the Exclusive Business Cooperation Agreements (as defined below) and the Exclusive Technical Service and Management Consultancy Agreements (as defined below) with the WFOE, which is our subsidiary established in PRC, the Consolidated Affiliated Entities will enjoy better

economic and technical support from us, as well as a better market reputation after the [REDACTED]; and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

The following simplified diagram illustrates the flow of economic benefits from the Consolidated Affiliated Entities and/or the Registered Shareholders to our Group stipulated under the Contractual Arrangements:



Notes:

(1) Payment of service fees. See "— Summary of the Material Terms of the Contractual Arrangements — (2) Exclusive Technical Service and Management Consultancy Agreements" below for details.

(2) Provision of exclusive technical, management, consultancy and other supporting services. See "— Summary of the Material Terms of the Contractual Arrangements — (2) Exclusive Technical Service and Management Consultancy Agreements" below for details.

(3) Exclusive call option to acquire all or part of the Registered Shareholders' interests (including equity interests and/or assets) in the Consolidated Affiliated Entities. See "— Summary of the Material Terms of the Contractual Arrangements — (3) Exclusive Call Option Agreements" below for details.

(4) Entrustment of shareholders' right of the Registered Shareholders including shareholders' power of attorney. See "— Summary of the Material Terms of the Contractual Arrangements — (5) Shareholders' Rights Entrustment Agreements" and "— Summary of the Material Terms of the Contractual Arrangements — (6) Shareholders' Powers of Attorney" below for details.

(5) Pledge of equity interest by the Registered Shareholders of their equity interests in Onshore Holdcos. See "— Summary of the Material Terms of the Contractual Arrangements — (4) Equity Pledge Agreements" below for details.

The Registered Shareholders are all PRC residents, PRC domestic companies or PRC limited partnership enterprises. The Shanghai MedSci Registered Shareholders became the registered shareholders of Shanghai MedSci through the investments in Shanghai MedSci prior to the Reorganization of our Group. During the Reorganization, the offshore affiliates of the Shanghai MedSci Registered Shareholders became the Shareholders of our Company and the Shanghai MedSci Registered Shareholders remain to be registered shareholders of Shanghai MedSci to minimize the impact on the corporate structure of our Group. The Hefei Kang'en Registered Shareholders are Dr. Zhang and Mr. Yang. The Registered Shareholders, whether individual or corporate, assume the same obligations under the Contractual Arrangements and the WFOE is able to gain control over the interests held by the corporate Registered Shareholders to the same extent as those held by the individual Registered Shareholders.

Circumstance in Which We Will Unwind the Contractual Arrangements

We will unwind and terminate the Contractual Arrangements wholly or partially once our businesses are no longer restricted or prohibited from foreign investment under the PRC laws, and will hold the maximum percentage of ownership interests in our Consolidated Affiliated Entities permissible under the PRC laws if the competent government authorities allow us to do so. In such event, the WFOE will exercise the Equity Call Option (defined below) under the Exclusive Call Option Agreements (defined below) to acquire the equity interests and/or assets of our Consolidated Affiliated Entities subject to any application or approval procedures and the approval by the relevant governmental authorities.

Summary of the Material Terms of the Contractual Arrangements

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

(1) Exclusive Business Cooperation Agreements

Pursuant to the exclusive business cooperation agreement (the "**Shanghai MedSci Exclusive Business Cooperation Agreement**") entered into among Shanghai MedSci, Hangzhou Yilan, Shanghai Chungu, Yika Internet Hospital, the Shanghai MedSci Registered Shareholders and the WFOE on November 5, 2021, which was further amended by a supplemental agreement (the "**Shanghai MedSci Supplemental Agreement**") among the parties dated April 17, 2022, the WFOE shall provide exclusive technical, management, consultancy and other supporting services, and in return, our PRC Affiliated Entities shall make payments accordingly.

CONTRACTUAL ARRANGEMENTS

To ensure the due performance of the Contractual Arrangements, each of our PRC Affiliated Entities agreed to comply, and procure any of its subsidiaries (to be established if any) to comply with, and the Shanghai MedSci Registered Shareholders agreed to procure our PRC Affiliated Entities or their subsidiaries (to be established if any) to comply with the obligations as prescribed under the Shanghai MedSci Exclusive Business Cooperation Agreement set forth as follows:

(a) to carry out the operations of internet platforms and medical information business in a prudent and efficient manner in accordance with good financial and business standards while maintaining the asset value of our PRC Affiliated Entities or their subsidiaries and the quality and standard of private education;

(b) to prepare development plans and annual working plans in accordance with the instructions of the WFOE;

(c) to carry out the operations of internet platforms, medical information business and other relevant business under the assistance of the WFOE;

(d) to carry out and manage its daily operations and financial management in accordance with the recommendations, advice, principles and other instructions of the WFOE;

(e) to execute and act upon the recommendations of the WFOE in terms of employment and removal of senior management and staff;

(f) to adopt the advice, guidance and plans given by the WFOE in relation to their respective strategic development;

(g) to carry out its business operations and renew and maintain its respective necessary licenses;

(h) to provide its business operation and financial information upon request by the WFOE and promptly inform the WFOE of the circumstances which have or may have material adverse effect on our business operation, as well as make every effort to prevent such circumstances and/or the expansion of losses; and

(i) to purchase from insurers recognized by the WFOE and maintain relevant insurance for the assets and business of our PRC Affiliated Entities, of which the insurance amount and type shall be consistent with those normally purchased by companies operating in similar businesses or owning similar property or assets in the region.

In addition, pursuant to the Shanghai MedSci Exclusive Business Cooperation Agreement:

(a) each of Shanghai MedSci Registered Shareholders who are individuals undertakes to the WFOE that, in the event of death, loss of or restriction on capacity, divorce or other circumstances which may affect the exercise of his/her direct or indirect equity interests in Shanghai MedSci, he/she shall have made all necessary arrangements and sign all necessary documents such that his/her successor, guardian, spouse and any other person which may as a result of the above events obtain the equity interests or relevant rights shall not prejudice or hinder the enforcement of the Contractual Arrangements;

(b) each of Shanghai MedSci Registered Shareholders which are institutions undertakes to the WFOE that, in the event of dissolution, liquidation, revocation or other circumstances which may affect the exercise of its direct or indirect equity interests in Shanghai MedSci, it shall have made all necessary arrangement and sign all necessary documents such that its successor, administrator and liquidator and any other person which may as a result of the above events obtain the equity interests or relevant rights shall not prejudice or hinder the enforcement of the Contractual Arrangements;

(c) in the event of the dissolution, liquidation, bankruptcy or reorganization of the WFOE: (i) Shanghai MedSci Registered Shareholders and our PRC Affiliated Entities unconditionally agree that, other persons designated by our Company shall inherit the rights and obligations of the WFOE under the Contractual Arrangements, and sign all necessary documents in addition to all necessary measures to make sure all the aforementioned rights and obligations can be taken over smoothly by the designated persons; (ii) Shanghai MedSci Registered Shareholders agree that, Shanghai MedSci Registered Shareholders shall sell or dispose of their direct or indirect interests in and/or assets of our PRC Affiliated Entities in accordance with the instructions of our Company and transfer all receivable at nil consideration to our Company or other persons designated by our Company; or (iii) Shanghai MedSci Registered Shareholders agree that, Shanghai MedSci Registered Shareholders shall procure to sell or dispose of part or all of the interests in and/or assets of our PRC Affiliated Entities in accordance with the instructions of our Company and procure the transfer of all receivable at nil consideration to our Company or other persons designated by our Company;

(d) Shanghai MedSci Registered Shareholders undertake that, in the event of the dissolution or liquidation of our PRC Affiliated Entities: (i) the WFOE and/or its designated person shall have the right to exercise all shareholders' rights on our PRC Affiliated Entities (including but not limited to, deciding to dissolve and liquidate our PRC Affiliated Entities, instructing and delegating the liquidation group and or its agent of our PRC Affiliated Entities, as well as approving liquidation plan and report); (ii) the shareholders of our PRC Affiliated Entities shall transfer all assets received or receivable in its capacity as shareholders of each of our PRC Affiliated Entities as a result of the dissolution or liquidation of

our PRC Affiliated Entities to the WFOE or other persons designated by our Company at nil consideration, and instruct the liquidation group of our PRC Affiliated Entities to transfer such assets directly to the WFOE or other persons designated by our Company; and (iii) if consideration is required for such transfer under the then applicable PRC laws, Shanghai MedSci Registered Shareholders shall compensate the WFOE or the person as designated by our Company the amount and ensure that the WFOE or other persons as designated by our Company does not suffer any loss;

(e) our PRC Affiliated Entities agreed that, without the prior written consent of the WFOE, our PRC Affiliated Entities shall not declare or pay to Shanghai MedSci Registered Shareholders any return or other interest or benefit; in the event that the Registered Shareholders receive any reasonable return or other interest or benefit, Shanghai MedSci Registered Shareholders shall unconditionally and without compensation transfer such amount to the WFOE; and

(f) without the consent of the WFOE, Shanghai MedSci Registered Shareholders shall not increase the registered capital of Shanghai MedSci, while Shanghai MedSci Registered Shareholders agreed and confirmed that, they will pledge the corresponding increased equity interests to the WFOE to perform their respective obligations and guarantees in respect of any debt under these Contractual Arrangements; each of the parties has undertaken that, each party shall prepare all necessary documents before the aforesaid capital increase and sign the equity pledge agreements on the date of completion of the capital increase registration, and to complete the pledge registration as soon as practicable.

In order to prevent the leakage of assets and values of our PRC Affiliated Entities, Shanghai MedSci Registered Shareholders and our PRC Affiliated Entities have undertaken that, without the prior written consent of the WFOE or its designated party, Shanghai MedSci Registered Shareholders and our PRC Affiliated Entities shall not conduct or cause to conduct any activity or transaction which may have any actual impact (i) on the assets, business, staff, obligations, rights or operations of our PRC Affiliated Entities or (ii) on the ability of Shanghai MedSci Registered Shareholders and each of our PRC Affiliated Entities to perform the obligations under the Contractual Arrangements. Such activities and transactions include, without limitation:

(a) establishment of any subsidiaries or branches by our PRC Affiliated Entities, such as subsidiaries or branches;

(b) conduct of any activity by any of our PRC Affiliated Entities and/or their subsidiaries which are outside the ordinary course of business or change the mode of operations of our PRC Affiliated Entities or their subsidiaries;

(c) consolidation, subdivision, change of form of corporate organization, dissolution or liquidation of our PRC Affiliated Entities and/or their subsidiaries;

(d) providing any borrowing, loan or guarantee in respect of any debt to, or obtaining any borrowing and loan from, our PRC Affiliated Entities and/or their subsidiaries;

(e) providing any borrowing, loan or guarantee in respect of any debt, or obtaining any borrowing and loan by our PRC Affiliated Entities or their subsidiaries to any third party, except in the ordinary course of business and provided that the amount of such debt is less than RMB5,000,000;

(f) change or removal of any director, supervisor or senior management (including but not limited to manager, deputy manager, chief financial officer and chief technical officer) of any of our PRC Affiliated Entities or their subsidiaries, increase or decrease of their remuneration package, or change of their appointment terms and conditions;

(g) sale, transfer, lending or authorizing the use or disposal of any assets or rights (including but not limited to domain, trademark, intellectual property and exclusive technology) of any of our PRC Affiliated Entities or their subsidiaries to any third party other than the WFOE or its designated party, or purchase from any third party any assets or rights, except in the ordinary course of business and provided that the transaction amount is less than RMB3,000,000;

(h) sale of any equity interests in any of our PRC Affiliated Entities or its subsidiaries to any third party other than the WFOE or its designated party, or increase or reduction of the registered capital or change of the structure of the equity of any of our PRC Affiliated Entities or its subsidiaries;

(i) providing security over equity interests in or assets or rights of, or creating encumbrance over interests in or assets of any of our PRC Affiliated Entities or its subsidiaries, or providing guarantee by any of our PRC Affiliated Entities or its subsidiaries, to third parties other than to the WFOE or its designated party;

(j) altering, amending or revoking any permits of any of our PRC Affiliated Entities or its subsidiaries;

(k) amending the articles of association or scope of business of any of our PRC Affiliated Entities or its subsidiaries;

(l) change of any normal business procedures or amendment of any internal procedures and system of any of our PRC Affiliated Entities or its subsidiaries;

(m) entering into any business contracts outside the ordinary course of business except pursuant to the plan or suggestion of the WFOE or us;

(n) distribution of dividend, other payments or make loans to the shareholder of our PRC Affiliated Entities or any of its subsidiaries;

(o) carrying out any activity which has or may have an adverse effect on the daily operations, business or assets of any of our PRC Affiliated Entities or its subsidiaries or its ability to make any payment to the WFOE;

(p) entering into any transaction which has or may have an adverse effect on the transactions contemplated under the Contractual Arrangements; and

(q) transfer of his/her/its rights and obligations under the Contractual Arrangements to any third party other than the WFOE or its designated party, or establishment and commencement of any cooperation or business relationship similar to that under the Contractual Arrangements with any third party by the Shanghai MedSci Registered Shareholders, any of our PRC Affiliated Entities or its subsidiaries.

Furthermore, each of Shanghai MedSci Registered Shareholders undertook to the WFOE that, unless with the prior written consent of the WFOE, Shanghai MedSci Registered Shareholders (severally or jointly) shall not: (i) directly or indirectly engage, participate in, conduct, acquire or hold any business or activities which compete or may potentially compete with any of our PRC Affiliated Entities and their subsidiaries ("**Competing Business**"); (ii) use information obtained from any of our PRC Affiliated Entities or its subsidiaries for the Competing Business; and (iii) obtain any benefit from any Competing Business. Each of the Shanghai MedSci Registered Shareholders further consents and agrees that, in the event that the Shanghai MedSci Registered Shareholders (severally or jointly) directly or indirectly engage, participate in or conduct any Competing Business, the WFOE and/or other entities as designated by our Company shall be granted an option to require the entity engaging in the Competing Business to enter into an arrangement similar to that of the Contractual Arrangements, or to require cessation of engagement in the Competing Business. The Shanghai MedSci Registered Shareholders shall procure the entry of the aforesaid arrangement or the cessation of engagement in the Competing Business according to the option exercised.

Unless terminated in accordance with the provisions thereof, the Shanghai MedSci Exclusive Business Cooperation Agreement shall remain effective perpetually from November 5, 2021. See "— Termination of the Contractual Arrangements" below for details.

Hefei Kang'en also entered into an exclusive business cooperation agreement (the "**Hefei Kang'en Exclusive Business Cooperation Agreement**", and together with Shanghai MedSci Exclusive Business Cooperation Agreement, the "**Exclusive Business Cooperation Agreements**") with Hefei Kang'en Registered Shareholders and the WFOE on November 5, 2021, as further amended by a supplemental agreement (the "**Hefei Kang'en Supplemental Agreement**") among the parties dated April 17, 2022. As both of the Hefei Kang'en Registered Shareholders are individuals, Hefei Kang'en Exclusive Business Cooperation Agreement (as amended) omitted the clauses only applicable to institutional shareholders as comprised in Shanghai MedSci Exclusive Business Cooperation Agreement (as amended).

The terms of Hefei Kang'en Exclusive Business Cooperation Agreement (as amended) have no material differences from and substantially mirror the terms of Shanghai MedSci Exclusive Business Cooperation Agreement (as amended) set out above.

(2) Exclusive Technical Service and Management Consultancy Agreements

Pursuant to the exclusive technical service and management consultancy agreement (the "**Shanghai MedSci Exclusive Technical Service and Management Consultancy Agreement**") entered into among the WFOE and our PRC Affiliated Entities on November 5, 2021, the WFOE agreed to provide exclusive technical services to our PRC Affiliated Entities, including but not limited to: (a) design, development, update and maintenance of platform software for computer and mobile devices; (b) design, development, update and maintenance of webpages and websites necessary for the platform and medical information business activities of our PRC Affiliated Entities; (c) design, development, update and maintenance of management information systems necessary for the platform and medical information business activities of our PRC Affiliated Entities; (d) provision of other technical support necessary for the platform and medical information business activities of our PRC Affiliated Entities; (e) provision of technical consulting services; (f) provision of technical training; (g) engaging technical staff to provide on-site technical support; and (h) providing other technical services reasonably requested by our PRC Affiliated Entities.

Furthermore, the WFOE agreed to provide exclusive management and consultancy services to our PRC Affiliated Entities, including but not limited to: (a) design of platform; (b) selection and/or recommendation of medical information; (c) provision of staff recruitment and training support and services; (d) provision of technical support and services; (e) provision of public relation maintenance services; (f) preparation of long-term strategic development plans and annual working plans; (g) development of financial management systems and recommendation and optimization on annual budget; (h) advising on design of internal structures and internal management; (i) provision of administrative staff management and consultancy training; (j) conduct of market research; (k) preparation of regional market development plan; (l) building of online and offline marketing network; and (m) providing other management technical services reasonably requested by our PRC Affiliated Entities.

In consideration of the technical, management and consultancy services provided by the WFOE, our PRC Affiliated Entities agreed to pay the WFOE a service fee equal to all of their respective amount of surplus from operations (after deducting all costs, expenses, taxes, losses from the previous year (if required by the law) and the statutory provident fund and other withdrawals required by the law). The WFOE has the right (but not the obligation) to adjust the amount of such service fee by reference to the actual services provided and the actual business operations and needs of our PRC Affiliated Entities, provided that any adjusted amount shall not exceed the amount mentioned above. Our PRC Affiliated Entities do not have any right to make any such adjustment.

Pursuant to the Shanghai MedSci Exclusive Technical Service and Management Consultancy Agreement, unless otherwise prescribed under the PRC laws and regulations, the WFOE shall have exclusive proprietary rights to any technology and intellectual property developed and materials prepared in the course of the provision of research and development, technical support and services by the WFOE to our PRC Affiliated Entities, and any intellectual property in the products developed, including any other rights derived thereunder, in the course of performance of obligations under the Shanghai MedSci Exclusive Technical Service and Management Consultancy Agreement and/or any other agreements entered into between the WFOE and other parties.

Unless terminated in accordance with the provisions thereof, the Shanghai MedSci Exclusive Technical Service and Management Consultancy Agreement shall remain effective perpetually from November 5, 2021. See "— Termination of the Contractual Arrangements" below for details.

Hefei Kang'en also entered into an exclusive technical service and management consultancy agreement (the "**Hefei Kang'en Exclusive Technical Service and Management Consultancy Agreement**", and together with Shanghai MedSci Exclusive Technical Service and Management Consultancy Agreement, the "**Exclusive Technical Service and Management Consultancy Agreements**") with the WFOE on November 5, 2021. The terms of Hefei Kang'en Exclusive Technical Service and Management Consultancy Agreement have no material differences from and substantially mirror the terms of Shanghai MedSci Exclusive Technical Service and Management Consultancy Agreement set out above.

(3) Exclusive Call Option Agreements

Under the exclusive call option agreement (the "**Shanghai MedSci Exclusive Call Option Agreement**") entered into among Shanghai MedSci, Shanghai MedSci Registered Shareholders and the WFOE on November 5, 2021, which was further amended by the Shanghai MedSci Supplemental Agreement, Shanghai MedSci Registered Shareholders have irrevocably granted the WFOE or its designated purchaser the right to purchase all or part of the direct or indirect interests*(Note)* of Shanghai MedSci Registered Shareholders in our PRC Affiliated Entities (the "**Equity Call Option**"). The purchase price payable by the WFOE in respect of the transfer of such interests upon exercise of the Equity Call Option shall be the lowest price permitted under the PRC laws and regulations. The WFOE or its designated purchaser shall have the right to purchase such proportion of interests in our PRC Affiliated Entities as it decides at any time.

In the event that PRC laws and regulations allow the WFOE or other foreign-owned entities designated by our Company to directly hold all or part of the interests in our PRC Affiliated Entities and operate the relevant restricted/prohibited business in the PRC, the WFOE shall issue the notice of exercise of the Equity Call Option as soon as practicable, and the percentage of interests in our PRC Affiliated Entities purchased upon exercise of the Equity Call Option shall not be lower than the maximum percentage then allowed to be held by the WFOE or other foreign-owned entities designated by our Company under PRC laws and regulations.

Note:

Under the Exclusive Call Option Agreements, the references to "interests" include equity interests and/or assets.

Each of the Shanghai MedSci Registered Shareholders have further undertaken to the WFOE that it:

(a) shall not sell, assign, transfer or otherwise dispose of or create encumbrance over its direct and/or indirect interests in our PRC Affiliated Entities without the prior written consent of the WFOE;

(b) shall not increase or reduce or agree to the increase or reduction of the registered capital of our PRC Affiliated Entities without the prior written consent of the WFOE;

(c) shall not agree to or procure any of our PRC Affiliated Entities to divide into or merge with other entities without the prior written consent of the WFOE;

(d) shall not dispose of or procure the management of our PRC Affiliated Entities to dispose of any of the assets of our PRC Affiliated Entities without the prior written consent of the WFOE, except in the ordinary course of business and provided that the value of such assets so disposed shall not exceed RMB3,000,000;

(e) shall not terminate or procure the management of our PRC Affiliated Entities to terminate any material contract (which includes any agreement under which the amount involved exceeds RMB3,000,000, the Contractual Arrangements and/or any agreement of similar nature or content to the Contractual Arrangements) or enter into any other contracts which may contradict such material contracts without the prior written consent of the WFOE;

(f) shall not procure any of our PRC Affiliated Entities to enter into any transactions which may have an actual impact on the assets, liabilities, operations, equity structures or other legal rights of our PRC Affiliated Entities without the prior written consent of the WFOE, save for transactions which are in the ordinary course of business of our PRC Affiliated Entities with the amount involved not more than RMB3,000,000, or transactions which have been disclosed to the WFOE and approved by the WFOE;

(g) shall not agree to or procure any of our PRC Affiliated Entities to declare or in substance distribute any distributable return or agree to such distribution without the prior written consent of the WFOE; Shanghai MedSci shall timely transfer the amount so received (if any) to the WFOE or its designated purchaser for free subject to the PRC law;

(h) shall not agree to or procure any of our PRC Affiliated Entities to amend its articles of association without the prior written consent of the WFOE;

(i) shall ensure that any of our PRC Affiliated Entities does not provide or obtain loans or provide any guarantees or otherwise undertake any other action to guarantee, or undertake any material obligations (including obligations under which the amount payable by our PRC Affiliated Entities exceeds RMB5,000,000, obligations which restrict or hinder the due performance of obligations under the Contractual Arrangements by our PRC Affiliated Entities, obligations which restrict or prohibit the financial or business operations of our PRC Affiliated Entities, or any obligations which may result in change of the equity structure of our PRC Affiliated Entities) outside its ordinary course of business without the prior written consent of the WFOE;

(j) shall use its best endeavors to develop the business of any of our PRC Affiliated Entities and ensure compliance with laws and regulations by our PRC Affiliated Entities, and shall not take or fail to take any action which may prejudice the assets, goodwill or the effectiveness of operational licenses of our PRC Affiliated Entities;

(k) shall, prior to the transfer of its interests to the WFOE or its designated purchaser and without prejudice to the Shanghai MedSci Shareholders' Rights Entrustment Agreement, execute all documents necessary for holding and maintaining the ownership of its interests in our PRC Affiliated Entities;

(l) shall sign all documents and take all necessary actions to facilitate transfer of its interests in our PRC Affiliated Entities to the WFOE or its designated purchaser;

(m) shall take all such actions to facilitate our PRC Affiliated Entities in their performance of its obligations under the Shanghai MedSci Exclusive Call Option Agreement if such performance requires any action be taken by Shanghai MedSci Registered Shareholders as the interest owner of our PRC Affiliated Entities;

(n) shall, in its capacity as a director and/or indirect shareholder of our PRC Affiliated Entities and without prejudice to the Contractual Arrangements, procure directors nominated by it to exercise all rights to enable any of our PRC Affiliated Entities to perform its rights and obligations under the Shanghai MedSci Exclusive Call Option Agreement, and shall replace any director who fails to do so;

(o) shall procure that all rights and obligations under the Shanghai MedSci Exclusive Call Option Agreement be fully inherited by the then PRC Affiliated Entities and their then shareholders, if the shareholding structure of the PRC Affiliated Entities changes before the WFOE exercises the exclusive call option due to sale, assignment, transfer in any form by their shareholders;

(p) shall waive any right of first refusal it has under the Shanghai MedSci Exclusive Call Option Agreement, the Shanghai MedSci Equity Pledge Agreement (as defined below), Chinese law or the articles of association with respect to the equity transfer by each other shareholder (if any) to WFOE or its designated purchaser; and

(q) in the event that the consideration paid by the WFOE or its designated purchaser for the transfer of all or part of the interests in our PRC Affiliated Entities exceeds RMB0, shall pay such excess amount to the WFOE or its designated entity.

Unless terminated in accordance with the provisions thereof, the Shanghai MedSci Exclusive Call Option Agreement shall remain effective perpetually from November 5, 2021. See "— Termination of the Contractual Arrangements" below for details.

Hefei Kang'en also entered into an exclusive call option agreement (the "**Hefei Kang'en Exclusive Call Option Agreement**", and together with Shanghai MedSci Exclusive Call Option Agreement, the "**Exclusive Call Option Agreements**") with Hefei Kang'en Registered Shareholders and the WFOE on November 5, 2021, as further amended by the Hefei Kang'en Supplemental Agreement. As both of the Hefei Kang'en Registered Shareholders are individuals, Hefei Kang'en Exclusive Call Option Agreement (as amended) omitted the clauses only applicable to institutional shareholders as comprised in Shanghai MedSci Exclusive Call Option Agreement (as amended). The terms of Hefei Kang'en Exclusive Call Option Agreement (as amended) have no material differences from and substantially mirror the terms of Shanghai MedSci Exclusive Call Option Agreement (as amended) set out above.

There are certain risks involved in the exercise of the Equity Call Option. See "Risk Factors — Risks Relating to Our Contractual Arrangements — If we exercise the option to acquire equity interests and/or assets of our Consolidated Affiliated Entities, the equity interests and/or assets transfer may subject us to certain limitations and substantial costs".

(4) Equity Pledge Agreements

Pursuant to the equity pledge agreements (the "**Shanghai MedSci Equity Pledge Agreements**") entered into among Shanghai MedSci, the WFOE and each of Shanghai MedSci Registered Shareholders on November 5, 2021, each of Shanghai MedSci Registered Shareholders unconditionally and irrevocably pledged and granted first priority security interests over all of his/her/its equity interests in Shanghai MedSci, together with all related rights thereto to the WFOE as security for performance of the Shanghai MedSci Contractual Arrangements and all direct, indirect or consequential damages and foreseeable loss of interest incurred by the WFOE as a result of any event of default on the part of Shanghai MedSci Registered Shareholders and our PRC Affiliated Entities and all expenses incurred by the WFOE as a result of enforcement of the obligations of Shanghai MedSci Registered Shareholders and our PRC Affiliated Entities under the Shanghai MedSci Contractual Arrangements (the "**Secured Indebtedness**").

Pursuant to the Shanghai MedSci Equity Pledge Agreements, without the prior written consent of the WFOE, Shanghai MedSci Registered Shareholders shall not transfer the equity interests or create further pledge or encumbrance over the pledged equity interests. Any unauthorized transfer shall be invalid, and the proceeds of any transfer of the equity interests shall be first used in the payment of the Secured Indebtedness or deposited to such

third party as agreed to by the WFOE. Shanghai MedSci Registered Shareholders also waived any pre-emptive rights upon enforcement and agreed to any transfer of the pledged equity pursuant to the equity pledge agreement.

Any of the following events shall constitute an event of default under the Shanghai MedSci Equity Pledge Agreements:

(a) any of Shanghai MedSci Registered Shareholders and our PRC Affiliated Entities commits any breach of any obligations under the Shanghai MedSci Contractual Arrangements;

(b) any representations or warranties or information provided by any of Shanghai MedSci Registered Shareholders and our PRC Affiliated Entities under the Shanghai MedSci Contractual Arrangements are proved incorrect or misleading; or

(c) any provision in the Shanghai MedSci Contractual Arrangements becomes invalid or incapable of performance due to changes in PRC laws and regulations or promulgation of new laws and regulations in the PRC, and the parties have not agreed on any alternative arrangement.

Upon the occurrence of an event of default as described above, the WFOE shall have the right to enforce the Shanghai MedSci Equity Pledge Agreements by written notice to Shanghai MedSci Registered Shareholders in one or more of the following ways:

(a) to the extent permitted under PRC laws and regulations, the WFOE may request Shanghai MedSci Registered Shareholders to transfer all or part of his/her/its equity interests in Shanghai MedSci to any entity or individual designated by the WFOE at the lowest consideration permissible under the PRC laws and regulations, while Shanghai MedSci Registered Shareholders irrevocably undertake that in the event that the consideration paid by the WFOE or its designated purchaser for the transfer of all or part of the equity interests in Shanghai MedSci exceeds RMB0, they shall pay such excess amount to the WFOE or its designated entity;

(b) sell the pledged equity interests by way of auction or at a discount and have priority in the entitlement to the sales proceeds;

(c) dispose of the pledged equity interests in other manner subject to applicable laws and regulations.

The Shanghai MedSci Equity Pledge Agreement remains effective until all obligations under the Shanghai MedSci Contractual Arrangements have been fully performed or all secured indebtedness have been fully paid.

The pledges under the Shanghai MedSci Equity Pledge Agreements were registered with the relevant Administration of Industry and Commerce of the PRC on November 15, November 16 and December 9, 2021, respectively, and became effective on the same date of the registration of the pledge.

Each of Hefei Kang'en Registered Shareholders entered into an equity pledge agreement (the "**Hefei Kang'en Equity Pledge Agreement**", and together with Shanghai MedSci Equity Pledge Agreements, the "**Equity Pledge Agreements**") with Hefei Kang'en and the WFOE on November 5, 2021. The terms of Hefei Kang'en Equity Pledge Agreement have no material differences from and substantially mirror the terms of Shanghai MedSci Equity Pledge Agreements set out above. The pledges under the Hefei Kang'en Equity Pledge Agreements were registered with the relevant Administration of Industry and Commerce of the PRC on November 8, 2021 and became effective on the same date of the registration of the pledge.

(5) Shareholders' Rights Entrustment Agreements

Pursuant to the shareholders' rights entrustment agreement (the "**Shanghai MedSci Shareholders' Rights Entrustment Agreement**") entered into among Shanghai MedSci, Shanghai MedSci Registered Shareholders and the WFOE on November 5, 2021, which was further amended by the Shanghai MedSci Supplemental Agreement, each of Shanghai MedSci Registered Shareholders has irrevocably authorized and entrusted the WFOE, its designated directors or the successor thereof (including the liquidator replacing the directors nominated by the WFOE), excluding any persons who are not independent or may give rise to conflicts of interest, to exercise all of his/their respective rights as shareholders of Shanghai MedSci to the extent permitted by the PRC laws. Under circumstances where a Shanghai MedSci Registered Shareholder concurrently serves as the Director or senior management of our Company, the aforesaid shareholders' rights shall be entrusted to our Company and be exercised by other Directors or senior management members of our Company who are free of conflicts of interest. These rights include, but are not limited to: (a) the right to attend shareholders' meetings; (b) the right to exercise voting rights in respect of all matters discussed and resolved at the shareholders' meeting, including but not limited to appointing and electing directors, general manager, deputy general managers, chief financial officer and other senior managers, liquidation and dissolution, composition of liquidation team and/or their proxies, approval of liquidation plans and liquidation reports, etc.; (c) the right to propose extraordinary general meetings; (d) the right to sign all shareholders' minutes, resolutions and other legal documents; (e) the right to instruct the directors and legal representative to act in accordance with the instruction of the WFOE; (f) the right to exercise all other rights and voting rights of shareholders as prescribed under the articles of association of Shanghai MedSci; (g) the right to handle the legal procedures of registration, approval and licensing of Shanghai MedSci at the business administration authority or other government authorities; (h) the right to determine on transfer of disposal in other forms the shares in Shanghai MedSci held by Shanghai MedSci Registered Shareholders; and (i) other shareholders' rights pursuant to applicable PRC laws and regulations and the articles of association of Shanghai MedSci as amended from time to time.

In addition, each of Shanghai MedSci Registered Shareholders has irrevocably agreed that (i) the WFOE may delegate its rights under the Shanghai MedSci Shareholders' Rights Entrustment Agreement to the directors of the WFOE or its designated person, without prior notice to or approval by Shanghai MedSci Registered Shareholders; and (ii) any person as successor of civil rights of the WFOE or liquidator by reason of subdivision, merger, liquidation of the WFOE or other circumstances shall have authority to replace the WFOE to exercise all rights under Shanghai MedSci Shareholders' Rights Entrustment Agreement.

Unless terminated in accordance with the provisions thereof, the Shanghai MedSci Shareholders' Rights Entrustment Agreement shall remain effective perpetually from November 5, 2021. See "— Termination of the Contractual Arrangements" below for details.

Hefei Kang'en also entered into a shareholders' rights entrustment agreement (the "**Hefei Kang'en Shareholders' Rights Entrustment Agreement**", and together with Shanghai MedSci Shareholders' Rights Entrustment Agreement, the "**Shareholders' Rights Entrustment Agreements**") with Hefei Kang'en Registered Shareholders and the WFOE on November 5, 2021, as further amended by the Hefei Kang'en Supplemental Agreement. The terms of Hefei Kang'en Shareholders' Rights Entrustment Agreement (as amended) have no material differences from and substantially mirror the terms of Shanghai MedSci Shareholders' Rights Entrustment Agreement (as amended) set out above.

(6) Shareholders' Powers of Attorney

Pursuant to the shareholders' powers of attorney (the "**Shanghai MedSci Shareholders' Powers of Attorney**") executed by each of Shanghai MedSci Registered Shareholders in favor of the WFOE on November 5, 2021, each of Shanghai MedSci Registered Shareholders authorized and appointed the WFOE, as his/her/its agent to act on his/her/its behalf to exercise or delegate the exercise of all his/her/its rights as shareholders of Shanghai MedSci. For details of the rights granted, see "— (5) Shareholders' Rights Entrustment Agreements" above.

The WFOE shall have the right to further delegate the rights so delegated to its directors or other designated person. Each of Shanghai MedSci Registered Shareholders irrevocably agreed that the authorization appointment in the Shanghai MedSci Shareholders' Powers of Attorney shall not be invalid, revoked, prejudiced or otherwise adversely affected by reason of his/her loss of or restriction on capacity, death or other similar events.

Unless terminated in accordance with the provisions thereof, the Shanghai MedSci Shareholders' Powers of Attorney shall remain effective perpetually from November 5, 2021. See "— Termination of the Contractual Arrangements" below for details.

Each of Hefei Kang'en Registered Shareholders executed the shareholders powers of attorney (the "**Hefei Kang'en Shareholders' Powers of Attorney**", and together with Shanghai MedSci Shareholders' Powers of Attorney, the "**Shareholders' Powers of Attorney**") in favor of the WFOE on November 5, 2021. The terms of Hefei Kang'en Shareholders' Powers of Attorney have no material differences from and substantially mirror the terms of Shanghai MedSci Shareholders' Powers of Attorney set out above.

(7) Spouse Undertakings

Pursuant to the spouse undertakings (the "**Shanghai MedSci Spouse Undertakings**") dated November 5, 2021, the respective spouse of each of Shanghai MedSci Registered Shareholders who are individuals has irrevocably undertaken to the WFOE that:

(a) the spouse has full knowledge of and has consented to the entering into of the Shanghai MedSci Contractual Arrangements, and in particular, the arrangement as set out in the Shanghai MedSci Contractual Arrangements in relation to the restrictions imposed on the direct or indirect equity interests in Shanghai MedSci, the pledge or transfer of the direct or indirect equity interests in Shanghai MedSci, or the disposal of the direct or indirect equity interests in Shanghai MedSci in any other forms;

(b) the spouse has not participated, is not participating and shall not in the future participate in the operation, management, liquidation, dissolution and other matters in relation to our PRC Affiliated Entities;

(c) the spouse authorizes the respective Shanghai MedSci Registered Shareholder or his/her authorized person to execute all necessary documents and perform all necessary procedures from time to time for and on behalf of the spouse in relation to the spouse's direct or indirect equity interests in Shanghai MedSci in order to safeguard the interests of the WFOE under the Shanghai MedSci Contractual Arrangements and give effect to the fundamental purposes thereunder, and confirms and agrees to all such documents and procedures;

(d) any undertaking, confirmation, consent and authorization under Shanghai MedSci Spouse Undertakings shall not be revoked, prejudiced, invalidated or otherwise adversely affected by any increase, decrease, consolidation or other similar events relating to the direct or indirect equity interests in Shanghai MedSci;

(e) any undertaking, confirmation, consent and authorization under Shanghai MedSci Spouse Undertakings shall not be revoked, prejudiced, invalidated or otherwise adversely affected by death, loss of or restriction on capacity of the spouse, divorce or other similar events; and

(f) all undertakings, confirmations, consents and authorizations under Shanghai MedSci Spouse Undertakings shall continue to be valid and binding until otherwise terminated by both the WFOE and the spouse of the respective Shanghai MedSci Registered Shareholder in writing.

Shanghai MedSci Spouse Undertakings shall have the same term as and incorporate the terms of the Shanghai MedSci Exclusive Business Cooperation Agreement.

The respective spouse of each of Hefei Kang'en Registered Shareholders who are individuals issued spouse undertakings (the "**Hefei Kang'en Spouse Undertakings**", and together with Shanghai MedSci Spouse Undertakings, the "**Spouse Undertakings**") dated November 5, 2021 to the WFOE. The terms of Hefei Kang'en Spouse Undertakings have no material differences from and substantially mirror the terms of Shanghai MedSci Spouse Undertakings set out above.

Confirmation from the Registered Shareholders

Each of Dr. Li, Dr. Zhang and Mr. Yang has confirmed to the effect that (i) his/her interests do not fall within the scope of communal properties, and his/her spouse does not have the right to claim any interests in the Onshore Holdcos (together with any other interests therein) or exert influence on the day-to-day management and voting matters of the Onshore Holdcos; and (ii) in the event of his/her death, disappearance, incapacity, divorce, marriage or any other event which causes his/her inability to exercise his/her rights as a shareholder of the Onshore Holdcos, his/her successors (including his/her spouse) will not take any actions that would affect his/her obligations under the Contractual Arrangements.

DISPUTE RESOLUTION

The Contractual Arrangements provide that:

(a) any dispute, controversy or claim arising out of or in connection with the performance, interpretation, breach, termination or validity of the Contractual Arrangements shall be resolved through negotiation after one party delivers to the other parties a written negotiation request setting out the specific statements of the disputes or claims;

(b) if the parties are unable to settle the dispute within 30 days of delivery of such written negotiation request, any party shall have the right to refer the dispute to, and have the dispute finally resolved by, arbitration administered by the Shanghai International Economic and Trade Arbitration Commission in Shanghai, the PRC under the prevailing effective arbitration rules thereof. The results of the arbitration shall be final and binding on all relevant parties;

(c) the arbitration commission shall have the right to award remedies over the equity interests, property interests and other assets of our PRC Affiliated Entities, injunctive relief (for the conduct of business or to compel the transfer of assets), or order the winding up of our PRC Affiliated Entities; and

(d) upon request by any party, the courts of competent jurisdictions shall have the power to grant interim remedies in support of the arbitration pending formation of the arbitral tribunal or in appropriate cases. The courts of PRC, Hong Kong,

the Cayman Islands and the place where the principal assets of our Company, our PRC Affiliated Entities are located shall be considered as having jurisdiction for the above purposes.

In connection with the dispute resolution method as set out in the Contractual Arrangements and the practical consequences, we are advised by our PRC Legal Adviser that:

(a) under PRC laws, an arbitral body does not have the power to grant any injunctive relief or provisional or final liquidation order for the purpose of protecting assets of or interests in our PRC Affiliated Entities in case of disputes. As such, these remedies may not be available to our Group under PRC laws;

(b) further, under the PRC laws, courts or judicial authorities in the PRC generally would not award remedies over the shares and/or assets of our PRC Affiliated Entities, injunctive relief or winding-up of our PRC Affiliated Entities as interim remedies, before there is any final outcome of arbitration;

(c) however, the PRC laws do not disallow the arbitral body to give award of transfer of assets of or equity interests in our PRC Affiliated Entities at the request of arbitration applicant. In the event of non-compliance with such award, enforcement measures may be sought from the court. However, the court may or may not support such award of the arbitral body when deciding whether to take enforcement measures;

(d) in addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; therefore, in the event we are unable to enforce the Contractual Arrangements, we may not be able to exert effective control over our PRC Affiliated Entities, and our ability to conduct our business may be negatively affected; and

(e) even if the above-mentioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreement under the Contractual Arrangements.

As a result of the above, in the event that our PRC Affiliated Entities or any of the Registered Shareholders breaches any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our PRC Affiliated Entities and conduct our business could be materially and adversely affected. See "Risk Factors — Risks Relating to our Contractual Arrangements" in this Document for details.

PROTECTION IN THE EVENT OF DEATH, BANKRUPTCY OR DIVORCE OF THE REGISTERED SHAREHOLDERS

As disclosed above, pursuant to the Spouse Undertakings, each of the spouse of the relevant Registered Shareholders who are individuals has irrevocably undertaken that, among others, the spouse authorizes the relevant Registered Shareholders and his/her authorized person to execute all necessary documents and perform all necessary procedures from time to time for and on behalf of the spouse in relation to the direct and indirect equity interests of the relevant Registered Shareholders in Onshore Holdcos in order to safeguard the interests of the WFOE under the Contractual Arrangements and give effect to the fundamental purposes thereunder, and confirms and agrees to all such documents and procedures and any undertaking, confirmation, consent and authorization under the Spouse Undertakings shall not be revoked, prejudiced, invalidated or otherwise adversely affected by death, loss of or restriction on capacity of the spouse, divorce or other similar events. See "— (7) Spouse Undertakings" above for details.

In addition, as disclosed above, pursuant to the Exclusive Business Cooperation Agreements, (i) the Registered Shareholders who are individuals undertook to the WFOE that in the event of death, loss of or restriction on capacity, divorce or other circumstances which may affect the exercise of his/her direct or indirect equity interests in Onshore Holdcos, he/she shall have made all necessary arrangement and sign all necessary documents such that his/her successor, guardian, spouse and any other person which may, as a result of the above events, obtain the equity interests or relevant rights shall not prejudice or hinder the enforcement of the Contractual Arrangements; (ii) the Registered Shareholders which are institutions undertook to the WFOE that, in the event of dissolution, liquidation, revocation or other circumstances which may affect the exercise of its direct or indirect equity interests in Onshore Holdcos, it shall have made all necessary arrangement and sign all necessary documents such that its successor, administrator and liquidator and any other person which may, as a result of the above events, obtain the equity interests or relevant rights shall not prejudice or hinder the enforcement of the Contractual Arrangements.

PROTECTION IN THE EVENT OF DISSOLUTION OR LIQUIDATION OF OUR CONSOLIDATED AFFILIATED ENTITIES

Pursuant to the Exclusive Business Cooperation Agreements, in the event of the dissolution or liquidation of the Consolidated Affiliated Entities, the Registered Shareholders undertake that, among others, the WFOE and/or its designee shall have the right to exercise all shareholders' rights on behalf of the Registered Shareholders and shall instruct the Registered Shareholders to transfer assets received under PRC laws directly to the WFOE and/or our designee. See "— (1) Exclusive Business Cooperation Agreements" above for details.

Furthermore, the WFOE has been irrevocably authorized and entrusted to exercise the rights of Registered Shareholders as shareholders of the Onshore Holdcos. See "— (5) Shareholders' Rights Entrustment Agreements" above for details.

LOSS SHARING

In the event that it incurs any loss or encounters any operational crisis, the WFOE may, but is not obliged to, provide financial support to the Consolidated Affiliated Entities.

None of the agreements constituting the Contractual Arrangements provide that our Company or its wholly-owned PRC subsidiary, the WFOE, is obligated to share the losses of the Consolidated Affiliated Entities. Further, the Consolidated Affiliated Entities shall be solely liable for their own debts and losses with assets and properties owned by them.

Under PRC laws and regulations, our Company or the WFOE, is not expressly required to share the losses of the Consolidated Affiliated Entities or provide financial support to the Consolidated Affiliated Entities. Despite the foregoing, given that the Consolidated Affiliated Entities' financial condition and results of operations are consolidated into our Group's financial condition and results of operations under the applicable accounting principles, our Company's business, financial condition and results of operations would be adversely affected if the Consolidated Affiliated Entities suffer losses. However, due to the restrictive provisions contained in the Contractual Arrangements as disclosed in "— (3) Exclusive Call Option Agreements" above, the potential adverse effect on the WFOE and our Company in the event of any loss suffered from the Consolidated Affiliated Entities can be limited to a certain extent.

TERMINATION OF THE CONTRACTUAL ARRANGEMENTS

Each of the Contractual Arrangements provides that: (a) each of the Contractual Arrangements shall be terminated upon the completion of the purchase of all the interests that the Registered Shareholders (directly and indirectly) hold in the Consolidated Affiliated Entities by the WFOE or another party designated by our Company pursuant to the terms of the Exclusive Call Option Agreements, save for the Equity Pledge Agreements which shall continue to be in force until all obligations thereunder have been performed or all Secured Indebtedness has been repaid in full; (b) the WFOE shall have the right to terminate the Contractual Arrangements by serving 30-day prior notice; and (c) the Consolidated Affiliated Entities or the Registered Shareholders shall not be entitled to unilaterally terminate the Contractual Arrangements in any situation other than prescribed by the laws.

In the event that PRC laws and regulations allow the WFOE or us to directly hold all or part of the interests in our Consolidated Affiliated Entities and operate the relevant restricted/prohibited business in the PRC, the WFOE shall exercise the Equity Call Option as soon as practicable and the WFOE or its designated party shall purchase such amount of interests to the extent permissible under the PRC laws and regulations, and upon exercise in full of the Equity Call Option and the acquisition of all the interests that the Registered Shareholders (directly and indirectly) hold in our Consolidated Affiliated Entities by the WFOE or another party designated by our Company pursuant to the terms of the Exclusive Call Option Agreements, each of the Contractual Arrangements shall be automatically terminated. The Registered Shareholders have undertaken to compensate to the WFOE or

its respective designated entity any consideration they received in the event that the WFOE or its respective designated purchaser acquire all or part of the interests in the Consolidated Affiliated Entities.

INSURANCE

There are certain risks involved in our operations, in particular, those relating to our corporate structure and the Contractual Arrangements. A detailed discussion of material risks relating to our Contractual Arrangements is set forth in "Risk Factors — Risks Relating to Our Contractual Arrangements". We have determined that the costs of insurance for the risks associated with business liability or disruption and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Accordingly, as of the Latest Practicable Date, our Company did not purchase any insurance to cover the risks relating to the Contractual Arrangements. See "Risk Factors — Risks Relating to Our Business and Industry — We have limited business insurance coverage, which could expose us to significant costs and business disruption."

ARRANGEMENT TO ADDRESS POTENTIAL CONFLICT OF INTEREST

We have in place arrangements to address the potential conflicts of interest between the Registered Shareholders on one hand, and our Company on the other hand. Pursuant to the Exclusive Business Cooperation Agreements, each of the Registered Shareholders undertakes to the WFOE that, unless with the prior written consent of the WFOE, the Registered Shareholders shall not directly or indirectly engage, participate in, conduct, acquire or hold any Competing Business and the WFOE is granted an option to (i) require the entity engaging in the Competing Business to enter into an arrangement similar to that of the Contractual Arrangements; or (ii) require the entity engaging in the Competing Business to cease operation. See "— (1) Exclusive Business Cooperation Agreement" above for details. Our Directors are of the view that the measures we have adopted are sufficient to mitigate the risks associated with the potential conflicts of interest between the Registered Shareholders on one hand, and our Company on the other hand.

OUR CONFIRMATION

As of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through the Consolidated Affiliated Entities under the Contractual Arrangements. As advised by our PRC Legal Advisor, other than as disclosed in "Risk Factors — Risks relating to our Contractual Arrangements — Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could negatively affect our financial condition and the value of your [REDACTED]", we are not subject to any additional material income tax exposures as a result of the adoption of the Contractual Arrangements.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

On April 15, 2022 and February 10, 2023, our PRC Legal Adviser and the PRC legal adviser of the Joint Sponsors consulted the SCA, which have provided verbal confirmations that the adoption of the Shanghai MedSci Contractual Arrangements would not be subject to any approval or consent from the SCA, and the Shanghai MedSci Contractual Arrangements do not conflict or violate any applicable PRC laws and regulations.

On April 18, 2022, our PRC Legal Adviser and the PRC legal adviser of the Joint Sponsors made a consultation with the ARTA, which have provided verbal confirmations that the adoption of Hefei Kang'en Contractual Arrangements would not be subject to any approval or consent from the ARTA, and the Hefei Kang'en Contractual Arrangements do not conflict or breach any applicable PRC laws and regulations.

As disclosed in "— PRC Laws and Regulations relating to Foreign Ownership Restrictions" above, our PRC Legal Adviser is of the view that the SCA and the ARTA are the competent government authorities to regulate our Relevant Businesses.

Our PRC Legal Adviser is of the opinion that:

(a) each of the Consolidated Affiliated Entities was duly incorporated and is validly existing and their respective establishment is valid, effective and complies with the relevant PRC laws and regulations, and each of the Registered Shareholders is with full civil and legal capacity. Each of the Consolidated Affiliated Entities has also obtained all material approvals and finished all material registration for conducting their businesses as required by PRC laws and regulations and has the capacity to carry out business operations in accordance with its licenses and approvals;

(b) the Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements are legal, valid and binding on the parties thereto, except that the Contractual Arrangements provide that the arbitral body may award remedies over the shares and/or assets of the Consolidated Affiliated Entities, injunctive relief and/or winding up of our PRC Affiliated Entities, and that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal, while under PRC laws, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting the assets of or equity interests in the Consolidated Affiliated Entities in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts, such as the courts of Hong Kong and the Cayman Islands, may not be recognizable or enforceable in China;

(c) the Contractual Arrangements do not violate the provisions of "impairing others' legitimate rights and interests with malicious collusions" as stipulated in the PRC Civil Code (《中華人民共和國民法典》) (the "**Civil Code**"), or fall within any circumstances under which a contract may be determined invalid pursuant to the Civil Code;

(d) entering into and performance of the Contractual Arrangements is not in violation of provisions of the articles of association of each of the WFOE and the Consolidated Affiliated Entities;

(e) entering into and the performance of the Contractual Arrangements are not required to obtain any approvals or authorizations from the PRC governmental authorities, except that: (i) the pledge of any equity interests in the Onshore Holdcos in favor of the WFOE is subject to registration requirements with relevant Administration Bureau for Market Regulation; (ii) the equity transfer of the Onshore Holdcos contemplated under the Contractual Arrangements is subject to applicable approval and/or registration requirements under the then applicable PRC laws; (iii) any arbitral awards or foreign rulings and/or judgments in relation to the performance of the Contractual Arrangements are subject to applications to competent PRC courts for recognition and enforcement; and

(f) the Contractual Arrangements do not violate the M&A Rules.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to, or otherwise different from, the above opinion of our PRC Legal Adviser. If the PRC government finds that the Contractual Arrangements do not comply with PRC government restrictions on foreign investment in the relevant businesses, we could be subject to severe penalties, which could include:

(1) revoking the business and operating licenses of the WFOE and the Consolidated Affiliated Entities;

(2) restricting or prohibiting related party transactions between the WFOE and the Consolidated Affiliated Entities;

(3) imposing fines or other requirements with which we, the WFOE and the Consolidated Affiliated Entities may find it difficult or impossible to comply with;

(4) requiring us, the WFOE and the Consolidated Affiliated Entities to restructure the relevant ownership structure or operations; and

(5) restricting or prohibiting the use of any [REDACTED] from the [REDACTED] to finance our business and operations in the PRC.

Taking into account that (i) as of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through the Consolidated Affiliated Entities under the Contractual Arrangements which confer the control and economic benefits of the Consolidated Affiliated Entities to us, and (ii) the above analysis and advice from our PRC Legal Adviser and confirmation from relevant governmental authorities, the Directors are of the view that the adoption of the Contractual Arrangements is unlikely to be deemed ineffective or invalid under the applicable PRC laws and regulations, and that the Contractual

Arrangements are enforceable under the PRC laws and regulations, other than the exception as discussed in paragraph (b) under "— Legality of the Contractual Arrangements" above. See "Risk Factors — Risks Relating to Our Contractual Arrangements" for the relevant risk.

Given that the Contractual Arrangements will constitute non-exempt continuing connected transactions of our Company, a waiver has been sought from and has been granted by the Stock Exchange, details of which are disclosed in "Connected Transactions".

DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

Background of the Foreign Investment Law

On March 15, 2019, the NPC approved the Foreign Investment Law (《中華人民共和國外商投資法》) which became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》), which came into effect on January 1, 2020. The Foreign Investment Law replaced the Sino-Foreign Equity Joint Venture Enterprise Law (《中華人民共和國中外合資經營企業法》), the Sino-Foreign Cooperative Joint Ventures Enterprise Law (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign Invested Enterprises Law (《中華人民共和國外資企業法》) to become the legal foundation for foreign investment in the PRC. The Foreign Investment Law stipulates certain forms of foreign investment, but does not explicitly stipulate contractual arrangements as a form of foreign investment. The Implementation Regulations on the Foreign Investment Law are also silent on whether foreign investment includes contractual arrangements.

Impact and Consequences of the Foreign Investment Law

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, including our Group. We use the Contractual Arrangements to establish control of the Consolidated Affiliated Entities, by the WFOE through which we operate our business in the PRC. As advised by our PRC Legal Adviser, since contractual arrangements are not specified as foreign investment under the Foreign Investment Law, if future laws, regulations and provisions prescribed by the State Council do not incorporate contractual arrangements as a form of foreign investment, our Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements do not contravene the Foreign Investment Law in any material aspect, and will not be affected and will continue to be legal, valid and binding on the parties with an exception that an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting the assets of or equity interests in the Consolidated Affiliated Entities in case of disputes, and that interim remedies or enforcement orders granted by overseas courts such as the courts of Hong Kong and the Cayman Islands may not be recognizable or enforceable in China. See "— Legality of the Contractual Arrangements" above for details.

Notwithstanding the above, the Foreign Investment Law stipulates that foreign investment includes "foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council" without

elaboration on the meaning of "other methods". There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled by relevant PRC authorities. Therefore, there is no guarantee that the Contractual Arrangements and the business of the Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. See "Risk Factors — Risks Relating to Our Contractual Arrangements — Substantial uncertainties exist with the regulations regarding foreign ownership restrictions and how the 2022 Decision may impact the viability of our current corporate structure."

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

(a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion as and when they arise;

(b) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(c) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and

(d) our Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the WFOE and the Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

In addition, notwithstanding that two of our Directors, Dr. Li and Dr. Zhang, are the Registered Shareholders, our Company believes that our Directors are able to perform their roles in our Group independently and our Group is capable of managing its business independently after the [REDACTED] under the following measures:

(a) the decision-making mechanism of our Board as set out in the Articles of Association includes provisions to avoid conflict of interest by providing, amongst other things, that in the event of conflict of interest in such contract or arrangement which is material, a Director shall declare the nature of his or her interest at the earliest meeting of our Board at which it is practicable for him or her to do so, and if he or she is to be regarded as having material interest in any contracts or arrangements, such Director shall abstain from voting and not be counted in the quorum;

(b) each of our Directors is aware of his or her fiduciary duties as a Director which requires, amongst other things, that he or she acts for the benefits and in the best interests of our Group;

(c) our Company will appoint three independent non-executive Directors, comprising more than one-third of the Board, to provide a balance of the number of interested and independent Directors with a view to promoting the interests of our Company and the Shareholders as a whole; and

(d) our Group will disclose in its announcements, circulars and annual and interim reports in accordance with the requirements under the Listing Rules regarding decisions on matters reviewed by our Board (including independent non-executive Directors) relating to any business or interest of each Director and his associates that competes or may compete with the business of our Group and any other conflicts of interest which any such person has or may have with our Group.

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Consolidation of financial results of operating entities

According to IFRS 10 — Consolidated Financial Statements, a subsidiary is an entity that is controlled by another entity (known as the parent). An investor controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As a result of the aforementioned Contractual Arrangements, our Company has obtained control of the Consolidated Affiliated Entities through the WFOE and, at our Company's sole discretion, can receive all of the economic interest returns generated by the Consolidated Affiliated Entities.

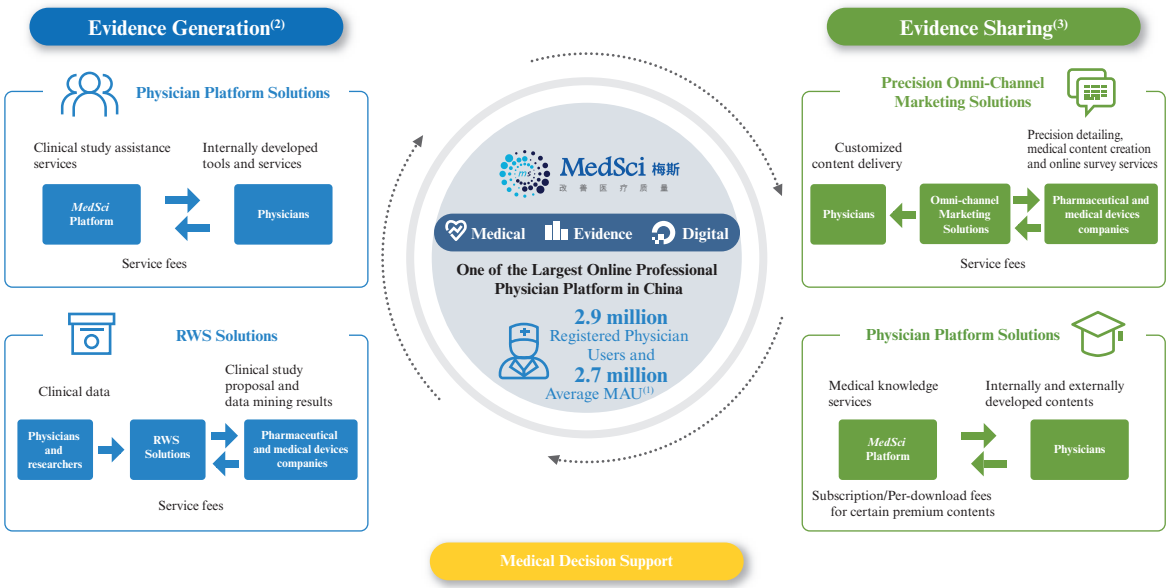
As there is no change in management of our business for [REDACTED] and the majority of owners of our businesses remained the same, our Group resulting from the Reorganization (including the entering into of the Contractual Arrangements) is regarded as a continuation of the businesses of the Consolidated Affiliated Entities. In addition, as a result of the Contractual Arrangements, our Group has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is considered to control the Consolidated Affiliated Entities. Consequently, our Company regards the Consolidated Affiliated Entities as our indirect subsidiaries for accounting purposes. Accordingly, our financial results during the Track Record Period (or where the entity was established on a date later than January 1, 2020, for the period from the date of establishment to December 31, 2022) can be prepared on a consolidated basis and is presented using the carrying values of the businesses of the Consolidated Affiliated Entities for all periods presented.

The financial information in the Accountant's Report has consolidated the financial results of the Consolidated Affiliated Entities during the Track Record Period as if they were consolidated subsidiaries. The basis of consolidating the results of the Consolidated Affiliated Entities is disclosed in notes 2 and 3 to the Accountant's Report set out in Appendix I to this Document.

OVERVIEW

We operate online professional physician platforms in China. As of December 31, 2022, our platform had approximately 2.9 million registered physician users and our average MAU reached approximately 2.7 million in 2022. Our *MedSci* platform also features a high percentage of experienced physician users with the title of associate-chief physician (副主任醫師) and above. As of December 31, 2021, the total number of registered physician users on our *MedSci* platform who had the title of associate-chief physician and above represented 67.1% of the total number of physicians in China who had obtained the title of associate-chief physician and above, based on the latest published information from the NHC. Our *MedSci* platform is accessible through multiple channels such as website, mobile application, WeChat mini-program and WeChat public account. While key functions of the *MedSci* platform are self-developed by us, third parties, primarily pharmaceutical and medical device companies, also provide ancillary support, such as academic medical contents they created or copyrighted.

As illustrated by the diagram below, we mainly provide physician platform solutions, precision omni-channel marketing solutions and RWS solutions to our customers. We believe such solution offerings can help generate and share meaningful medical evidence to a wider physician community and help guide prescription decisions of physicians in order to promote the rational use of medical products and deliver better value and care to patients. We are committed to solidifying our position as a platform-based, professional-knowledge-oriented and digitalized med-tech company and aspire to enhance the overall quality of patients' healthcare through the value offered by generating and sharing medical evidence. The diagram below provides an overview of our service offerings alongside the value we offered:



Note:

(1) For the year ended/as of December 31, 2022

(2) Our clinical study assistance services and RWS solutions can support the generation of medical evidence for physicians, pharmaceutical and medical device companies and other industry stakeholders, respectively.

(3) Our precision omni-channel marketing solutions and medical knowledge services can share medical evidence to a wide group of pharmaceutical and medical device companies, physicians and other industry stakeholders.

Our solution offerings address the needs and demands of our customers. Our main businesses cover:

- ***Precision Omni-channel Marketing Solutions.*** Benefiting from our large physician user base and high percentage of experienced physician users, we believe we are the platform of choice for pharmaceutical and medical device companies to conduct digital marketing. During the Track Record Period, we primarily generated revenue from the provision of precision omni-channel marketing solutions to pharmaceutical and medical device companies.

  Precision Detailing Services. Aided by our academic medical expertise and big data capabilities, we deliver academic medical contents designed in collaboration with pharmaceutical and medical device companies as well as other relevant academic medical contents on our *MedSci* platform to target groups of physicians through our *MedSci* platform based on criteria specified by pharmaceutical and medical device companies accurately and cost-effectively.

  Medical Content Creation Services. Enabled by academic medical expertise, we offer medical content creation services through which we design customized highly professional academic medical contents, primarily on products from pharmaceutical and medical device companies based on the stage of the relevant product's life cycle, its competitive position, the prescription patterns of target physicians and other relevant factors. We may either deliver the academic medical contents created directly on our *MedSci* platform or in other channels, such as in offline conferences held, through precision detailing services as specified by our customers.

Online Survey Services. We offer online survey services to pharmaceutical and medical device companies by providing a customized electronic survey that targets specific groups of physicians on our *MedSci* platform based on the specialty, academic background, seniority, interest, geographical location and other factors requested specifically by pharmaceutical and medical device companies. Our survey questionnaires are carefully designed to gauge physicians' attitudes towards specified products such that pharmaceutical and medical device companies can gain meaningful insights on physicians' perceptions on medical products. As a result, such pharmaceutical and medical device companies can, with the results from our online survey services, optimize their products and marketing strategies to improve sales.

See "— Our Value Propositions — Value Propositions to Pharmaceutical and Medical Device Companies" and "— Our Value Propositions — Value Propositions to Physicians" for additional benefits of our precision omni-channel marketing solutions for pharmaceutical and medical device companies and physicians.

- ***Physician Platform Solutions.*** Our physician platform solutions primarily include medical knowledge services through which we provide the latest medical knowledge information to physicians and clinical study assistance services through which we support physicians during their clinical studies.

  Medical Knowledge Services. Our *MedSci* platform provides a setting for physicians to learn and share the latest medical knowledge information and medical evidence in the healthcare market. We offer and screen useful information from various sources and are committed to accurately delivering quality and targeted academic medical contents to physicians, saving their time and effort required to filter medical knowledge information. See "Business — Our Value Propositions — Value Propositions to Physicians" for additional benefits of our medical knowledge services to physicians. As of December 31, 2022, our platform featured over 15,800 videos that share medical knowledge, covered over 644,000 research findings, created approximately 195,000 materials on the latest medical developments and established over 127,500 online discussion forums for physicians to exchange cases and research findings. Most of the contents on our *MedSci* platform are offered free of charge, and we charge physician users subscription fees or per-download fees only for certain premium contents.

Clinical Study Assistance Services. We also provide clinical study assistance to physicians in their investigator-initiated trials ("**IITs**") and other non-registered clinical trials. While certain documentation, such as the protocols we helped designed, are delivered through email directly, our clinical study assistance services are primarily delivered through our *MedSci* platform by providing required software tools, offering supporting analysis and giving insights on academic medical papers in designated interfaces within our *MedSci* platform pursuant to our agreements with our physician customers. Physicians can easily access deliverables and track progress of our services by using our *MedSci* platform. See "— Our Value Propositions — Value Propositions to Physicians" for additional benefits of our clinical study assistance services to physicians.

- ***RWS Solutions.*** Our RWS solutions primarily involve offering real-world evidence-based research to pharmaceutical and medical device companies regarding their products' safety and effectiveness. We help design overall RWS protocols, provide assistance in recruiting and obtaining ethical approvals from participating physicians, researchers and hospitals and generate meaningful insights that can improve the understanding of not only the products being studied, but also the diseases generally, in order to provide our customers with information to potentially help them expand the respective indications of their products. Furthermore, our RWS solutions can also form the basis of academic medical contents that are meaningful for physicians, enabling pharmaceutical and medical device companies to better market their medical products with more information and data collected during RWS. See "— Our Value Propositions — Value Propositions to Pharmaceutical and Medical Device Companies" for additional benefits of our RWS solutions to pharmaceutical and medical device companies. Our RWS solutions include assisting pharmaceutical and medical device companies in designing RWS protocols, administrating the project operation, collecting, assessing and analyzing the clinical or real-world data obtained and transforming findings discovered into rigorous academic materials. While documentations generated during RWS solutions may be provided through emails, tools offered as part of our RWS solutions, such as *iClinical Station*, *ePRO* and *eDiary*, are delivered through our *MedSci* platform. Moreover, leveraging the large physician user base, we can efficiently help pharmaceutical and medical device companies locate physicians and medical institutions that are suited for their RWS.

- ***Other Products and Services.*** We are in the process of launching various other products and services, to physicians, hospitals and non-profit organizations. For instance, we intend to offer (i) digital therapy programs, which are expected to be launched between 2023 and 2025, for the clinical treatment of insomnia, (ii) VR diagnosis products, which are expected to be launched in the fourth quarter of 2023, through which physicians can better use their time in the clinical study of rare diseases, (iii) prognosis modelling services, which are expected to be launched in the fourth quarter of 2023, on complications for rare diseases such that early prevention measures can be taken and (iv) chronic disease management services, which are expected to be launched in the fourth quarter of 2023, that facilitate better treatment outcomes for patients. We intend to receive relevant service fees or subscription fees from our customers for the other products and services provided. We intend to deliver the above mentioned other products and services on our *MedSci* platform as digital tools. See "— Our Business Services — Other Products and Services" for more details.

  The below table summarizes the services, ways of dissemination, major tools, target audience and monetization model of our main solution offerings:

Solution	Service	Ways of Dissemination	Major Tools	Target Audience	Monetization Model
Precision Omni-channel Marketing Solutions	Precision Detailing Services	Email Communication and *MedSci* Platform	Yi Xun Da (醫迅達)	Pharmaceutical and Medical Device Companies	Fees paid by pharmaceutical and medical device companies
	Medical Content Creation Services	Email Communication		Pharmaceutical and Medical Device Companies	Fees paid by pharmaceutical and medical device companies
	Online Survey Services	Email Communication and *MedSci* Platform		Pharmaceutical and Medical Device Companies	Fees paid by pharmaceutical and medical device companies
Physician Platform Solutions	Medical Knowledge Services	*MedSci* Platform	Dr. MedSci (梅斯醫生)	Physicians	Free of charge for most contents and subscription or per-download fees from physicians for premium contents
	Clinical Study Assistance Services	Email Communication and *MedSci* Platform	MedSci Cloud (梅斯醫學科研雲平台) Research Accelerator (科研加速器)	Physicians	Fees from physicians for specific services or tools that we provide
RWS Solutions	N/A	Email Communication and *MedSci* Platform	iDrugSafety (藥物警戒系統) iClinical Station (臨床研究平台) ePRO (電子患者報告結局) eDiary (電子患者日誌)	Pharmaceutical and Medical Device Companies	Fees paid by pharmaceutical and medical device companies

We take into account a variety of factors in determining our pricing strategies, such as market demand, nature, scope and complexity of the project, the specific services provided, anticipated market trends and the prices of our competitors' products. We believe our pricing strategies are in line with the market trends.

We adhere to the two drivers of medical expertise and digitalization to serve our customers, primarily pharmaceutical and medical device companies and physicians, and to expand our business. Our medical expertise, evidenced by our 145 employees who achieved the degree of masters or above in the field of, among others, pharmacy, medicine, life sciences, traditional Chinese medicine and animal healthcare, allows us to provide comprehensive academic and professional support to registered physician users. It also enables us to serve the digital healthcare marketing needs of pharmaceutical and medical device companies through delivering targeted academic medical contents to our registered physician users. Meanwhile, the digitalization makes academic medical contents distribution for contents created by pharmaceutical and medical device companies or by us and easy-to-access research assistance to registered physician users possible. It further enhances the appeal of our physician platform-based RWS support to pharmaceutical and medical device companies through efficiently helping them locate physicians and healthcare institutions that are truly suited for their RWS and potentially expanding the indications of drugs and medical devices.

As a result of the above, we delivered strong financial performance during the Track Record Period. Our total revenue increased by 37.9% from RMB215.9 million in 2020 to RMB297.7 million in 2021 and further increased by 17.2% to RMB349.0 million in 2022. Such strong financial performance is primarily driven by (i) our evolving professional service capabilities; (ii) our ability to retain existing customers and expand our customer base to capture new customers; and (iii) the standardization of our service portfolio on our *MedSci* platform.

OUR STRENGTHS

One of the largest online professional physician platform in terms of registered physician users and MAU

We operate one of the largest online professional physician platforms in China in terms of registered users and average MAU in 2021, according to Frost & Sullivan. As of December 31, 2022, our platform had approximately 2.9 million registered physician users and our average MAU reached approximately 2.7 million in 2022. Furthermore, our *MedSci* platform also features a high percentage of experienced physician users. As of December 31, 2021, the total number of registered physician users on our *MedSci* platform who had the title of associate-chief physician and above represented 67.1% of the total number of physician in China who had obtained the title of associate-chief physician and above, based on the latest published information from the NHC. We believe that large number of experienced physician users is essential to our business. As experienced physician users have relatively higher medical study needs, they are important customers for our physician platform solutions and key sources of data for our RWS solutions. Furthermore, they are the most important targets of our precision omni-channel marketing solutions

because their familiarity with certain drugs and medical devices guides their prescription decisions and we believe that their opinions are also essential for pharmaceutical and medical device companies to update their medical products.

We are able to provide high-quality academic medical contents to physicians, driving the growth in the number of users on our *MedSci* platform. During the Track Record Period, our content production team created a vast volume of academic medical contents on our platform, achieving comprehensive coverage of almost all therapeutic areas. As of December 31, 2022, the contents on our *MedSci* platform include, among other things, approximately 644,000 research findings and approximately 195,000 materials on the latest medical developments. We also collaborated with a number of KOLs in developing academic medical contents in the format of online courses, primarily covering interpretation of the latest medical evidence and findings, medical study development and industry guidelines. We believe that the comprehensive coverage of academic medical contents we offer helps us create an endogenous physician platform that can independently attract physician users and foster user loyalty without relying on traffic brought by third-party sources. The number of the registered users increased from approximately 3.4 million as of December 31, 2020 to approximately 4.0 million as of December 31, 2021, and further to approximately 4.5 million as of December 31, 2022. The number of registered physician users increased from approximately 2.3 million as of December 31, 2020 to approximately 2.6 million as of December 31, 2021, and further to approximately 2.9 million as of December 31, 2022.

Our users are highly engaged. Our *MedSci* platform assists physicians in conducting medical studies to generate useful medical evidence and enables physicians to access recent academic developments in the healthcare market to promote evidence sharing. As a result of the useful tools and high-quality contents on our *MedSci* platform, the user engagement, especially among experienced physicians, increased substantially during the Track Record Period. The average MAU on *MedSci* platform increased from approximately 1.5 million in 2020 to 2.5 million in 2021 and to 2.7 million in 2022. Strong engagement of experienced physicians is the key to the generation and sharing of medical evidence and other medical knowledge information as such evidence and information can fuel the development of the healthcare industry when readily accessible to a wide group of physicians.

The premium contents and service offerings on our platform have been well-received by the medical community. In 2021, we charged on average RMB19,000 per project for our clinical study assistance services because, leveraging our academic medical expertise, we can provide professional supports such as protocol design, database management, statistical analysis and research findings transformation. Additionally, we launched our membership subscription service model in September 2021, providing premium access to certain quality academic medical contents to subscribing users. The subscription membership can be accessed across difference devices and allows multiple logins, and our agreements with registered users prohibit transfers of membership to other individuals. As of the Latest Practicable Date, the number of subscribing users grew rapidly to 64,343.

During the Track Record Period, we also received various awards in recognition of our *MedSci* platform and our contribution to the generation and sharing of medical evidence, including the Top 100 Future Medicare Provider from 2020 to 2022 & Top 100 in Digital Medicare Category (2020–2022未來醫療100強數字醫療榜TOP100), the 2021 Industry Quality Model Award (2021行業品質典範獎) by the Second International Quality Festival, the Top 100 Future Medicare Provider in 2020 — Top 10 in Digital Marketing Category (2020未來醫療100強 — 數字化營銷類TOP10) by VCBeat Research, the Top 100 Future Medicare Provider in 2019 — Top 5 in Physician Academic Training Category (2019未來醫療100強中國榜醫生學術培訓TOP5) by VCBeat Research and the 2019 Red Herring Top 100 Asia Winner (2019紅鯡魚亞洲100強) by Red Herring.

Medical expertise and research support capabilities with strong industry recognition

The medical expertise and research support capabilities are our core strength. Over the years, we have formed a dedicated medical study and research support team with deep industry understanding, who are capable of providing targeted research guidance to physicians, addressing their lifelong research and learning needs. Our medical expertise and research capabilities are evidenced by our 145 employees who achieved the degree of masters or above in the field of pharmacy, medicine, life sciences, traditional Chinese medicine and animal healthcare. Capitalizing on their academic background, these employees can contribute their knowledge and experience to guiding our clients throughout their clinical study initiatives. As a result, our medical expertise and research support capabilities have attracted various physicians and hospitals to engage us for clinical study assistance services. Leveraging our academic medical expertise and analytical abilities supported by big data capabilities and AI algorithms, we provide comprehensive clinical study support to physicians from protocol design, data management, statistical analysis to research findings transformation. During the Track Record Period, we supported physicians in conducting IITs and other non-registered clinical trials and in publishing their medical study findings in well-recognized journals, such as, among others, Nature Reviews Clinical Oncology, JAMA, Lancet Oncology and Journal of Hepatology. We have also helped a number of highly recognized tertiary hospitals in Shanghai with their clinical studies.

Furthermore, our academic medical expertise and research support capabilities also make it possible for us to provide RWS solutions. In line with the shift in prescription drug marketing where clinical and academic relevancy becomes a top priority, we assist pharmaceutical and medical device companies in efficiently gathering and understanding clinical evidence of the potential benefits and risks of their approved products, generating academic medical contents that are meaningful for physicians. Recognition among physicians of our academic medical expertise enables us to reach a wide range of physicians community who are willing to join our RWS solutions and share their insights and clinical evidence on the effectiveness and safety of products being studied. Moreover, due to our understanding of the healthcare industry and research capabilities, we are able to help assess real-world evidence obtained and generate meaningful insights in order to inform the expansion of the indications of approved products, further enabling pharmaceutical and medical device companies to better market their products. The

number of pharmaceutical and medical device companies that engaged us for RWS solutions reached 10, 37 and 86, respectively, in 2020, 2021 and 2022 and we expect such numbers to grow further.

Platform of choice for digital marketing, generating synergies with various business lines

Our digital marketing capabilities are widely recognized by pharmaceutical and medical device companies. During the Track Record Period, our customers for precision omni-channel marketing solutions included all of the top 20 global pharmaceutical and medical device companies in 2021 in terms of revenue, 82% of the top 50 global pharmaceutical and medical device companies in 2021 in terms of revenue, 50% of the innovative drug companies listed on the STAR Market pursuant to the fifth set of listing standards as of December 31, 2021 and 45% of the biotech companies listed on the Hong Kong Stock Exchange pursuant to Chapter 18A of the Listing Rules as of December 31, 2021.

Regulatory changes to volume-based procurement and substantial increases in the number of approved medical products in recent years have led pharmaceutical and medical device companies to seek digitalized and cost-effective marketing solutions to reach target physicians. Benefiting from our large and experienced physician user base, as well as academic medical contents and reputation, we believe we are well-positioned to seize the opportunity of this industry transformation by serving the digital marketing needs of pharmaceutical and medical device companies, focusing on commercializing their innovative products and services. As our network of physician users includes a high proportion of experienced physicians whose opinions are essential for pharmaceutical and medical device companies, our *MedSci* platform is highly attractive to pharmaceutical and medical device companies in launching digital marketing campaigns. Enabled by our academic medical expertise, we are able to accurately and efficiently understand and distinguish the needs and preferences of our physician users with varying interests, academic backgrounds and specialties. As such, we are able to create academic medical contents that address the needs of physicians with different backgrounds. We also work with pharmaceutical and medical device companies to create sponsored academic medical contents tailored specifically to target physicians based on criteria specified by such pharmaceutical and medical device companies. Our technology infrastructure integrates AI algorithms and big data capabilities and is able to analyze our physician users' backgrounds, allowing us to deliver customized academic medical contents catering to the interests of target physicians. As a result, we believe we are the platform of choice for pharmaceutical and medical device companies in launching digital marketing campaigns.

Our precision omni-channel marketing solutions also have proven our ability to deliver sizable returns on investment, generating synergies among our multiple solution offerings. The high-quality academic medical contents delivered through our precision omni-channel marketing solutions have attracted more physician users, which enables us to expand the operations of physician platform solutions accordingly. The growing high-quality user base further enables us to attract pharmaceutical and medical device companies to use our precision omni-channel marketing solutions and RWS solutions. As a result of such synergies, we have achieved sound operating and financial results. During the Track Record

Period, we assisted pharmaceutical and medical device companies in positioning, differentiating and marketing a total of 225 innovative drugs and medical devices with their commercialization. Our revenue from precision omni-channel marketing solutions reached RMB130.6 million, RMB184.1 million and RMB198.5 million, respectively, in 2020, 2021 and 2022.

Research and development capabilities to capture industry trends

Since our establishment, we have focused on delivering useful healthcare solutions and services that address both current and future industry needs. To that end, as of December 31, 2022, we had set up a strong information technology team, consisting of 50 members, all of which were from our research and development center, dedicated to developing other products and services with the application of advanced technologies, such as AI algorithms and big data capabilities. With their help, we are able to integrate the latest technology into our service offerings. Leveraging our technology capabilities, medical expertise and big data capabilities, we provide research and database support to physicians and hospitals through offering software programs such as *Research Accelerator* and *MedSci Cloud* and to pharmaceutical companies through software programs such as *iClinical Station* and *iDrugSafety*. See "— Our Platform — Contents on Our Platform — Medical and Clinical Study Assistance Products" for details. Such software offers image and character recognition tools, a clinical study database, automatic data desensitization tools, a pharmacovigilance database, patient management tools, clinical study randomization tools, clinical study management systems and other useful tools that can help users efficiently complete the collection and assessment of medical data and evidence.

In addition, aided by our enhanced data capabilities with our technology infrastructure, we are able to offer more products and services to our customers. We are exploring opportunities to provide prognosis modelling services for a number of highly-recognized tertiary hospitals in Shanghai on complications for rare diseases such that early prevention measures can be taken. Moreover, to enhance our modelling capabilities, we participated in data mining projects and developed macro medical expenditure forecast models in respect of certain diseases, such as ischemic stroke, to generate meaningful insights for physicians, hospitals and insurance companies.

We have also devoted our research and development capabilities to developing a digital therapy program, a VR diagnosis product and other front-end healthcare products that we believe will affect the quality of healthcare. Recognizing the potential demand for software as a therapy in cognitive-behavioral treatment of mental disorders and diseases, we target our research and development efforts into developing a digital therapy program that addresses such demand. Our digital therapy program under development, specifically designed to satisfy the clinical needs for the treatment of chronic insomnia in China, is expected to launch in the fourth quarter of 2023. Recognizing the advantage of VR as an interactive learning tool as compared to traditional learning methods such as text, graphics, video and live streaming, we developed and are in the process of launching Dr. MedSci, a VR diagnosis product that integrates over 3,000 clinical cases, to address physicians' life-long learning needs. Dr. MedSci allows physicians to better utilize their time for case studies and simulation of the real-world treatment process. The product provides an

opportunity for physicians to gain better knowledge of case symptoms, especially the symptoms of rare diseases, enhancing physicians' education efficiency. We believe the other products and services can empower physicians and other industry participants to enhance the overall healthcare quality, enabling us to stay at the forefront of healthcare reform and grow further.

Visionary and experienced management team backed by strong investor base

The leadership and foresight of our management team serve as the foundation of our success. Our co-founders, Dr. Zhang Fabao and Dr. Li Xinmei both received the degree of doctor of biomedicine. Each of our co-founders has over 15 years of experience in the healthcare and technology industries and is committed to enhancing the quality of the healthcare industry in China. Dr. Zhang Fabao and Dr. Li Xinmei are both associate professors of Anhui University of Chinese Medicine. Dr. Zhang has also served as a member of the Clinical Trial Contract Research Organization Branch of China Quality Association for Pharmaceuticals (中國醫藥質量管理協會) since October 2017. We believe their vision and extensive industry experience will continue to solidify our industry-leading position.

Other members of our management team include industry veterans from well-known pharmaceutical and medical device companies, industry experts with sound medical, marketing or other diverse experience and professional managers with proven finance or accounting backgrounds. They have, on average, more than 15 years of experience in the related fields, such as, among other things, pharmaceutical, medical, technology, healthcare, marketing or the finance industry and have a deep understanding of the related sectors, forming a comprehensive talent portfolio with complementary characteristics that can lead us to grow rapidly.

Our management team is also backed by a strong investor base. For instance, our shareholders include many professional investors in the healthcare sector, such as Qiming Venture Partners and Tencent. Leveraging our strong shareholder base, we can gain access to the latest industry trends and technologies.

OUR STRATEGIES

Continue to increase physician engagement and penetration by enriching the breadth and depth of services and information covered on our platform

A large and active physician base is fundamental to the generation and sharing of medical evidence and to our main businesses. We will continue to increase physician engagement and penetration and solidify our position as one of the largest online professional physician platform by enriching the breadth and depth of services and information covered on our *MedSci* platform.

We intend to broaden the services and information covered on our platform and the physician audience reached. We will continue to provide a comprehensive coverage of medical knowledge information, including, among other things, academic update, clinical guidance and literature, online discussion forums and topics and online courses. We believe

we will be able to further drive up user engagement by expanding our academic courses and academic supporting tools beyond clinical studies, such as translational medicine, medical administration and pharmacy. Furthermore, we plan to increase physician penetration by reaching a larger physician audience. In China, there are a large number of junior physicians, such as resident doctors and other healthcare professionals, such as nurses and pharmacists who lack sufficient medical training and access to the latest medical knowledge information and academic support services. While many of them are already registered users and/or registered physician users of our *MedSci* platform, we believe we can broaden our reach to target more junior physicians and other healthcare professionals as our registered physician users and registered users, respectively. As such, despite the fact that we have already covered a majority of physicians who had obtained the title of associate-chief physician and above as of December 31, 2022, we believe that our penetration and profitability can further grow by targeting more junior physicians as well as other physicians and healthcare professionals in need of academic medical contents and support tools. As of December 31, 2021, the total number of registered physician users on our *MedSci* platform represented 67.1% of the total number of physicians in China, based on the latest published information from the NHC. We plan to expand our service scope to cover such physician users through, among other things, forwarding live and recorded online courses to such physicians, sharing useful medical study assistance tools and other useful online applications and establishing public accounts designated to share useful medical knowledge information on WeChat or other third-party platforms or our platform covering different therapeutic areas to attract their attention.

We plan to deepen the services and information offered on our platform. While ensuring the breadth of information covered, we strive to deliver more in-depth and accurate academic medical contents for each therapeutic area. We plan to refine and enrich the contents in each different therapeutic area, adding sub-specialties for each therapeutic area to accurately deliver academic medical contents that match physician users' professional capabilities, specialty areas and academic backgrounds. We also intend to provide more values to subscribing users to promote user subscriptions and subscribing user conversion. For instance, we will provide our subscribing users with more practice-related courses and user Q&As on medical studies to improve physicians' user experience, further centralize data accumulation and increase the revenue generation from any single user. At the same time, we also plan to extend our service portfolio to cover various needs in physicians' career development, such as recruitment and personal intellectual property shaping that assists physicians and hospitals in opening up accounts on our platform to generate user-generated contents and various other academic medical contents.

Last but not least, realizing the importance of our employees in enriching the breadth and depth of services and information covered on our *MedSci* platform, we plan to retain our core employees through providing better career advancement opportunities, such as more training related to leadership and their respective areas of expertise as well as rotation opportunities over key posts to better understand our business and intend to recruit additional medical experts, editors, content creation talents, researchers and scientists in a wide variety of fields to maintain our competitiveness. See "Future Plans and Use of [REDACTED]" for more details.

Continue to update technologies on our platform and expand their applications

We will continue investing in the technology and development of our core businesses. We will devote more resources and manpower to research and development based on the nature and needs of our customers and their pipeline of new products and services.

Leveraging our rich product portfolio and service experience and enabled by our understanding of user needs, we will gradually transform our technology infrastructure into a Content and Technology Center + Software Service model. Our Content and Technology Center is built based on the comprehensive medical knowledge information and academic support tools we have created and developed on our *MedSci* platform. We will further import such information and tools from our Content and Technology Center into the Software Service projects provided to our customers based on our customers' specific requests and demands. We believe this new technology model can enhance system security, improve development efficiency, reduce development costs and assist us in quickly forming a product portfolio that addresses the demands from our customers, giving us the capacity to cover more customers at the same time.

We intend to expand the applications of AI algorithms and virtual reality technologies. We have already applied a wide range of AI technology in our service offerings, such as, among other things, image recognition, optical character recognition, speech synthesis and natural language processing. Going forward, we will further promote the broad application of AI algorithms and virtual reality technologies. For instance, we will utilize big data and AI algorithms to assist physicians in assessing the risks of certain diseases and treatments to improve medical quality and efficiency. We plan to further leverage the big data capabilities and AI algorithms to analyze the characteristics of patients who are vulnerable to complications and likely to incur high medical expenditures such that early prevention actions could be taken to reduce potential risks and overall medical expenditure. We will further invest in our VR diagnosis product (Dr. MedSci) to deepen physicians' understanding of symptoms and diseases through simulating the whole treatment process. We plan to enrich our case libraries with more diseases and introduce evaluation modules that allow physician users to self-evaluate their study processes in order to improve their clinical skills in a more targeted manner.

Expand customer network of pharmaceutical and medical device companies and help commercialize innovative drugs and medical devices leveraging our extensive physician network and rich product portfolio

Leveraging our extensive physician network and rich product portfolio, we will continue to strengthen cooperation with existing customers and attract new customers, especially pharmaceutical and medical device companies. We will further classify our customers into different segments based on their characteristics and the services they need and conduct targeted marketing activities based on their classifications and needs. In addition to enhancing our customer coverage, we plan to improve the product and service coverage of any single customer. We will further enhance our cross selling capabilities and continue to increase the single-customer product coverage by utilizing the advantage of Content and Technology Center + Software Service model. We believe we are able to

utilize the abundance of medical knowledge information, academic support tools and behavioral data on our platform to efficiently form a software portfolio with products and services that can address our customers' multiple demands.

We will continue to support our customers' commercialization of innovative drugs and medical devices through our *MedSci* platform. Innovative drugs and medical devices have significantly different marketing needs than those of traditional drugs and medical devices. Some innovative pharmaceutical and medical device companies may have unbalanced research and development investment and marketing investment. Many innovative pharmaceutical and medical device companies, despite having their own sales team in marketing their products, may not have sufficient marketing capabilities to commercialize their approved drugs and devices. Furthermore, they require a marketing infrastructure that values professional academic promotion in order to promote their novel products to a wider physician audience. In addition, the organizational structure and marketing model of MNCs are difficult to adapt to the fast-evolving innovative drug and medical device market in China. As a result, these MNCs also have a strong demand to enhance and upgrade their marketing solutions with digitalized and academic contents. We are well-positioned to address such marketing demands from innovative pharmaceutical and medical device companies and MNCs. We believe our precision detailing services are suitable marketing solutions for innovative drug and medical devices because our platform can accurately promote academic medical contents to target physicians through multiple channels. We also go above and beyond direct marketing by providing commercialization plan that involves generating useful data and information that can be potentially used in the marketing process. For instance, our medical knowledge services are capable of providing ample medical and academic support to the promotion of innovative drug and medical devices because of our academic medical contents generation capabilities. We will continue to leverage such advantages to increase our presence in the innovative pharmaceutical and medical device promotion market, helping us strengthen our relationship with existing customers and attract more innovative pharmaceutical and medical device companies. We intend to expand our marketing talent pools with experienced veterans in the field of commercialization of innovative drugs and medical devices. We will also closely follow the industry trends and regulatory updates and offer more values to support the commercialization of innovative drugs and medical products.

Enrich our product and service offerings

We will continue to enrich our product and service offerings based on existing businesses, primarily through expanding our products and services to address the needs of physicians and patients.

Recognizing the potential demand of software as a therapy in the healthcare market over patient treatment of mental disorders and diseases, we plan to invest more in developing digital therapy programs for hospitals that can help users of the programs during the mental disorder and disease treatment process. We have explored the digital therapy program market. For instance, we have designed a digital therapy program to satisfy the clinical needs for the treatment of insomnia, which is expected to launch in 2023. We are working on the development of a digital therapy program for ADHD and anxiety,

which is expected to launch in 2024 and 2025. In the future, we will continue to leverage our technology and data accumulated over the years to expand our digital therapy program for hospitals to address other mental diseases.

Leveraging the patient management experience accumulated during our existing solution offerings, we aim to develop patient management tools. Patient management assists physicians in managing patients' compliance, timely grasping the changes of symptoms and adjusting the treatment plan accordingly. Moreover, patient management enables patients to better understand and accept the principles underlying the treatment. Furthermore, with the development of patient management tools, we intend to add value to a wide range of corporate customers. For instance, we will provide insurance companies and financial companies with services such as deeper interpretation of physical examination reports, risk assessment of major diseases and post-treatment management for their clients. These individual users will have a better understanding of their health status and develop health management plans and data-enabled reports through our mini programs, facilitating better communication with their physicians. As such, we, through providing such services, can help insurance companies and financial companies we serviced attract more potential customers.

Explore more strategic cooperation opportunities and seek suitable alliances, investment and acquisition opportunities

We intend to actively establish strategic cooperation opportunities with medical associations to address physicians' lifelong learning needs and insurance companies for risk management assistance and insurance product design to explore new cooperation models and enrich our product portfolio and service offerings.

To complement our organic growth strategy, we may invest in, acquire or seek alliances with businesses that have strong synergies with us, strategically focusing on upstream or downstream companies alongside the industry value chain that complement our business model and resources. For instance, we may seek strategic alliances, investments and acquisitions of companies that operate platform solutions for medical professionals, seasoned companies in the field of AI and diagnosis technology and CROs focusing on serving medical products before commercialization stage. As of the Latest Practicable Date, we did not expect to pursue any imminent investments or acquisitions.

OUR VALUE PROPOSITIONS

We operate one of the largest online professional physician platforms in China in terms of registered physician users and average MAU in 2021, according to Frost & Sullivan. As of December 31, 2022, our platform had approximately 2.9 million registered physician users and our average MAU reached approximately 2.7 million in 2022. Enabled by big data capabilities and AI algorithm, we connect physicians, patients and pharmaceutical and medical device companies and offer comprehensive solutions that generate and share medical evidence in order to enhance healthcare quality and enable them to provide a better standard of care for patients. We focus on addressing physicians' lifelong research and learning needs by offering easy-to-use clinical study assistance products and tools and quality front-end medical knowledge information, fostering a loyal user base and attracting

an increasing number of physicians to our *MedSci* platform. Leveraging our large and loyal physician user base, we offer precision omni-channel marketing solutions and RWS solutions to pharmaceutical and medical device companies, generating useful academic medical contents to enable them to better market medical products, especially innovative drugs and medical devices. By continuously developing and offering value-creating solutions, our *MedSci* platform creates a virtuous ecosystem with a large number of platform participants, including pharmaceutical and medical device companies, physicians and other industry stakeholders and platform participants.

Value Propositions to Pharmaceutical and Medical Device Companies

Volume-based procurement and increasing market competition in China's pharmaceutical and medical device markets have driven pharmaceutical and medical device companies to seek digitalized and evidence-based marketing tools to transform their product promotion process. Moreover, the marketing model in the healthcare industry is experiencing a shift to become increasingly driven by academic and medical related contents to better communicate the effects of the underlying products with physicians. Furthermore, regulatory reforms in China's healthcare market, especially reforms to market access (市場准入), further diminish the importance of traditional marketing methods through in-person detailing by medical representatives. Pharmaceutical and medical device companies are having trouble exhibiting the value of their products, particularly innovative drugs and medical devices, to payers in order to gain market access. As a comprehensive digital healthcare marketing solution provider for pharmaceutical and medical device companies, we believe we are well-positioned to assist pharmaceutical and medical device companies in commercializing their products to gain market access and increase market share.

- *Commercializing Innovative Drugs and Medical Products*. We help pharmaceutical and medical device companies commercialize their medical products, especially innovative drugs and medical devices, by focusing on academic-based promotion methods to enable their medical products to reach a wider physician audience.

- *Evidence-based and Cost-effective Marketing Methods*. We assist physician users in generating medical evidence that may be valuable for pharmaceutical and medical device companies in optimizing their marketing strategies. Furthermore, we also help generate medical evidence for pharmaceutical and medical device companies by providing RWS solutions to enable them to better promote their products in a targeted manner. Moreover, our familiarity with our physician users also allows us to efficiently locate target physicians for pharmaceutical and medical device companies, providing digital marketing solution in a cost-effective manner.

- *Capabilities to Generate Academic-driven Marketing Contents*. Enabled by our medical expertise, we can generate academic and medical related contents to better market products from pharmaceutical and medical device companies to physicians.

- *Expand Market Access*. We provide effective pharmacoeconomics studies for pharmaceutical companies through medical evidence generated by third parties' clinical studies to demonstrate product values, which we believe increases the prospects for pharmaceutical companies to access various social and commercial insurance plans.

Value Propositions to Physicians

Physicians are the key player in the evidence generation, evidence sharing and medical decision process as their medical decisions directly influence the standard of care delivered and value received by patients to a great extent. As such, physicians need to stay abreast of the most up-to-date and value-based medical evidence and initiate clinical study projects such as IITs when necessary to enhance the understanding of diseases and improve clinical diagnosis and treatment standards. Unfortunately, despite their critical roles, we believe physicians are still seeking an easy solution to address their demands. Our *MedSci* platform prioritizes and is well-positioned to address the lifelong research and learning needs of physicians.

- *User-friendly Clinical Study Assistance Products and Tools*. Our *MedSci* platform integrates various user-friendly products and tools, including, among others, *Research Accelerator* and *MedSci Cloud*, that can guide physicians during the life cycle of their clinical studies.

- *Comprehensive and Up-to-Date Medical Knowledge Database*. Our *MedSci* platform comprehensively covers medical development and front-end medical knowledge in major therapeutics areas and we update the academic medical contents on the platform regularly to ensure the timeliness of information.

- *Individualized Contents Enabled by Technology*. Capitalizing on our medical expertise and behavioral data on physicians accumulated over years of interactions, our *MedSci* platform can assist physicians in efficiently locating the desired contents by filtering unnecessary information that is not related to physicians' background or interests.

Value Propositions to Other Industry Stakeholder/Platform Participant

Our comprehensive solutions also allow us to serve other stakeholders of the healthcare system, such as hospitals and insurance companies.

- ***Operation Empowerment***

  - Capitalizing on our solutions that support clinical studies and our understanding of the future demand and development trends in diagnosis and healthcare treatment in China, we facilitate hospitals and their clinical departments in innovation that can fundamentally improve the quality of healthcare to enhance the competitiveness of such hospitals and clinical departments.

- We provide hospitals and their clinical departments with information on digital clinical studies that strengthen the clinical study skills of their physicians during the full life cycle of such clinical studies.

- ***Data Analytics Assistance***

  - We offer insights for insurance companies to design suitable insurance policies for the insured, especially those with pre-existing conditions.

  - We offer prognosis modelling services for hospitals such that early prevention mechanisms can be taken to reduce risks of exposure and medical expenditure.

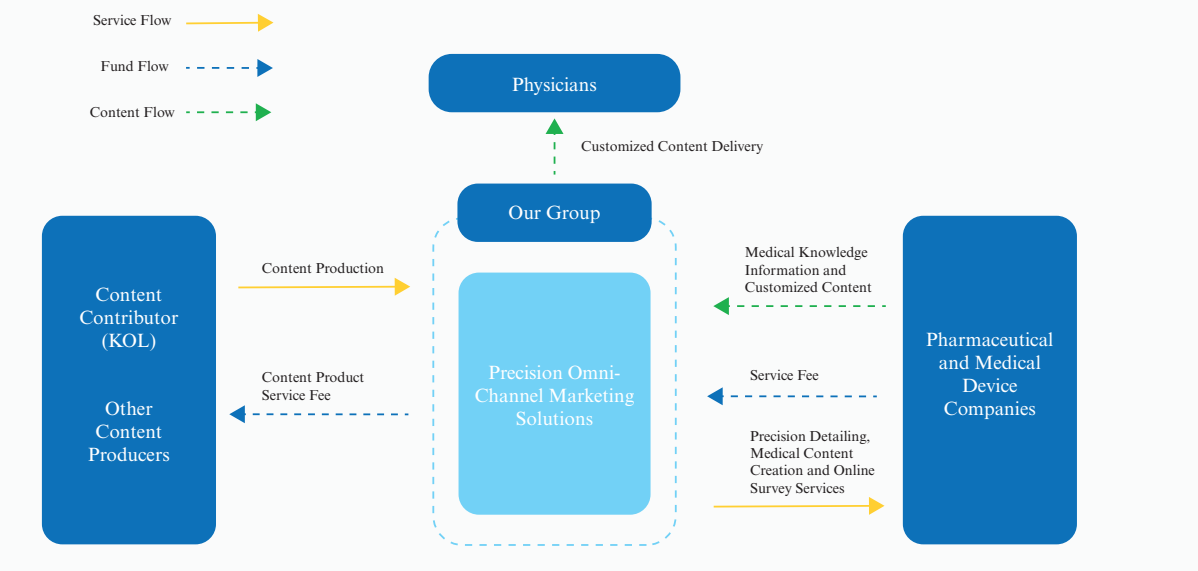
OUR BUSINESS SERVICES

We have developed integrated solutions designed to address different needs of pharmaceutical and medical device companies and physicians in China. We mainly offer three types of solutions, namely, precision omni-channel marketing solutions, physician platform solutions and RWS solutions. Set forth below is a summary of our business services by solution category:

Precision Omni-channel Marketing Solutions

With tightened laws and regulations on the healthcare industry, the marketing campaigns of pharmaceutical and medical device companies in China shifted from market centered to patient and academic knowledge centered, compelling pharmaceutical and medical device companies to pay closer attention to generating and sharing medical evidence to promote their products. Meanwhile, as more medical products are entering into the market, differences in medical products are getting smaller and it is becoming more difficult for physicians to distinguish among different medical products. As such, a digital healthcare marketing solution that provides medical strategy support through offering professional analysis on subtle differences between medical products can be attractive to pharmaceutical and medical device companies as they can better position their medical products with target physicians and achieve better sales outcomes. Our precision omni-channel marketing solutions enable pharmaceutical and medical device companies to efficiently reach target physicians and effectively convey information to physicians about medical products, especially innovative drugs and medical devices. These solutions consist of (i) precision detailing services through which we deliver academic medical contents on our *MedSci* platform or other contents designed in collaboration with KOLs or pharmaceutical and medical device companies to target physician users on our *MedSci* platform, (ii) medical content creation services through which we help create certain sponsored academic medical contents for pharmaceutical and medical device companies and (iii) online survey services through which we help design and administer online surveys on behalf of pharmaceutical and medical device companies.

Our precision omni-channel marketing solutions have proven ability to deliver sizable return on marketing investments, which attracted a high-quality customer base. During the Track Record Period, our customers for precision omni-channel marketing solutions included all of the top 20 global pharmaceutical and medical device companies in 2021 in terms of revenue, 82% of the top 50 global pharmaceutical and medical device companies in 2021 in terms of revenue, 50% of the innovative drug companies listed on the STAR Market pursuant to the fifth set of listing standards as of December 31, 2021 and 45% of the biotech companies listed on the Hong Kong Stock Exchange pursuant to Chapter 18A of the Listing Rules as of December 31, 2021. During the same period, we also served a total of 225 innovative drugs and medical devices with their commercialization. The diagram below exhibits the service, fund and content flow in our precision omni-channel marketing solutions:



Precision Detailing Services

Industry Pain Points

The rapid emergence of newly approved innovative drugs and medical devices and regulatory reforms in the healthcare industry sectors have nudged pharmaceutical and medical companies to seek cost-effective channels and evidence-based methods to efficiently market their products. Traditional in-person detailing through face-to-face communications by medical representatives suffers from inherent drawbacks, such as, insufficient coverage, unprofessionalism and accountability primarily because it is difficult for medical representatives to cover multiple medical products in the same visit; they sometimes lack sufficient medical expertise to introduce the effectiveness of latest products, particularly innovative drugs and medical devices, to physicians; and the efficiency of their in-person visits cannot be tracked in real time. Such problems are more rampant in the marketing of innovative drugs and medical devices due to medical representatives' unfamiliarity with the underlying products.

Our Solutions

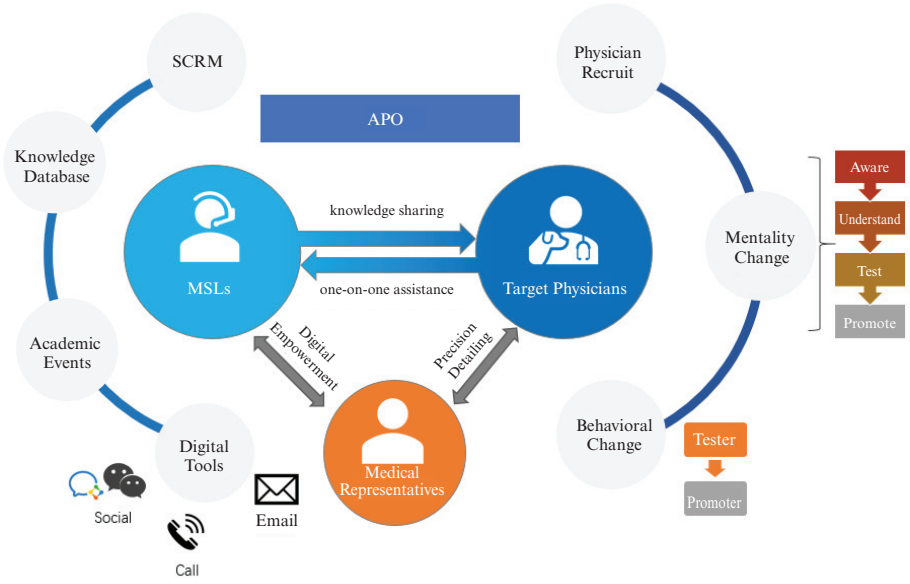
We, as an online professional physician platform service provider, are well-positioned to address such shortcomings of traditional in-person detailing. We provide precision detailing services by assisting pharmaceutical and medical device companies in efficiently delivering academic medical contents and evidence relevant to their products through multiple channels to physicians. Benefiting from our large physician user base and behavioral data collected with their consents through interactions with physician users, we are able to accurately deliver academic medical contents to specific groups of physician users on our *MedSci* platform based on criteria specified by pharmaceutical and medical device companies, such as, among other things, physicians' specialties, interests, academic background, seniority and locations. The high accuracy of our academic medical contents delivery significantly improves the cost efficiency of pharmaceutical and medical device companies' marketing spending and physician reach because the academic medical contents are delivered to specified physician users who may be interested in the subject matter. The academic medical contents we deliver allow physicians to better understand the effectiveness and indications of the medical drugs and devices, influencing their prescription decisions and enhancing the sales of the underlying products.

We deliver customized academic medical contents to physicians through multiple digital channels on our *MedSci* platform, including our website, mobile applications, WeChat mini-programs and WeChat public accounts. In addition to digital channels, we also work closely with pharmaceutical and medical device companies and industry associations in organizing various offline events, such as academic conferences, seminars and workshops, to promote the general awareness of medical products. The offline events held deepen the level of our interactions with pharmaceutical and medical device companies, paving ways for future collaboration, which in turn promotes our own brand awareness among physicians and generates academic medical contents that are useful to our physician users.

We provide customized academic medical contents interactively, providing physicians with opportunities to actively engage with the customized contents we created or created in collaboration with other content producers. Based on the analysis on behavioral data of our physician users and their feedback on our delivered contents, we can constantly update the academic medical contents we delivered to them, ensuring that the contents we deliver are both meaningful for physician users and up-to-date. As a result, we enable pharmaceutical and medical device companies to better understand physicians' preferences based on their level of engagement and feedback. Furthermore, pharmaceutical and medical device companies can regularly communicate product updates to, and answer questions from, target physicians in an interactive way on our platform by conducting interactive online curriculums, participating in private communication communities we set up or hosting live streaming webinars or recorded classes.

To enhance the effectiveness of our precision detailing services, we launched our Academic Promotion Organization solution ("**APO solution**"), a social customer relationship management ("**SCRM**") solution, that helps deliver evidence-based information on products from pharmaceutical and medical device companies to

physicians. We assign MSLs, typically medical specialists in certain therapeutic areas, for each project and such MSLs shall regularly communicate with and deliver specified medical evidence and academic medical contents to target physicians. As of December 31, 2022, we had 42 MSLs, 10 of which have obtained relevant degrees in the field of medicine, pharmacy, nursing, public health and pharmaceutical marketing. We did not serve as a contract MSL organization primarily because the term MSL is used only to motivate our relevant medical specialists to uphold high professional standards as an MSL would do under similar circumstances. Our MSLs can either work with medical representatives from pharmaceutical and medical device companies or directly with target physicians to ensure the target physicians will understand the nature of products being promoted such that physicians can better utilize the underlying products to enhance the overall quality of care received by patients. The graph below summarizes key business model of APO solution:



Before delivering and publishing the customized contents provided by pharmaceutical and medical device companies, they are required to share with us such materials for review first. We will ensure appropriate citation of the academic sources and avoidance of illegal advertising in the medical contents. In addition, if such contents are created by external medical experts, they are responsible for the accuracy of information contained.

We enable pharmaceutical and medical device companies to gauge the effectiveness of their marketing campaigns through objective statistical reports that we generate. Our statistical reports are prepared without sharing our physician users' personal information. Through reviewing the statistical reports, pharmaceutical and medical device companies can adjust their promotion strategies based on real-time promotion results and feedbacks from physicians. Our analysis of physicians' information is based on such users' informed consent and authorization, and we do not share such information with third parties. A typical objective statistical report usually includes promotion and statistics methods and analysis of surveys and promotion activities, such as number, medical specialty, job title and geographical distribution of the target physician group, as well as the level of hospitals where such physicians work.

Our pricing terms vary depending on the delivery channels and are primarily determined by the number of physicians reached. We also take into account other factors, such as market demand, anticipated market trends, costs of delivery and prices of our competitors' products. The major cost components for our precision detailing services are primarily staff salaries and benefits paid to our employees and expenses paid to content producers in providing precision detailing services. We need help from content producers in providing precision detailing services primarily because they assisted us in certain content creation related work in association with precision detailing services, such as diagram and video-making. Such content development costs are not recorded under medical content creation services as the underlying projects are different. We believe our pricing is generally in line with the industry norm. A pharmaceutical and medical device company can purchase the target number of physicians, online discussion forums or hospitals to be reached for a given period of time based on the framework service agreement, and we may agree to guarantee a minimum number of target physicians whom we will deliver our customized contents to.

Medical Content Creation Services

Industry Pain Points

There is a growing demand from pharmaceutical and medical device companies to focus on academic-based digital marketing. Such marketing method can efficiently grasp the attention of physicians by addressing their clinical practice and study needs, which is conducive to cultivating prescription habits and expanding the clinical use of promoted drugs and medical devices. Academic-based digital marketing requires in-depth understanding of not only the products, but also medical expertise over physicians and healthcare industry generally. Unfortunately, pharmaceutical and medical device companies, especially those that manufacture innovative drugs and medical devices, are short of the experience of turning their marketing materials to academic medical contents required in academic-based digital marketing in order to better reach physician audience.

Our Solution

We work closely with pharmaceutical and medical device companies in designing customized academic medical contents in relation to their products. Enabled by our medical expertise, we tailor the marketing strategies and the customized academic medical contents for each product based on its stage in product life cycle, its competitive position, prescription patterns of target physicians and other relevant factors. The customized academic medical contents may be produced in both text and multimedia formats, such as graphics, short video and streaming, to better engage physicians' attention and make the digital marketing detailing more effective. Such customized academic medical contents are designed to give physicians information about various aspects of the products such as target indications, active ingredients, mechanism of actions, advantages, prescription dosage instructions and key cautions, which in turn makes physicians more informed when making medical decisions.

We also develop customized medical contents in collaboration with KOLs of the medical community, as we believe views and opinions of KOLs make the customized academic medical contents more persuasive. We develop contents that feature KOLs sharing their thoughts in a variety of context, such as medical programs at online curriculums hosted by KOLs and speeches given by KOLs at industry or academic conferences. In 2022, we collaborated with over 320 KOLs in approximately 10 therapeutic areas, including, among others, neurology, oncology, cardiology and hematology. In addition to presentation on our *MedSci* platform, we can also draft and electronize a pharmacy manual, patient management manual, newsletters, guidance and instructions of the respective industry.

Pharmaceutical and medical device companies can choose a specific topic when commissioning us to develop customized medical contents. To enhance the effectiveness and influence of the academic medical contents we created, we typically create a series of contents relating to the same product or the topic and deliver such contents to the targeted physician users for a period of time.

In addition to creating academic medical contents for marketing purpose, we also help create academic medical contents for training purposes for pharmaceutical and medical device companies and may host such trainings accordingly. We typically communicate in details with respect to the objective of the trainings and skeletons for the training materials with pharmaceutical and medical device companies to ensure that our delivered contents address the demand and requests from our customers. Once the skeleton of the trainings is set, we primarily help with designing the presentation for the training, which typically includes a search and review of background academic medical materials and editing of texts, charts and case summaries in powerpoint presentations and other interactive materials. Our in-house instructors will help lead the training sessions and answer any questions on site. If needed, we will invite outside lecturers and experts with consent and help from pharmaceutical and medical device companies.

Our pricing of the medical content creation services is based on the complexity of the customized contents or topics, which in turn depends on the specific products and customers' requests. Our pricing also varies depending on the supplementary support needed, such as, among other things, the size of the team, the time spent on the project and the need for presentation, instructors and other administrative supports. For instance, we may charge a higher price for customized contents that involve advanced editing over graphics, videos and other presentations.

Online Survey Services

As part of our marketing services, we also offer online survey services to pharmaceutical and medical device companies by providing a customized electronic survey that targets specific groups of physicians based on the specialty, academic background, seniority, interest, geographical location and other factors requested specifically by pharmaceutical and medical device companies. Our survey questionnaires are carefully designed to gauge physicians' attitudes towards specified products such that pharmaceutical and medical device companies can gain meaningful insights on physicians' perceptions on medical products. As a result, such pharmaceutical and medical device companies can, with the results from our online survey services, optimize their products and marketing strategies to improve sales. Unlike traditional surveys that are typically conducted by phone, fax, email, paper pamphlets in regular mails or face-to-face interview, electronic surveys designed by us are capable of reaching a wider group of target physicians, achieving higher response rates and faster responses to survey questions and saving costs for pharmaceutical and medical device companies in soliciting responses via different mediums.

Our pricing of online survey services primarily depends on the number of physicians covered by the surveys and the complexity in designing the survey questionnaires. Our surveys typically include approximately 200 to 5,000 physicians, depending on the specific survey objectives. We may pay a portion of the service fees we collected from pharmaceutical and medical device companies as an incentive for our physician users to participate in such electronic surveys. Despite the fact that there are no internal control measures to limit the amount of fees to be received by the participating physicians, we have internal control measures in place requiring our employees to make detailed fee arrangements during quotation phase to ensure the fees paid are reasonable and consistent with the industry practice. Specifically, the fees paid to participating physicians are primarily determined by taking into account the target number of physicians to be involved, the title and expertise of participating physicians, the duration for administering the online surveys, the complexity of the questions, the budget of the relevant pharmaceutical and medical device companies and fees paid by industry peers. Prior approvals from our management team are required prior to making quotations on fee arrangements with participating physicians. As such, we are of the view that the fees paid to participating physicians are at fair-market value. Generally speaking, during the Track Record Period, fees paid to physicians generally ranged from approximately RMB30 to RMB3,000 depending on the title and background of physicians who participated in online surveys. On average, we paid approximate RMB167 per physician for participating in our online surveys during the Track Record Period. Our Directors believe, which are concurred by Frost & Sullivan, that the practice of paying incentive fees to physicians who participate in online surveys is consistent with the industry norm. We believe such fee arrangement will not alter the prescription or purchase pattern of physicians primarily because the nature of the survey is only related to the recognition and awareness of certain diseases or pharmaceuticals and medical devices and have no intention to alter physicians' prescription pattern. We also charge pharmaceutical and medical device companies for daily administration of electronic surveys and in-depth analysis of survey results to generate meaningful insights.

As of the Latest Practicable Date, we have not received any claims, investigations and other measures taken or being conducted or threatened by competent government authorities for the above business practice. To ensure our business integrity, we have implemented rigorous anti-corruption and antibribery policies to safeguard our operations. See "— Risk Management and Internal Control — Human Resources Risk Management" for details. According to Interim Regulations on Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), the administrative departments for industry and commerce at or above the county level are responsible for supervising and inspecting commercial bribery. In the event that our online survey services give rise to antibribery or anti-corruption concerns, the authority may impose a fine between RMB100,000 and RMB3 million on us, confiscate the illegal gains, and revoke our business license where the circumstance is serious according to the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》). During the Track Record Period and up to the Latest Practicable Date, we were not aware of any incidents in connection with our business practice that will instigate bribery or corruption concerns or violate the relevant and applicable rules and regulations. We have also obtained confirmation letters from the local authorities of SAMR, confirming that they have not found that our PRC operating entities had been imposed any penalty. Other than anti-bribery or anti-corruption related rules and regulations mentioned above, there are no existing laws that directly limit us from paying reasonable fees to physicians for answering online surveys. Moreover, as of the Latest Practicable Date, we had withheld individual income tax when paying fees to participating physicians. Furthermore, our PRC Legal Adviser conducted public searches on official websites of relevant government bureaus on the Latest Practicable Date and there was no administrative penalty relating to our online survey services. Based on the foregoing, our PRC Legal Adviser is of the view that the risk of being subject to administrative penalty for violating laws and regulations relating to commercial bribery in online surveys is remote and the act of providing fees to physicians who participate in online surveys complies with applicable laws and regulations.

Case Study: Company X Promoting its Innovative Drug to the Target Audience

Idursulfase-beta is an enzyme replacement therapy being developed for the treatment of mucopolysaccharidosis type II ("**MPS II**"). MPS II is a rare, disabling and life-threatening genetic disease commonly found among children with diverse clinical symptoms. As a result, many physicians were unfamiliar with such disease and may have misdiagnosed MPS II. Company X, a China-based, rare disease-focused biopharmaceutical company, and an in-licensed Idursulfase-beta company would like to expand the recognition of Idursulfase-beta among physicians. However, due to physicians' unfamiliarity with the disease and the product, Idursulfase-beta is hard to reach its intended patient audience.

Company X decided to partner with us to expand the recognition of rare diseases, especially MPS II among physicians such that patients who suffer from MPS II can get early treatment. We are able to provide precision omni-channel marketing solutions to Company X primarily because (i) we have strong medical expertise and solid understanding on clinical pathway for rare diseases; (ii) our network covers approximately 92 out of the 100 subdivisions of the pediatric department in China and approximately 43% of pediatricians; (iii) we can connect with potential patients both online and offline; and (iv) we provide comprehensive clinical screening tools and medical knowledge information on rare diseases that can educate physicians with different backgrounds.

Enabled by our capabilities, we provided medical knowledge information and clinical screening tools based on our understandings on clinical pathways for MPS II. We recruited and educated pediatricians through APO solution and set up online discussion forums for physicians to exchange cases and research findings. After launching the digital marketing services for a quarter, we successfully covered and recruited approximately 3,500 pediatricians, approximately 2,000 of whom actively engaged in the online discussion forums we set up. We have also successfully screened 98 potential patients, six of whom were later confirmed cases.

Monetization Model

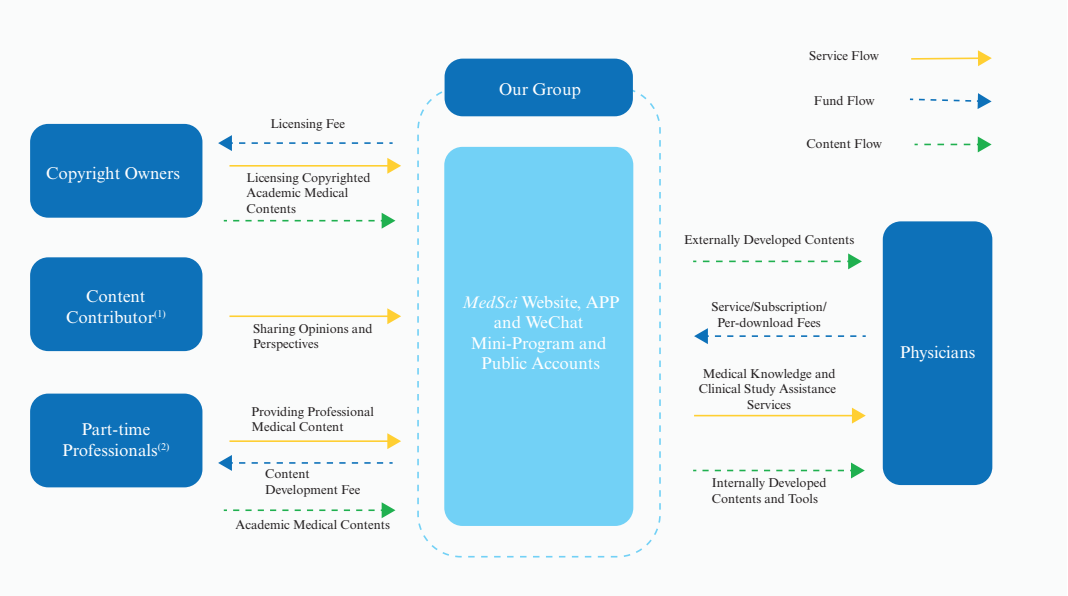
In 2020, 2021 and 2022, we provided precision detailing services to 92, 111 and 131 pharmaceutical and medical device companies, medical content creation services to 169, 245 and 276 pharmaceutical and medical device companies and online survey services to four, eight and 18 pharmaceutical and medical device companies, respectively. We charge our precision omni-channel marketing solutions based on different pricing criteria mentioned above. In determining our pricing strategies, we take into account a variety of factors, such as market demand, anticipated market trends, costs of delivery channels selected and the prices of our competitors' products. Our Directors believe, which are concurred with Frost & Sullivan, that our pricing strategies are in line with the industry norm. Terms and arrangement of our precision omni-channel marketing solutions vary based on the type and nature of services selected by our customers. Our customers typically purchase our precision omni-channel marketing solutions on a project-by-project basis.

Our revenue from precision omni-channel marketing solutions is primarily derived from fees paid by pharmaceutical and medical device companies for the marketing-related services we rendered. We intend to expand our revenue from precision omni-channel marketing solutions by enhancing our service offerings to retain existing and attract new pharmaceutical and medical device companies. For details, see "— Our Strategies — Expand customer network of pharmaceutical and medical device companies and help commercialize innovative drugs and medical devices leveraging our extensive physician network and rich product portfolio."

Physician Platform Solutions

Experienced physicians are the key decision makers in the healthcare industry as they directly influence the treatment received by patients. Unfortunately, despite physicians' critical roles in the healthcare industry, physicians face challenges caused by a fragmented knowledge base and the fast-evolving healthcare industry in efficiently conducting clinical studies and connecting with latest medical development. Combining content, data and technology, our physician platform solutions provide medical knowledge and clinical study assistance services to physicians, addressing their lifelong research and learning needs.

As illustrated by the diagram below, leveraging our in-house content production capabilities and cooperation with other content contributors, copyright owners and part-time professionals, who are generally preeminent medical experts and a majority of whom are considered KOLs of their respective medical fields among the healthcare community, we are able to establish a professional clinical study and disease database and deliver our products and clinical study assistance tools on *MedSci* platform to physicians.



Note:

(1) We only grant credits that can be used for accessing premium contents on our *MedSci* platform to content contributors, primarily registered users of our *MedSci* platform who voluntarily shared their opinions and perspectives and generated other UGCs. As such, there is no direct fund flow between our Group and the content contributors.

(2) Part-time professionals primarily include registered users or third-party content providers to whom we paid fees for creating academic medical contents, such as articles.

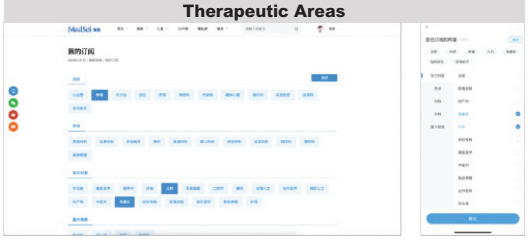
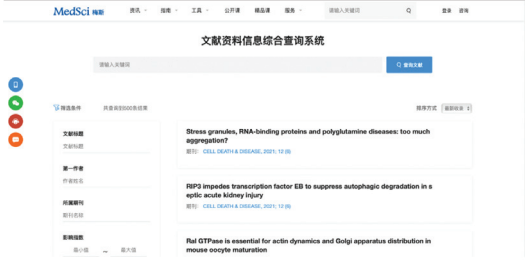
Medical Knowledge Services

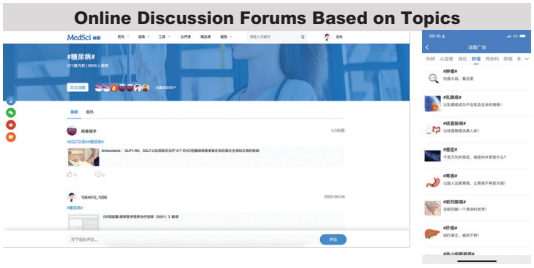
Combining content, data and technology, our medical knowledge services connect physicians with our comprehensive and up-to-date academic medical contents database to bring high-quality knowledge information to physicians in China. Our medical knowledge services address the lifelong learning needs of physicians and the needs of other healthcare industry professionals, such as medical representatives, researchers and pharmaceutical and medical device companies to access latest academic medical information.

MedSci platform serves as a gateway for physicians and other healthcare professionals to discover and access the rich and professional contents generated by our content production team in collaboration with other content producers, powerful tools and applications in conducting clinical studies and UGCs generated by physician users on *MedSci* platform. Through navigating various medical knowledge information posted on our *MedSci* platform, physicians can stay abreast of the latest medical information, learn more about the innovative drugs and medical devices and share their practice tips and clinical cases. We deliver medical knowledge services through multiple user-friendly channels, such as, among others, our *MedSci* website, mobile applications, WeChat mini-programs and WeChat public accounts. As a result, our users can conveniently access contents on our *MedSci* platform wherever and whenever they need them. Most of the contents posted on our *MedSci* platform are available to registered users free of charge.

Our *MedSci* platform is widely recognized by experienced physicians in China as a trusted source for up-to-date academic medical information. As of December 31, 2022, our *MedSci* platform had approximately 2.9 million registered physician users. Furthermore, as of December 31, 2021, the total number of registered physician users on our *MedSci* platform who had the title of associate-chief physician and above represented 67.1% of the total number of physicians in China who had obtained the title of associate-chief physician and above, based on the latest published information from the NHC. We believe that, as our *MedSci* platform is crucial in helping physicians in their daily clinical study and practice, we have reached a high level of user engagements. The average MAU on *MedSci* platform increased from approximately 1.5 million in 2020 to approximately 2.5 million in 2021, and further to approximately 2.7 million in 2022.

We believe our recognition and high MAU are the results of the academic medical contents on our *MedSci* platform. We have established a comprehensive professional medical knowledge information content library covering major therapeutic areas. We set forth below a brief summary of contents posted on our *MedSci* platform:

Content	Content Description	Screenshots
Academic Update (學科進展)	*Academic Update* includes latest update on disease and medications for over 40 different therapeutic areas. Physician users can subscribe for specific contents based on their needs and interest.	Recommended + Selected Therapeutic Areas  Therapeutic Areas 
Clinical Guidance & Literature (指南、共識與文獻)	*Clinical Guidance & Literature* is a powerful tool in searching and managing medical literature in different publications.	Guidelines  Literatures 

Content	Content Description	Screenshots
Online Discussion Forums & Topics (醫生群)	*Online Discussion Forums & Topics* offers forums for physician users to exchange practice tips and medical study findings. It also showcases prominent case studies provided by our content production team. As of December 31, 2022, we had set up approximately 127,500 online discussion forums for physicians to exchange cases and research findings across 40 different therapeutic areas.	
Online Courses (在線教育課程)	*Streaming and Open Curriculum (直播與公開課)*. We invite industry experts in the areas of, among others, oncology, cardiovascular and respiratory diseases, epidemiology, medical statistics and pharmacoeconomics to host streaming or recorded open curriculums on major diseases and clinical studies. With consent from industry experts, we may also upload such curriculums onto our *MedSci* platform for access by our physician users. We also allow pharmaceutical and medical device companies to stream or upload sponsored academic medical contents, helping them reach their target physicians. *Selected Curriculum (精品課)*. For certain specific and premium clinical or research contents, we provide open curriculums through our *Selected Curriculum* programs and physician users gain access by paying subscription or per download fees or credits granted.	 

Content	Content Description	Screenshots
Medical Tools (醫學工具)	*Medical Tools*. We devoted significant amount of resources to developing a variety of medical tools for physicians to address their lifelong research and learning needs, including, among others, knowledge database, research tools and clinical assistance tools.	 

Users are required to register and log in before accessing our medical knowledge services and other solutions, services or tools on our *MedSci* platform. After a user registers on our platform through one of our solutions, the user can use the same log-in credential to access our other solutions. We also encourage our users to authenticate their status if they are physicians, and only count a user as a physician user when such user has provided information regarding their qualification as a licensed physician during our physician authentication process, and we can verify such information through the government database maintained by the NHC. Mandatory authentication of status is not required on the *MedSci* platform primarily because based on relevant laws and regulations, collection and use of any user's personal information must be subject to the consent of the user and mandatory authentication is only required for online platforms through which prescription

decisions to patients are made. We, on the other hand, do not provide treatment or clinical advice to patients and the purpose of authentication is only to provide more targeted services to physician users. However, we will authenticate the status of our registered physician users if they voluntarily report their status as licensed physicians.

Clinical Study Assistance Services

With the growing emphasis on medical study among hospitals, more and more physicians, while fulfilling their daily clinical treatment and outpatient duties, start to initiate clinical study such as IITs. IITs are complex with the purpose of exploring the origins, development and treatment of diseases to enhance overall healthcare quality. Unfortunately, physicians or hospitals are both initiators and sponsors of IITs and lack a comprehensive mechanism to guide, manage and execute IIT projects. As such, quality and standardized guidance are essential for IITs in order to generate medical evidence that can enhance the overall healthcare quality. We provide comprehensive clinical study assistance services to physicians in IITs and other non-registered clinical trials, addressing their research needs in order to generate medical evidence that can support the future healthcare development. Our clinical study assistance services are delivered through our *MedSci* platform by generating relevant documentations, providing required software tools, offering supporting analysis and giving insights on academic medical papers in designated interfaces within our *MedSci* platform pursuant to our agreements with our physician customers. Physicians can easily access deliverables and track progress of our services by using our *MedSci* platform. Our clinical study assistance services cover the full cycle of clinical study and primarily include the following:

Pain points	Service Type	Our Solutions
Unfamiliarity with the overall clinical study process inhibits physicians' ability to design their clinical study projects and, as a result, many novel research ideas that have the potential to generate meaningful medical evidence are abandoned.	Clinical Study Protocol Design	We primarily evaluate and supplement the research topics submitted by physicians based on their rigorousness, novelty and feasibility. When necessary, we also help search relevant background academic materials to help refine and narrow the research topics to enhance the feasibility. We conduct services in strict compliance with the clinical study design specifications, and we constantly remind physicians of adhering to the designed protocol in order to ensure the smooth execution of the clinical study project.

Pain points	Service Type	Our Solutions
Individual physicians are short of supporting tools in data management to systematically collect and manage clinical data.	Clinical Study Database Management	We offer physicians with electronic data capture ("**EDC**") system, namely, *MedSci Cloud*, for intelligent and digital data collection and management. Our *MedSci Cloud* has the following attributes: (i) multiple form CRFs integrated to assist physicians in creating required documentations; (ii) data desensitization tools implemented to ensure data safety and privacy; (iii) one account to manage multiple clinical study projects; (iv) multiple visual and statistical tools integrated to understand underlying data; (v) multiple coding or diagnostic standards, such as standard maintained by CDISC, incorporated to ensure compatibility with other database; (vi) easily accessible through multiple channels; and (vii) randomization and patient reporting tools equipped to assist physicians in conducting a variety of clinical study projects.
Rigorous clinical study requires comprehensive statistical analysis plan and advanced analytics capabilities.	Statistical Analysis	We (i) propose reasonable statistical analysis plan for physicians based on the protocol of the research, characteristics of the sample and our estimates on the characteristics of the datasets; (ii) assist physicians in designing clinical surveys and analyzing the responses of the surveys based on their reliability, effectiveness and innovativeness; (iii) conduct various statistical analysis that qualitatively and quantitatively describes the nature of the data; (iv) combine multiple scientific research results for statistical analysis purpose to test different hypothesis, aiming to use approaches from statistics to derive a pooled estimate closest to the unknown common truth based on how this common truth is analyzed in different scientific studies; and (v) assist physicians in evaluating different variables to construct prognosis models for diseases.

Pain points	Service Type	Our Solutions
The language barriers, coupled by unfamiliarity with academic editorial process and administrative process, prevent physicians from efficiently transforming their clinical study findings into academic papers, posters or other forms such that the academic findings cannot be better received and understood by the medical community.	Research Findings Transformation	We provide professional academic translation services to physicians such that the academic papers originally drafted in Chinese can be better apprehended by foreign experts, reviewers and editors. We believe physicians' time should be better spent in conducting clinical study and analysis rather than going through the stringent formatting and editorial requirements. As such, we help physicians organize their research findings and process the formatting requirements of their papers based on the specific editorial requests of the target journals. To ensure the originality of the clinical study findings, we have implemented strict editorial standards so that our editors will get familiarized with the original text and references provided by our customer, seek clarification from the customer and address the concerns raised by the customer.

The clinical study assistance services we offered as a part of our physician platform solutions are different from our RWS solutions primarily because while the sponsors of RWS are often pharmaceutical and medical device companies, the initiators of IITs are physicians. This further results in different regulatory requirements: RWS is sponsored by pharmaceutical and medical device companies and needs to be performed pursuant the standard of Good Clinical Practice, an international quality standard. Meanwhile, the IITs initiated by physicians, although many of which currently conform the standards of Good Clinical Practice, need conform to the standards of Administrative Measures for Clinical Study Initiated by Investigators and Healthcare Institutions (Trial) (《醫療衛生機構開展研究者發起的臨床研究管理辦法(試行)》). Moreover, while RWS involves various parties such as hospitals, physicians and contract research associates in addition to pharmaceutical and medical device companies, our clinical study assistance services only serve the initiators, primarily physicians, during their self-initiated IITs or other non-registered clinical trials. As a result of the above, the initiator or sponsor of a clinical study cannot be both physician and pharmaceutical and medical device companies at the same time. Therefore, despite the fact certain of the services, such as protocol design and statistical analysis, might seems similar, our clinical study assistance services and RWS solutions are different in nature to address the demands and requirements of different customers and regulatory standards.

We are of the view that the likelihood that physicians using our clinical study assistance services are working on the same clinical trials as the pharmaceutical and medical device companies using our RWS solutions is low, considering that (i) we are engaged and paid by physicians, rather than pharmaceutical and medical device companies, for clinical study assistance services, (ii) the materials submitted by our physician customers during the Track Record Period failed to show any direct connection with pharmaceutical and medical device companies and (iii) clinical studies sponsored by pharmaceutical and medical device

companies are typically more complex in nature as compared to those in IITs and non-registered clinical trials and may warrant more comprehensive assistance, such as the services we provided in RWS solutions. In such circumstance, the pharmaceutical and medical device companies typically engage us directly, rather than through physicians.

We store and process clinical data from physician customers in our data system pursuant to the agreements with such customers, and these data are processed and analyzed by our physicians customers pursuant to their specific demand with prior consents from patients. We are not involved in disease diagnosis, treatment, clinical trials, research or any other clinical practice, and are not responsible for collecting clinical data or the accuracy thereof. As such, we do not believe we should be liable for any potential claims of personal injury or other harm caused by our physician customers in connection with their research. Our PRC Legal Adviser is of the view that the likelihood that we are liable for any potential claim of personal injury or other harm caused by our customers in connection with their clinical practice as well as the risk for being penalized for providing physician platform solutions is remote.

Monetization Model

With respect to medical knowledge services, most of the medical knowledge information and clinical tools on our *MedSci* platform are free of charge to registered physician users. For certain premium contents, such as *Selected Curriculum*, we grant access to such premium contents to subscribing users, primarily referring to those registered physician users who pay annual or monthly subscription fees and other users who pay per-download fees or to whom we award credits. Depending on the nature of the package, our fee arrangements vary. For instance, with respect to subscription plans, we offered a wide range of different subscription plans and priced such plans by taking into account the number of the curriculums offered, the level of interactions with subscribing users and the technology involved. For instance, while a general guideline on medical study or research projects updates may be priced at approximately RMB25 per month per user, a rigorous and comprehensive premium contents on certain diseases may be offered only in an annual subscription package priced at approximately RMB1,900 each year per user. With respect to per-download contents, we primarily priced such contents by taking into account the length of the programs, the seniority of the lecturer and the nature and professionalism of the contents and most per-download contents were generally priced from approximately RMB10 to RMB500. We may offer discounts during promotional campaigns that allow users to download such per-download contents at a fee as low as RMB1. As of the Latest Practicable Date, the number of subscribing users amounted to 64,343 and the percentage of subscribing users who pay per-download fees amounted to approximately 70.9% of total subscribing users. During the Track Record Period, the amount of the aforesaid subscribing fees and per-download fees we recognized as revenues under the medical knowledge services amounted to RMB2.1 million. The amount of subscribing fees per user, which is calculated as the amount of subscribing fees recognized as revenue during the respective period over the corresponding number of users whose subscription fee payments were recognized as revenue during the same period, amounted to RMB74 and RMB67 and the amount of per-download fees per user, which is calculated as the amount of per-download fees recognized as revenue during the respective period over the corresponding number of users

whose per-download fee payments were recognized as revenue during the same period, amounted to RMB63 and RMB16 in 2021 and 2022, respectively. The substantial decrease during the Track Record Period is primarily resulted from our decisions to (i) further divide our curriculum packages into smaller packages that result in a decrease in per-package price and (ii) expand discounts offered to attract subscription. We are of the view that our decisions drive up user registration and subscription and incentivize our users to form a paying habit. Furthermore, such decisions will not materially affect our business operations and financial position as revenue recognized under the medical knowledge services constitutes 0.7% and 1.8% of our total revenue from physician platform solutions in 2021 and 2022.

With respect to clinical study assistance services, we receive service fees from physicians with respect to specific services or tools provided to such physicians during their clinical studies. In 2020, 2021 and 2022, we provided clinical study assistance services to approximately 3,500, 3,100 and 4,300 physicians, respectively. We generally receive lump-sum payment in advance and price our service fees by taking into account a wide variety of factors, such as nature of the clinical study, types of medical tools used and complexity of analytical assistance.

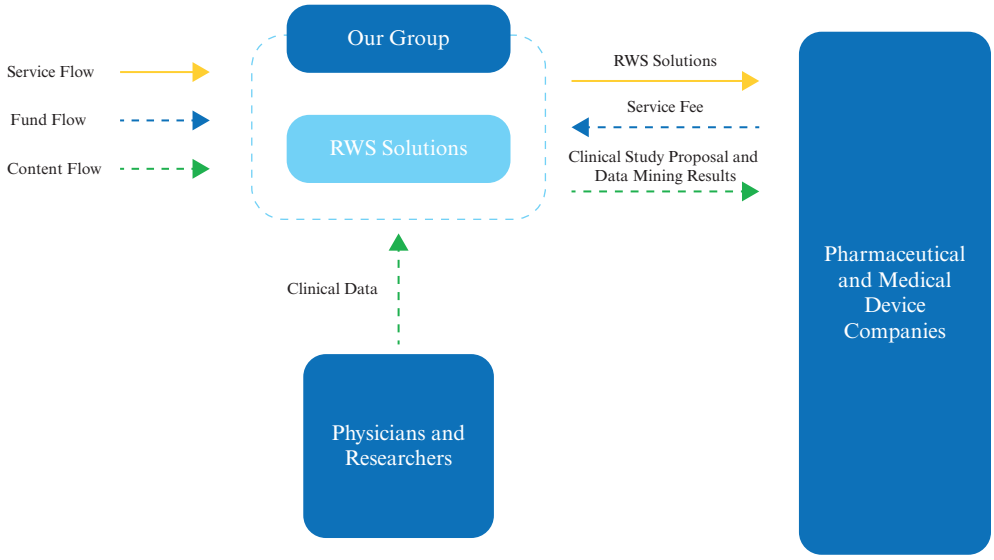
We will grow our subscribing users by enhancing the depth and breadth of medical knowledge contents and clinical study tools available on our *MedSci* platform. See "— Our Strategies — Continue to increase physician engagement and penetration by enriching the breadth and depth of services and information covered on our platform" for details.

Our Directors believe, which are concurred by Frost & Sullivan, that our pricing strategies are in line with the industry norm.

RWS Solutions

Our RWS solutions are dedicated to support pharmaceutical and medical device companies' real-world evidence-based research. High-quality evidence on safety and effectiveness of approved products is pivotal for pharmaceutical and medical device companies to achieve successful market access and product uptake. In addition to research and development in clinical studies, pharmaceutical and medical device companies need real-world evidence of their products in order to potentially expand their products' respective indications. Moreover, during the commercialization stage, such evidence from real-world settings can generate meaningful insights for pharmaceutical and medical device companies to optimize their marketing strategies in order to reach a wider range of target physicians and patients. Furthermore, the evidence generated by RWS solutions is useful for physicians in evaluating the products' benefits and risks in a real-world setting.

Our RWS solutions are designed to enable pharmaceutical and medical device companies to effectively collect and study data related to their products' effects in real-world environment and facilitate the analysis of real-world clinical data collected. The below diagram sets forth a brief summary of the service, fund and content flow of our RWS solutions:



We designed our RWS solutions to address the specific needs of pharmaceutical and medical device companies. Before project execution, we engage in detailed discussion with pharmaceutical and medical device companies to understand their purposes and requirements for the underlying RWS in order to design a protocol that best satisfies their needs. Once the protocol is confirmed, we assist pharmaceutical and medical device companies in obtaining approvals from participating physicians, researchers, hospitals and regulatory authorities. The data collection, assessment, management and analysis services in connection with our RWS solutions were offered as tools in the form of software programs on our *MedSci* platform to generate RWS findings or insights, and we also help pharmaceutical and medical device companies transform such findings and insights into rigorous academic materials that can be used to reach a wider physician audience. We do not need to separately incentivize physicians or researchers to share clinical data because pharmaceutical and medical device companies, as the sponsor of the RWS projects, will typically have separate agreement with such physicians and researchers or their hospitals on clinical data sharing arrangement. Nonetheless, physicians and researchers are typically willing to share such clinical data as the results of RWS projects can satisfy their learning and research needs.

While documentations generated during RWS solutions, such as protocols designed, may be provided through emails, tools offered as part of our RWS solutions, such as *iClinical Station*, *ePRO* and *eDiary*, are delivered through our *MedSci* platform. Moreover, leveraging the large physician user base, we can efficiently help pharmaceutical and medical device companies locate physicians and medical institutions that are suited for their RWS. Our RWS solutions cover the full cycle of RWS and primarily include the following:

Pain points	Service Type	Our Solutions
An improperly designed RWS protocol will prohibit pharmaceutical and medical device companies from efficiently conducting RWS.	Protocol Design	Our work primarily involves evaluating the requests from pharmaceutical and medical device companies to design a RWS solutions protocol that is practical in the real-world settings and can provide meaningful insights into the safety, effectiveness and value of the medical products in question. In addition to overall protocol layout, our protocol design services also cover specific statistical and analytical methodology design over data on electronic medical records, such as, among other things, the feasibility to conduct retrospective and prospective study over the data collected. Furthermore, we will also assess the feasibility of the requests by providing a practical protocol framework that includes the suitable number of physicians, researchers and hospitals to be enrolled in the overall RWS solutions.
Some pharmaceutical and medical device companies are short of an accurate and efficient data collection and assessment tool to evaluate real-world data.	Data Collection and Assessment	We offer our data collection and assessment services in RWS solutions in the form of software programs and integrate various data collection and assessment technology and tools in our software programs to help efficiently and effectively collect and assess electronic medical records. For instance, our customers utilize our EDC system to collect, manage and process real-world clinical data and to conduct statistical analysis. Our EDC system and other software programs also implement optical character recognition technology in automatically collecting data from written or electronic medical records, edit check tools in evaluating the logics and consistency of data, alert programs that remind users of outliers or abnormal outcomes and smart patient management programs that manage patients' follow-up consultation schedules and feedbacks.

Pain points	Service Type	Our Solutions
Daily administration and operation of RWS is both expensive and complex, draining resources from pharmaceutical and medical device companies.	Project Operation	We assist pharmaceutical and medical device companies in recruiting and obtaining ethical approvals from participating physicians, researchers and hospitals and their respective clinical departments. We also coordinate with our customers in obtaining approvals from relevant regulatory departments. During the daily administration, we closely communicate with the participating physicians, researchers and hospitals and their respective clinical departments on the progress of clinical studies to ensure the right number of cases are involved and regularly follow up on the progress of the studies. To ensure the integrity of the clinical study results, we also conduct follow-up visits with participating patients to ensure we have received a meaningful record that can support our RWS solutions.
Pharmaceutical and medical device companies may not possess thorough statistical analytical ability to generate meaningful insights on real-world data collected.	Statistical Analysis	Our team consists of experienced personnel in database and natural language processing who are capable of extracting, integrating, structuring and standardizing data from participating physicians, researchers and hospitals to reach the level that is suitable for medical study purpose. The comprehensive statistical analysis ability in addressing the clinical study demands of physicians can be applied to RWS solutions to meet the requests from pharmaceutical and medical device companies.
Pharmaceutical and medical device companies typically would like to have their RWS solutions insights to be published in order to enhance the recognition of their products to promote sales. However, they may lack sufficient experience in turning RWS findings into publishable materials.	Publication Support	We assist pharmaceutical and medical device companies in turning RWS findings into high-quality scientific materials. We have a structured approach from strategic publication planning to tactic implementation. During the full cycle of RWS solutions, we constantly administer and evaluate the progress of RWS solutions to ensure our service offerings can generate academic medical contents and evidence that have the potential to be published in a recognized journal in order to reach and educate a wider physician group. The process also has the potential to enhance the reputation and recognition of pharmaceutical and medical device companies within the healthcare industry.

Case Study: Company Y Promoting the Recognition of its Product to Promote Sales through RWS

Company Y is a Chinese subsidiary of a multinational pharmaceutical company. One of Company Y's core product is Medication Y, a registered pediatric respiratory medication used to relieve cough and other expectoration symptom. Unfortunately, Medication Y was not well-known among pediatricians in China such that its actual application and usage was limited.

In order to expand Medication Y's recognition among pediatricians, Company Y engaged us to initiate RWS among hospitals in China with well-recognized pediatric departments. We negotiated intensively with Company Y and designed a RWS solutions protocol to (i) generate medical evidence on the effectiveness of Medication Y over pediatric respiratory disease; (ii) enhance recognition and confidence of Medication Y among pediatricians through testing safety and effectiveness of Medication Y in real-world settings; and (iii) standardize the use of Medication Y through real-world evidence generated to promote the rational application of Medication Y in pediatric respiratory diseases.

Company Y decided to partner with us to design, administer and execute RWS primarily because we have a large network of experienced physicians whose opinions are vital to Company Y and our medical expertise and research abilities allow us to generate meaningful insights over real-world evidence generated. We successfully helped recruited approximately 4,000 cases in around 30 well-recognized hospitals across different regions in China. The interim results show that (i) in pneumonia, bronchiolitis, asthma and other respiratory diseases that may result in cough and sputum, actively applying medications that relieve symptoms of cough and sputum along with medications on treatment of respiratory disease itself can significantly help children recover; and (ii) among medications that relieve symptoms of cough and sputum, Medication Y's safety and effectiveness have comparative advantage. Such interim findings significantly improve the confidence over Medication Y among pediatricians, especially pediatricians who participated in RWS.

Moreover, as a result of our RWS solutions as well as other relevant medical evidence, the *Expert Consensus on the Diagnosis and Treatment of Chronic Wet Cough in Chinese Children 2019 Edition* (《中國兒童慢性濕性咳嗽的診斷與治療專家共識(2019年版)》) recommended Medication Y for treatment of chronic wet cough among children, further enhancing the recognition and influence of Medication Y among pediatricians in China.

We are not involved in disease diagnosis and treatment process and conduct our RWS solutions in strict compliance with relevant laws and regulations. We strive to protect the rights of the patients and will only conduct RWS solutions on products that are approved by relevant regulatory agencies or approved by participating physicians, researchers and hospitals. As such, we do not believe we should be liable for any potential claims of personal injury or other harm caused by our customers in connection with their research. Our PRC Legal Adviser is of the view that the likelihood that we are liable for any potential claims of personal injury or other harm caused by our customers in connection with their research is remote.

Furthermore, we store clinical data contributed by participating physicians with patients' prior consent in our data centers pursuant to the agreements with our customers, and these data are processed and analyzed by our customers using our RWS solutions. As such, we do not believe we should be liable for any potential claim arising from storing of such data and processing per our customers' directions. Our PRC Legal Adviser is of the view that the likelihood that we are liable for any potential claims for storing and processing patients' related data pursuant to the directions from our customers is remote.

Monetization Model

Our comprehensive RWS solutions cover the full cycle of the RWS research projects from protocol design to publication. In 2020, 2021 and 2022, we provided RWS solutions to 10, 37 and 86 pharmaceutical and medical device companies, respectively. We generally price our services based on a wide range of factors, such as competitors' products, the complexity of the project and the specific service requested. Our Directors believe, which are concurred by Frost & Sullivan, that our pricing strategies are in line with the industry norm. Our customers, primarily pharmaceutical and medical device companies, typically pay us in installments when we've reached certain milestone events detailed in payment schedules in RWS solutions based on contracts, such as receiving regulatory approvals, obtaining ethical approvals, enrolling certain number of participating patients, physicians and hospitals or completing analysis on certain number of cases. Receiving regulatory approvals, especially approvals from regulators in charge of human genetics resources management, is one of our milestone events in payment schedules because such approvals are typically conditions precedent to RWS projects and we would devote significant amount of time to preparing materials required to obtain such approvals.

Other Products and Services

We are in the process of launching various other products and services to our customers and such other products and services did not generate any revenue during the Track Record Period. Such products and services primarily include (i) digital therapy programs, (ii) VR diagnosis, (iii) prognosis modelling services and (iv) chronic disease management services. We intend to deliver the above mentioned other products and services on our *MedSci* platform as digital tools.

Recognizing the potential demand for software as therapy or digital therapy programs in treatment of multiple diseases, we target our research and programs for hospitals that address such demand. We are currently developing a digital therapy program specifically designed to satisfy the clinical needs for the treatment of insomnia in China. Such program, through digital counseling, intervenes and reconstructs the psychology and behaviors of users of the program suffering chronic insomnia, adjusts such users' sleep rhythms and assists users to fall asleep without using drugs. We intend to launch such program in 2023. We are also working on the development of digital therapy programs for ADHD and anxiety, both of which are expected to be launched in 2024 and 2025. We plan to receive service fees from hospitals for digital therapy programs developed and provided to users of the programs. We intend to price our digital therapy programs by taking into account the estimated costs for program development, number of potential users and the budgets of our customers.

Recognizing the advantage of virtual reality as an interactive learning tools as compared to traditional learning methods of texts, graphics, video and live broadcast, we developed and are in the process of launching Dr. MedSci, a VR diagnosis product that integrates over three thousand clinical cases, to address physicians' life-long learning needs. Dr. MedSci allows physicians to better utilize their time for case studies and simulation of the real-world treatment process. The product provides an opportunity for physicians to

gain better knowledge of case symptoms, especially the symptoms of rare diseases, enhancing their education efficiency. We plan to launch Dr. MedSci in the fourth quarter of 2023 and receive subscription fees from physicians for our VR diagnosis product. We intend to price our VR diagnosis product by taking into account our estimated product development costs, costs for contents to be included in our VR diagnosis product and our customers' budgets.

Leveraging the AI algorithms and big data capabilities, we are exploring opportunities to provide prognosis modelling services for hospital customers. For instance, we are testing prognosis modelling services for a highly recognized tertiary hospital in Shanghai on complications for thoracic surgeries. With the help of AI algorithm and enabled by the amount of desensitized clinical data provided by our customers with patients' prior consents, we are able to construct prognosis modelling services alerting physicians about potential complications of rare diseases in advance so that early prevention methods can be taken. Moreover, to enhance our modelling capabilities, we participated in data mining projects and developed macro medical expenditure forecast models on certain diseases, such as ischemic stroke. The data mining project had the potential to generate meaningful insights for physicians, hospitals and insurance companies. We plan to launch prognosis modelling services in the fourth quarter of 2023 and receive service fees from our customers for prognosis modelling services provided. We intend to price our prognosis modelling services by taking into account our estimated costs for model building and our customers' budgets.

We are also exploring opportunities to collaborate with non-profit organizations in offering condition-specific chronic disease management services for physicians and patients. We help design an interactive platform for non-profit organizations that includes both a physician assistance system and a patient education system. Through physician assistance system, physicians can enter background information and medical evidence about certain specific diseases into the system for further analysis to better manage their patients. Through patient education system, patients can regularly get educated about the background of their diseases through medical knowledge information we published onto the system to facilitate better communication with physicians about their conditions. We plan to launch chronic disease management services in the fourth quarter of 2023 and receive service fees from non-profit organizations for the services we rendered, taking account of, among other things, the platform we built, the medical education contents we published and analysis we help performed for physicians and non-profit organizations. In addition, we intend to price our chronic disease management services by taking into account our estimated costs for system development, costs for operating the system and our customers' budgets.

Other Services

We also provided various other miscellaneous services. During the Track Record Period, we received revenue from patients for the sales of medical products in our offline pharmacies. The revenue from other services reached RMB0.9 million, RMB0.6 million and nil, respectively, in 2020, 2021 and 2022. As the sales of medical products is not core to our business, we discontinued such operation in 2021 to focus on our core business of precision

omni-channel marketing solutions, physician platform solutions and RWS solutions. The sale of medical products demands requisite permits, licenses or certificates. See "Regulatory Overview — Regulations Relating to Drug Operation" and "Regulatory Overview — Regulations Relating to Medical Devices Operation and Trials" for details. Prior to its disposal by Shanghai MedSci, Anhui Yixunda had no substantial operations and thus did not need to hold any permit or license related to the sales of medical products, while its wholly owned Ruilekang Pharmacy was principally engaged in sales of medical products and obtained its first Drug-trading License issued by the Hefei Luyang District Market Supervision Administration (合肥市廬陽區市場監督管理局) on September 29, 2019 and medical device registration certificate (第二類醫療器械經營備案憑證) issued by the Hefei Market Supervision Administration (合肥市市場監督管理局) on September 3, 2019. Ruilekang Pharmacy started generating revenue only after it had obtained the relevant license and certificate. With respect to the business operation compliance status of Anhui Yixunda and Ruilekang Pharmacy during the Track Record Period and up to the date of disposal, Anhui Yixunda and Ruilekang Pharmacy obtained compliance certificates issued by the Hefei Market Supervision Administration (合肥市市場監督管理局) which confirmed that there were no administrative penalties since their establishment. Our PRC Legal Adviser also conducted public searches on various official websites of relevant government bureaus on the Latest Practicable Date and there were no claims, litigations or disputes related to Anhui Yixunda and Ruilekang Pharmacy. Based on the above, our PRC Legal Adviser confirmed that, during the Track Record Period and up to the date of disposal, Anhui Yixunda and Ruilekang Pharmacy had not (i) been subject to any material non-compliance claims, inquiry, or investigation by any PRC regulatory authority or (ii) been involved in any non-compliant litigation or arbitration that may have a material adverse effect for their business operation.

OUR PLATFORM

Platform Advantage

We operate one of the largest online professional physician platforms in China in terms of registered physician users and average MAU in 2021, according to Frost & Sullivan. As of December 31, 2022, our platform had approximately 2.9 million registered physician users and our average MAU reached approximately 2.7 million in 2022. Despite the fact that our *MedSci* platform is accessible through multiple channels such as website, mobile application, WeChat mini-program and WeChat public account, we will only count viewers as registered users only if they complete the formal registration process, which is centrally monitored by us, on *MedSci* platform. To avoid duplicated registration, we require each registered account to be associated with a phone number, which can only be linked with one registered account. However, we cannot rule out the possibility that certain physicians may register multiple accounts with multiple phone numbers. To avoid such instances, we encourage, but not require, the registered users to provide information regarding their qualification and certification through offering incentives, such as granting credits that can be used for accessing the premium contents on our *MedSci* platform, such that we can verify such information through the government database maintained by the NHC. We will remind users to login their past registrations if we discovered that the same qualification information was previously provided to avoid duplicative accounts. To encourage timely

update of status change, we also implement incentive mechanisms where we will grant registered users credits for updating their status change in career development. Our platform provides a one-stop digital platform that shares the latest development and medical knowledge information in the healthcare market to all registered physician users. We have formed a medical content production team with deep industry understanding over the years, who are capable of providing high-quality academic medical contents to physicians, addressing their continuing education needs. As of December 31, 2022, our medical content production team consisted of 107 industry experts, over 75% of whom obtained the degree of medical master or above.

Our *MedSci* platform is the backbone of our business services. With respect to precision omni-channel marketing solutions, the *MedSci* platform can enable pharmaceutical and medical device companies to deliver academic medical contents they created (whether on their own in collaboration with us) to targeted physician users. Although medical content creation services can be offered and delivered through email communications alone, the success of precision detailing services and online survey services depends on the *MedSci* platform. For instance, we utilize our *MedSci* platform to identify target physician users and connect them with academic medical contents and/or surveys from pharmaceutical and medical device companies that fit their interests and expertise. With respect to physician platform solutions, the *MedSci* platform is the main channel where physicians receive academic medical contents and clinical support on their IITs or other non-registered clinical trials. Although certain deliverables, such as protocols designed under clinical study assistance services, may be delivered through separate emails pursuant to requests from physician customers, the majority of the services and tools of physician platform solutions can be accessed through the *MedSci* platform. With respect to RWS solutions, we utilize the *MedSci* platform to efficiently identify physicians and healthcare institutions that are truly suited for our customers' RWS projects. Moreover, while certain deliverables, such as RWS protocols, may be delivered through email communications directly, we offer data collection, assessment and analysis related services in RWS solutions in the form of software programs, such as *iClinicalStation* and *ePRO*, on the *MedSci* platform and the success of the RWS solutions depends on the ability of our customers to utilize such software programs in conducting RWS.

The platform is characterized by its community attributes. For instance, as of December 31, 2022, the *MedSci* platform classified and offered over 127,500 different online discussion forums of different sizes based on, among other things, topics, papers, key words and specialties to promote knowledge exchange within different communities. Leveraging the data accumulated on our *MedSci* platform, we have also created a medical knowledge library covering various medical areas. Designed to enhance education to physicians, these academic medical contents created are stored and categorized in a systematic fashion, and are continuously refined and trained by our AI-algorithms to promote customized recommendations for future usage. Furthermore, we also invite physician users to share their clinical experience and cases on our *MedSci* platform. Upon review by our content production team, we publish contents contributed by our users to enrich the overall contents on the platform. We allow and encourage KOLs and institutional users to set up

their own accounts and publish their self-created contents to promote knowledge sharing. As of the Latest Practicable Date, there are approximately 500 KOLs and institutional users sharing contents on our *MedSci* platform.

Contents on Our Platform

Medical Knowledge Database

High-quality medical information is essential to our business. Users can conveniently access contents on our *MedSci* platform across the interfaces that we operate, including our website, mobile applications, desktop applications, WeChat mini-programs and WeChat public accounts. Our *MedSci* platform contains academic medical contents created solely by our content production team as well as contents produced in collaboration with or from third parties. While key functions of the *MedSci* platform are self-developed by us, third parties, primarily pharmaceutical and medical device companies, also provide ancillary support, such as academic medical contents they created or copyrighted. For instance, we designed Yi Xun Da, an important digital program that supports our precision omni-channel marketing solutions, to help connect pharmaceutical and medical device companies with physicians on our *MedSci* platform through delivering customized academic medical contents. While we self-developed Yi Xun Da as a delivery channel, pharmaceutical and medical device companies are responsible for selecting and providing us with the sponsored academic medical contents that they wished to deliver to targeted physicians using Yi Xun Da. We designed such tools and programs in order to enhance the competitiveness of our *MedSci* platform. We believe that a competitive and useful *MedSci* platform will give us competitive edge, allowing us to generate more revenue from our main solution offerings. See "— Medical and Clinical Study Assistance Products" for details.

We focus on offering academic medical contents to improve physicians' clinical skills and have accumulated a vast medical content library. Our *MedSci* platform provides physicians and other healthcare professionals with a wealth of professional medical information wherever and whenever they need it, which satisfies their need for continuing medical education and clinical decision support. Our content library is easily searchable. We identify and aggregate contents relevant to a search query and rank such contents based on relevance.

Our content production team regularly produces in-depth interpretations of the latest clinical studies, clinical guides, medical conference proceedings and clinical case reports collected around the world, which are adapted to accommodate our physician users' different levels of expertise and reading preferences. These interpretations or research summaries make significant medical discoveries published abroad more accessible to physicians and medical researchers in China. Our content production team also selectively conducts research on key clinical issues and produces comprehensive literature reviews on the topic or research articles on a specific clinical issue. In addition, members of our content production team participate in medical conferences both domestically and overseas as journalists and write news articles about topics discussed at such conferences and/or interview medical experts or newsmakers at the conferences. We invite physician users to share their clinical experience and techniques from time to time, and our content production

team reviews their submissions, works with the authors to refine their works and eventually publishes such works as articles in our medical knowledge database on our *MedSci* platform. To encourage physician users to contribute to our *MedSci* platform, we may grant extra credits that can be used for accessing premium contents on our *MedSci* platform as incentives. The amount of credits is granted by taking into account, among others, the nature of materials, the complexity of the topics, the rigorousness of the information and the amount of medical evidence and knowledge information included.

For details on medical contents on our *MedSci* platform, see "— Our Business Services — Physician Platform Solutions — Medical Knowledge Services".

For the information posted by users, we have implemented the terms with users for our platform through which users agree to take all responsibilities and legal consequences for the information they post on the platform; however, we cannot assure that all users will read through and strictly follow these terms and policies. Furthermore, for information we sourced from third-party copyright owners, we also entered into agreement with such copyright owners requiring them to take all responsibilities and legal consequences for the information provided to us. We also include warnings to users that the information provided on our *MedSci* platform may not be accurate. See "Risk Factors — Risks Relating to Our Business and Industry — We may be held liable for information displayed on, retrieved from or linked to our platform or created by us, which may adversely affect our business and results of operations."

The academic medical contents primarily include contents developed in collaboration with or sponsored by pharmaceutical and medical device companies, authorized reproduced contents we obtained from third parties and contents prepared by our own content production team. As of December 31, 2022, approximately 5% of the academic medical contents in terms of the number of articles and videos were developed in collaboration with or sponsored by pharmaceutical and medical device companies, approximately 54% of the academic medical contents in terms of the number of articles and videos were authorized reproduction from third parties, and approximately 41% of the academic medical contents in terms of the number of articles and videos were genuinely and independently prepared by our content production team. With respect authorized reproduced contents, we primarily source such contents from other professional media with proper authorizations and approvals and from various content contributors, primarily KOLs in certain medical disciplines. The specific fees involved with respect to authorized reproduced contents typically depend on, among others, the complexity of the underlying academic medical contents and the form of delivery.

Even if the contents of our platform are sponsored by pharmaceutical and medical device companies or provided by third parties, our editorial policies also require that such contents must be submitted for our review first and we only allow the publication of contents that contain rigorous medical knowledge information or evidence. Furthermore, we devoted a significant amount of time and resources during the editorial process ensuring such contents meet the needs of their target audience efficiently based on our registered physician users' background, specialty and area of interests.

We may bear liabilities (such as any claim, proceedings or penalties imposed by the relevant regulatory authorities) in the event of any misrepresentation of facts/knowledge within contents developed in collaboration with or sponsored by pharmaceutical and medical device companies as well as authorized reproduced contents from third parties. To mitigate our potential risks and liabilities, under arrangement with counterparties on academic medical contents, we have the right to conduct review prior to the uploading of academic medical contents on our *MedSci* platform. The relevant counterparties are obligated to covenant as to the accuracy, timeliness, integrity and comprehensiveness of information and materials provided to us and to ensure materials provided do not violate any applicable laws, regulations or policies. In case of any dispute or controversy that arose in the course of using materials provided to us, our counterparties are liable for any contractual damage resulting from their breach of contractual obligations.

We have established content screening procedures to monitor and ensure the quality of academic medical contents on our *MedSci* platform. We have a capable content production team, consisting of professionals in the relevant medical disciplines, to ensure the materials we covered are accurate, rigorous and up-to-date. As of December 31, 2022, our content production team consisted of 107 industry experts, over 75% of whom obtained the degree of medical master or above. Prior to uploading such contents, our content production team will conduct review to assess the scientific and professional nature of the contents. We have also formulated an internal manual guiding our content production team in assessing the rigorousness of medical evidence submitted by third parties. For instance, we implemented a three-level review mechanism to safeguard our overall operation. During the initial review, our editors shall examine whether the substantive information, fonts, pictures and citations of the academic medical contents are accurate. With the knowledge obtained from internal trainings, our editors during initial review are also responsible for assessing whether the materials may infringe upon the intellectual property rights of third parties and will revert to our legal department or outside counsel for assistance when necessary. After initial review, our editors who have relevant medical backgrounds will conduct a second-level review as to the accuracy and professionalism of the language. Before uploading the materials to our *MedSci* platform, we will assemble a review committee who conducts the final check on the professionalism of the academic contents and may further optimize the materials. We require our editors at each level to play close attention to whether the academic medical contents may contain any language that is prohibited by relevant laws and regulations. In addition, our manual requires that the materials from third parties shall have a clearly identified audience and include enhanced guidance for materials that are accessible to users who are not medical professionals. We require third parties to have proper citations in place and will independently verify the accuracy of such citations. The users may report inappropriate or inaccurate contents by making queries or filing complaints. Any such complaint received would be handled by our content production team, including conducting verification and providing response. If any errors are identified, we would take rectification measures or remove such contents from our *MedSci* platform, if needed. We believe that our medical expertise, procedures and safeguards will further improve our ability to ensure the quality of academic medical contents on our *MedSci* platform.

Even though we have implemented the aforesaid measures to to review academic medical contents on our *MedSci* platform, such measures may not be effective and we may still face potential legal liabilities in relation to the academic medical contents on our *MedSci* platform, regardless of whether such contents are developed in collaboration with or sponsored by pharmaceutical and medical device companies, authorized reproductions obtained from third parties or prepared by our own medical content production team. See "Risk Factor — Risks Relating to Our Business and Industry — We may be held liable for information displayed on, retrieved from or linked to our *MedSci* platform or created by us or third parties, which may adversely affect our business and results of operations" for further details on potential liabilities in relation to the contents on our *MedSci* platform. Despite the above-mentioned risk management measures relating to any misrepresentation of facts/knowledge, the academic medical contents on our *MedSci* platform may also infringe the intellectual property rights of others. During the Track Record Period, a few third parties filed litigations against us, claiming that medical academic contents on our *MedSci* platform infringed their intellectual property rights. See "Business — Legal Proceedings and Compliance" for further details. Our Directors confirmed that, as of the Latest Practicable Date, all of such litigations were settled and none of such litigations, individually or in aggregate, had a material impact on our business operations and financial performance. See "Risk Factor — Risks Relating to Our Business and Industry — We may be subject to intellectual property infringement claims or other allegations, which could result in payment of substantial damages, penalties and fines and removal of data or technology from our system." for further details on potential liabilities in relation to the contents on our *MedSci* platform.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claim or dispute against us arising from or in connection with academic medical contents developed in collaboration with or sponsored by pharmaceutical and medical device companies, authorized reproduced academic medical contents from third parties or contents prepared by our own content production team that may have a material and adverse effect on our business, financial condition or results of operations. See "— Legal Proceedings and Compliance" for details on some immaterial claims relating to academic medical contents arising in the ordinary course of our business.

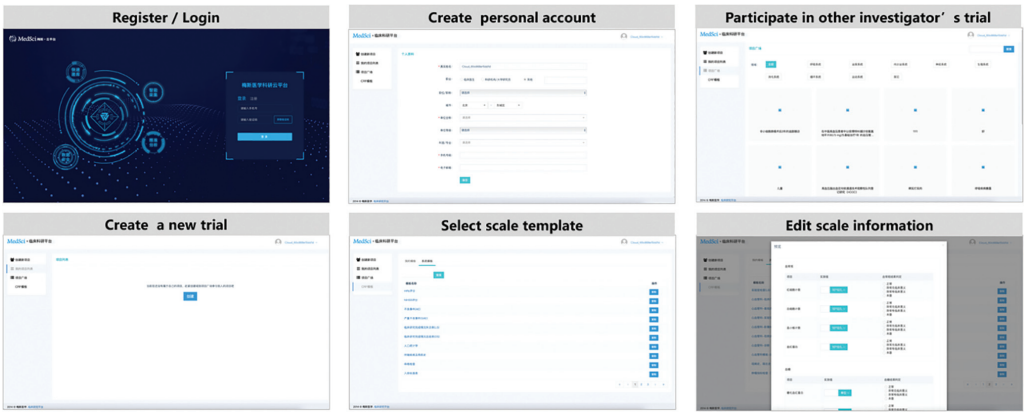
We have the intellectual property rights to all self-produced academic medical contents, including the ownership and publishing rights. For contents we developed in collaboration with third parties or other licensed contents, depending on the specific agreement entered into, we may have the copyright, or simply have the right to use contents within the authorized scope, including making the contents available on our platform.

To protect the intellectual property rights we held against plagiarism, we rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection and confidentiality agreements with our employees and third parties and other measures. See "Business — Intellectual Property" for details.

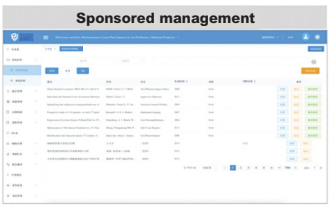
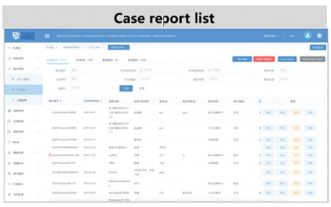
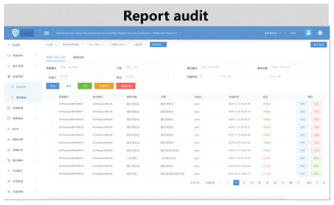
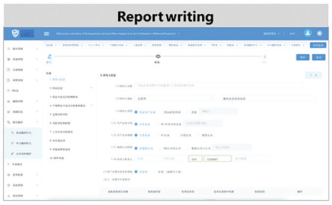
Medical and Clinical Study Assistance Products

Our *MedSci* platform also features a variety of medical and clinical study assistance products that enable physicians to efficiently and effectively conduct their medical and clinical study projects in physician platform solutions, pharmaceutical and medical device companies to efficiently reach targeted physicians in precision omni-channel marketing solutions and pharmaceutical and medical device companies to better manage and operate RWS projects. The below tools are delivered through and can be easily accessed on our *MedSci* platform:

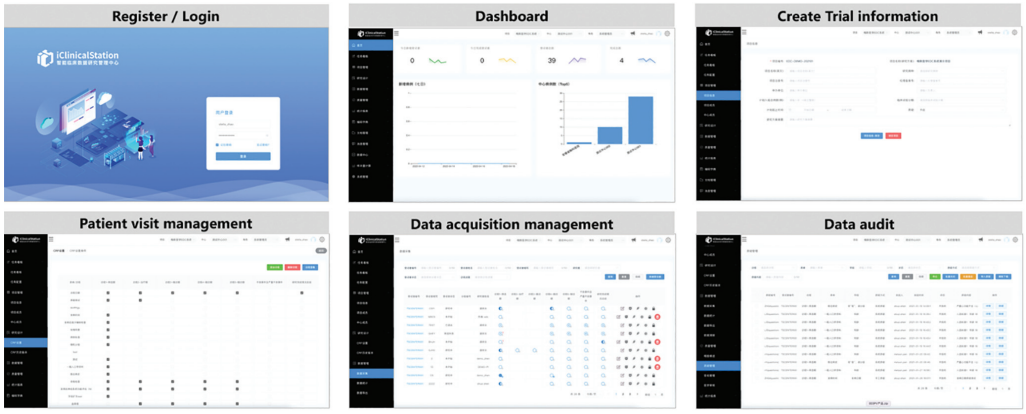
Tools	Description
MedSci Cloud (梅斯醫學科研雲平台)	*MedSci Cloud* is our EDC system that offers smart solutions on data collection, assessment, analysis and verification. Through utilizing *MedSci Cloud* as part of our clinical study assistance services, physicians can better manage their workstream and data during their self-initiated IITs or other non-registered clinical trials.



Research Accelerator (科研加速器)	We generate physician profiles based on physicians' clinical study ability, background and knowledge on relevant therapeutic areas. Based on the physician profile generated, we provide tailored clinical study guidance and tools addressing the specific clinical study demands from such physicians.

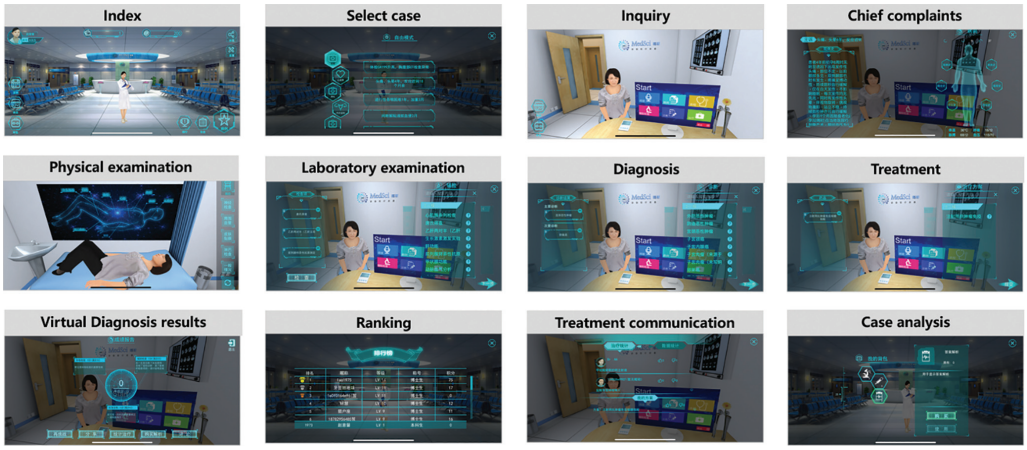
Tools	Description
	       
iDrugSafety (藥物警戒系統)	iDrugSafety is a pharmacovigilance information management system that supports clinical study and monitors pharmacovigilance issues after commercialization of healthcare products. It primarily supports our RWS solutions.
	     

Tools	Description
iClinical Station (臨床研究平臺)	iClinical Station is a digital tool specifically designed to collect, assess and manage data for RWS solutions.

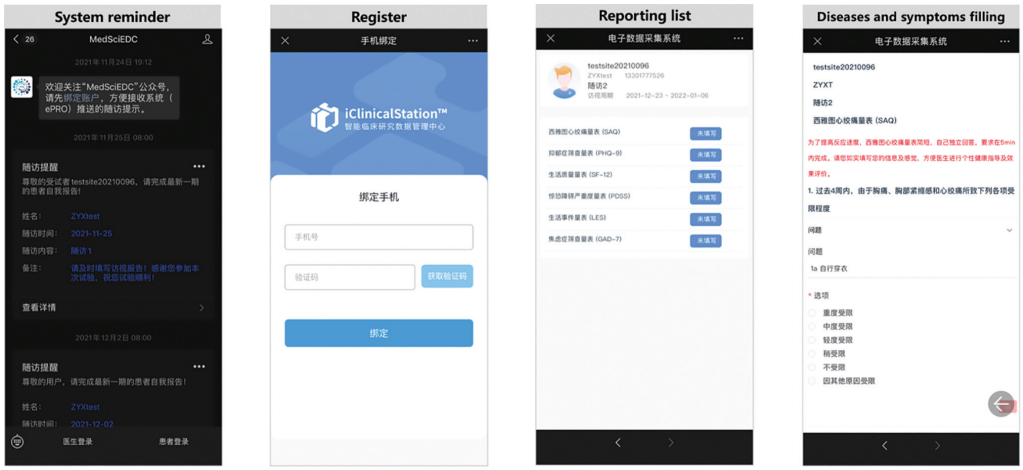


Yi Xun Da (醫迅達)	Yi Xun Da is a digital tool where we provide sponsored academic medical contents from pharmaceutical and medical device companies to physician users based on their interests and background. It primarily supports our precision omni-channel marketing solutions.

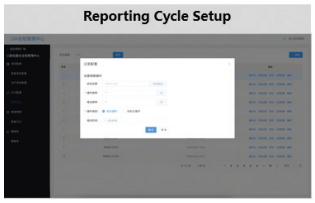
Tools	Description
Dr. MedSci (梅斯醫生)	Enabled by VR technology, Dr. MedSci integrates various clinical cases and simulates the clinical treatment process for physicians, allowing physicians to get exposure to complicated cases in a short period of time. Dr. MedSci is our VR diagnosis product that is expected to be launched in the fourth quarter of 2023. We intend to provide Dr. MedSci as part of our medical knowledge services.

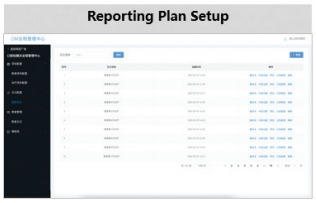


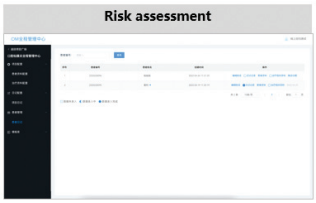
ePRO (電子患者報告結局)	ePRO is a patient reporting system where patients can self-report their diseases and symptoms in the system to facilitate communication with physicians. ePRO supports our RWS solutions.

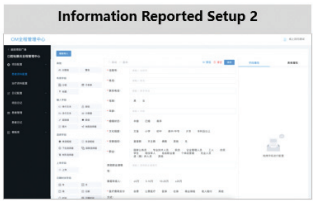


Tools	Description
eDiary (電子患者日誌)	eDiary is available to subjects via login to a mobile device for daily observations and has the added benefit of improving data collection responses through reminders and alerts. eDiary supports our RWS solutions.









Editorial Standards and Policies

Contents, once published by us on our platform, can only be edited by us, and are not open to our users for direct editing. UGC posted on our platform can be edited by its author, but we retain the right to remove any UGC.

We recognize and maintain a distinct separation between academic medical contents sponsored by pharmaceutical and medical device companies and medical knowledge information that is not sponsored. We take meaningful steps to ensure that our users can easily distinguish between sponsored academic medical contents and non-sponsored medical knowledge information. We provide sponsored academic contents only to registered physician users in certain sections on our *MedSci* platform. For instance, sponsored academic medical contents are primarily delivered to and consumed by registered physician users in our software system through Yi Xun Da or in certain specified sections, which are designated interfaces on our platform for sponsored academic medical contents distribution. Moreover, online courses that are sponsored by pharmaceutical and medical device companies will be clearly labeled to avoid confusion. As such, any sponsored academic medical contents on our *MedSci* platform are clearly and prominently labeled as sponsored and can be easily identified by registered physician users.

In addition, we do not prioritize sponsored academic medical contents over unsponsored contents when delivering materials to registered users. As sponsored academic contents will only be available in certain sections on our *MedSci* platform, there is no placement or ranking issues with respect to sponsored academic medical contents. All materials are ranked and tailored only based on such user's reading

preferences and areas of interest, among other factors related to their profiles and prior behaviors. Aside from the relevance to individual physician users, we also rank different contents in a feed list by time posted.

We do not provide direct advertisements in our sponsored academic contents to ensure the rigorousness of the information provided. Our sponsored academic contents merely introduce medical evidence, as well as the functions of medical products from pharmaceutical and medical device companies. Although physicians and other healthcare professionals, after reading sponsored academic medical contents on our *MedSci* platform, can become more informed and optimize their prescription pattern, we strive to ensure the rigorousness and professionalism of academic medical contents on our *MedSci* platform to distinguish such contents from pure direct advertisements. We also do not have any mechanism to trace increased sales volumes from our sponsored academic medical contents and do not separately charge pharmaceutical and medical device companies for improved sales results. Nevertheless, our sponsored academic medical contents may potentially be considered to be advertising materials. As such, we have implemented a series of internal measures to ensure compliance with the rules and regulations applicable to medical advertising to the general public and to the healthcare professionals. For instance, we implemented measures such as providing sponsored academic medical contents only to registered physician users, offering only medical evidence and analysis in sponsored academic medical contents rather than providing direct advertisements, providing guidelines to our employees detailing the principles to follow in respect of the wordings and materials to be included in sponsored academic medical contents and including disclaimers specifying that the relevant academic medical contents are only for healthcare professionals for research purposes and should not be considered as prescription recommendations. Moreover, if pharmaceutical and medical device companies were to include advertising related materials, we will carefully review the materials submitted by pharmaceutical and medical device companies to see whether they may be considered as advertisement through evaluating, among others, the target audience, the language used and the professionalism of the materials. If yes, we require pharmaceutical and medical device companies to submits their current approval or registration documents from competent authorities of medical advertising for our internal review, and we will not make any materials that have the potential of exceeding the scope of approval or registration documents available on our *MedSci* platform. Genuine approvals or registration documents from competent authority would indicate that the underlying advertisement complies with relevant advertising related laws and regulations. Under such scenario, our duty is limited to ensuring the materials available on our *MedSci* platform is consistent with the approval or registration documents provided. Our Directors believe, which are concurred by Frost & Sullivan, that our business model with respect to sponsored academic medical contents is consistent with the industry norm. Furthermore, as advised by our internal control consultant, the internal control measures we adopted are consistent with the industry norm.

RESEARCH AND DEVELOPMENT

We believe a strong research and development capability is crucial to our continued success and ability to develop new product offerings to keep up with the rapid development and advances in healthcare industry. Our research and development efforts primarily focus on improving the user-friendliness of our existing solutions, designing new solutions for our users, and optimizing and enhancing our technological infrastructure. We incurred RMB18.1 million, RMB24.4 million and RMB35.0 million of research and development expenses in 2020, 2021 and 2022, respectively, accounting for 8.4%, 8.2% and 10.0% of our revenue during the same years, respectively.

Our research and development team and technological infrastructure enable us to continuously introduce new innovations and offer a high-quality user experience. As of December 31, 2022, our research and development center consisted of 50 members, dedicated to developing other products and services and integrating the applications of advanced technologies into our service offerings, such as AI algorithms and big data capabilities. Our research and development team consists of data analysts capable of training and enhancing our machine learning and AI algorithms, software engineers that develop customized programs suited to the needs of our customers, software testers that ensure the quality of our product development and deployment, big data engineers that maintain our database and develop our data technology, security and risk management engineers that focus on cybersecurity and risk control, infrastructure maintenance engineers that maintain the stability of our platform, as well as platform development engineers that develop and implement solutions on our platform. Our research and development team jointly developed and maintained our core technologies, such as AI and big data, Content and Technology Center + Software Service platform, smart recognition and natural language processing. See "— Our Technology" for further details.

Our research and development efforts have contributed to the enhancement of our service capabilities. These efforts include hiring research and development personnel and other talent, expanding our intellectual property portfolio, and constantly upgrading our current data processing technology and AI algorithms. We intend to invest in several research and development projects involving (i) digital marketing, (ii) big data capabilities and AI algorithms and (iii) medical knowledge information on our platform. The results of these research and development projects will be applied in the solutions we provide to pharmaceutical and medical device companies, physicians and other healthcare industry participants. In addition, we plan to cooperate with technology companies, universities and research centers that possess cutting-edge technologies such as machine learning, big data capabilities and other technologies related to our business that would allow us to enhance our big data capabilities and machine learning abilities.

OUR TECHNOLOGY

AI and Big Data

For our physician platform services, we utilize AI and big data to deconstruct the medical knowledge information we developed to physicians accurately, which enables us to enhance the physician user experience by saving them the time and effort of filtering relevant medical knowledge information from various sources themselves. Leveraging our large physician user base and high engagement on our platform, we have accumulated a massive database of physician background and behavioral data. Such database, obtained with informed consent from our physician users, together with our deep understanding of our physician users, AI and big data capabilities, allows us to deliver customized contents to physicians and help them identify relevant contents efficiently. Furthermore, we intend to further update our database with a tagging system over, among other things, hospitals, diseases, pharmacies and medical specialties. As such, we will be able to accurately classify the contents on our platform to provide targeted recommendations to our physician users. We are continuing to refine our AI and big data capabilities to improve the relevance of contents we recommend to physicians.

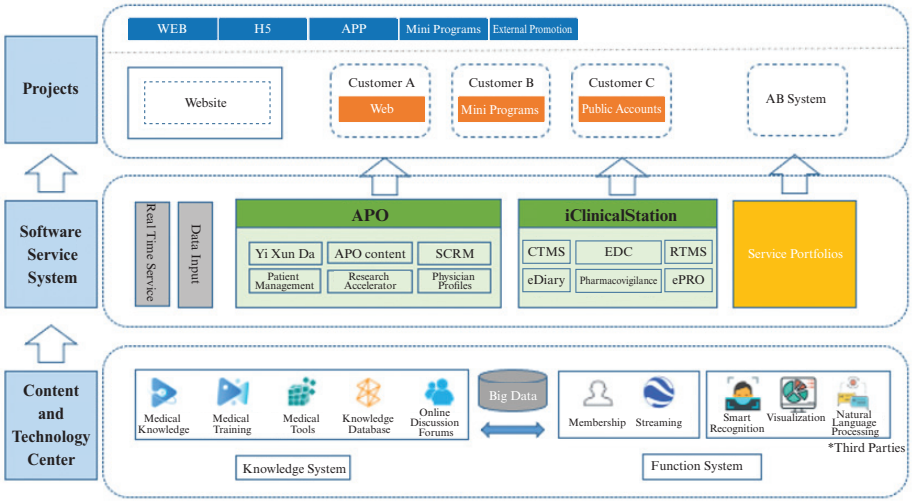
For our precision omni-channel marketing solutions, we leverage our AI and big data capabilities to help pharmaceutical and medical device companies accurately reach target physicians. With informed consents and authorization of our physician users, we deliver academic medical contents on our platform, including information designed in collaboration with pharmaceutical and medical device companies, to physicians based on the correlations established by AI and big data capabilities between their respective profiles, user habits, preferences and backgrounds and the relevancy of the academic medical contents. Such AI-enabled recommendation mechanism significantly improves the accuracy and efficiency of our content delivery as well as user experience, allowing us to obtain more digital marketing opportunities from pharmaceutical and medical device companies.

We also use AI and big data capabilities in prognosis modelling services that we provide to hospitals. The statistical analysis capabilities, together with data capabilities and machine learning algorithms, allow us to construct clinical prediction and pharmacogenomics analysis models for our hospital customers.

Content and Technology Center + Software Service Platform

Our Content and Technology Center is the foundation of our service infrastructure where we set up infrastructure with contents, including, among other things, latest news, cases, guidance, papers and scales and various clinical study tools contained on our *MedSci* platform. Such comprehensive Content and Technology Center have laid key foundations and support for our service offerings to our customers.

We provide individualized software programs to the customers based on their specific demand and requests and the nature of the underlying project. Key software programs we provide include Yi Xun Da for precision omni-channel marketing solutions, *MedSci Cloud* and *Research Accelerator* for physician platform solutions and *iClinical Station* and *iDrugSafety* for RWS solutions. See "— Our Platform — Contents on Our Platform — Medical and Clinical Study Assistance Products" for details. individual software program, based on the specific service provided and the authorization granted, can proactively obtain the professional medical knowledge information and tools stored on our Content and Technology Center, thereby alleviating the burden of designing software programs from scratch for each individual project. The following diagram exhibits the structural layout and function of our Content and Technology Center + Software Service platform:



Smart Recognition

Medical evidence can come in various forms, such as, among others, manuscript, pictures, laboratory test results and handwritten prescriptions. Such materials provide challenges for physicians to accurately and efficiently collect and assess clinical data. We offer various smart recognition software, such as image recognition, optical character recognition and automatic speech recognition software that can help collect clinical data for our customers. Such software enhances the accuracy and efficiency of the data collection process for clinical study projects.

Natural Language Processing

We have developed advanced patient management capabilities using natural language processing technologies. For instance, natural language processing can automatically collect and analyze communications with physicians in order to accurately and efficiently collect inputs from them. Furthermore, the inputs collected can be further analyzed to improve our understanding of the preferences of physicians and recommendation algorithms to optimize the personalized recommendation results for our service offerings, addressing physicians' lifelong research and learning needs.

DATA PROTECTION AND PRIVACY

We are committed to complying with data protection and privacy laws and protecting the security of user data. We mainly collect and store data relating to physician users' identity and behavior data, and such data is collected with the prior consent from our users in accordance with applicable laws and regulations. When providing our solutions and services, we may also have access to certain data of our clients and their respective customers. We store such data in our data centers and do not share such data with any third party. We have devised strict data protection policies to ensure that the collection, use, storage, transmission and dissemination of such data are in compliance with applicable laws and with prevalent industry practice.

Our data usage and privacy policy, which is provided to every user of our website, mobile applications, desktop applications, WeChat mini-programs and WeChat public accounts, describes our data practices. Specifically, we undertake to manage and use the data collected from users in accordance with applicable laws and make reasonable efforts to prevent the unauthorized use, loss, or leak of user data and will not disclose sensitive user data to any third party without users' approval except under legal requirement.

We are committed to protecting the data we collect. Our data protection and privacy policies are focused on ensuring that (i) our collection, storage, use, disposal and other processing activities of personal data are conducted in accordance with applicable laws and regulations and (ii) personal data we collect is reasonable for the purposes for which they are collected. To ensure data integrity and security, we have implemented a variety of information technology protection mechanisms and such protection mechanisms are applicable to all of our businesses:

- *Data Classification*. We classify the data we collect into five classes as public data, internal public data, sensitive data, secret data and top secret data. We have implemented measures and protocols to ensure the data safety and to avoid unauthorized use or leakage of the data.

- *Data Backup*. We adopt a combination of full backup and incremental backup, making sure the data we collect are well-stored. We also require our information technology department to regularly update and catalog the data backup status, detailing the background of the information, backup date and restoration techniques.

- *Access Restrictions*. We maintain strict control over access to data and strict assessment and approval procedures to prohibit invalid or illegitimate uses. We limit any access based on necessity and maintain records of data access. Our policies require products and services that involve accessing or processing of data to be subject to heightened assessment and approval procedures and we will monitor employee access to user data regularly. We require all our employees to comply with our internal policies and protect privacy and personal information, and we strictly prohibit unauthorized or improper collection or use of such data or personal information.

- *Emergency Plan*. We implement a comprehensive emergency plan in case of data breach. In case of emergency, we require our information technology department to isolate or shut down the breached server depending on the seriousness of the breach and the impacts on our business operations. Simultaneously, we will analyze our database to identify the source of the breach and implement enhanced security control measures accordingly. We may report the data breach incident to government agencies and have the right to dismiss any employee if they illegally misuse or leak data or cause any damage to us or our users and may also pursue further legal actions if necessary.

- *Stringent Risk Management*. To ensure information safety, we have implemented a series of mechanisms that limit our exposure to data safety risk. We assemble a team of responsible personnel from different departments and rate our data assets based on their confidentiality, completeness and influence over our business operations. With detailed ratings on hand, our management team will further design enhanced risk management procedures and protection mechanisms to safeguard the data we collect.

As of January 31, 2023, (i) we had engaged a qualified cybersecurity evaluation institution recognized by a research institute of the Ministry of Public Security and such evaluation institution had finished the cybersecurity graded protection assessment reports of our main information systems and according to such reports, our main information systems reached the basic requirements of the Level 3 information security protection; (ii) as required by applicable PRC laws and regulations, a group of third-party cybersecurity and business experts had been engaged to review our cybersecurity graded protection assessment reports and issued opinions to recognize the Level 3 information security protection of our main information systems; (iii) we had filed the record-filing and registration of the security protection grade of our main information systems with the Shanghai Municipal Public Security Bureau; and (iv) we had obtained the required Filing Certificates of Information System Security Graded Protection (Level III) for such main information systems.

We collect and use our users' personal data for the stated purpose as authorized by the user, in connection with compliance and risk management and as otherwise required by applicable laws and regulations. We do not share with, transfer or disclose personal data to any third parties except for certain limited circumstances, including when it is expressly authorized by our users, necessary to fulfill our main services to our users, or in compliance with the applicable laws and regulations.

We believe our policies and practice with respect to data privacy and security as mentioned above are in compliance with applicable laws and with prevalent industry practice. During the Track Record Period and up to the Latest Practicable Date, we have not received any claim from any third party against us on the ground of infringement of such party's right to data protection as provided by the PRC Civil Code Law or any applicable laws and regulations in the PRC. Based on the above, as confirmed by our PRC Legal Adviser, up to the Latest Practicable Date, (i) we are in compliance with the

applicable PRC data protection and privacy laws and regulations in material respects; and (ii) we were not subject to any administrative penalties due to violation of applicable data protection and privacy laws and regulations in China.

On October 29, 2021, the CAC has publicly solicited the Measures for Security Assessment for Cross-border Data Transfer (Draft for Comments) (《數據出境安全評估辦法(徵求意見稿)》). On July 7, 2022, the CAC officially promulgated the Measures for Security Assessment for Cross-border Data Transfer (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which came into effect on September 1, 2022. The Security Assessment Measures shall apply to the security assessment of the provision to overseas parties of important data and personal information collected and produced during operations within the mainland of the PRC by data processors. Such measures provide four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where a data processor provides important data overseas; (ii) where a crucial information infrastructure operator and a data processor processing the personal information of more than one million individuals provide personal information overseas; (iii) where a data processor provides personal information of 100,000 individuals or sensitive data of 10,000 individuals cumulatively overseas since January 1 of the previous year; or (iv) other circumstances in which the application for security assessment of cross-border transfer of data is required as stipulated by the CAC. In addition, according to the Security Assessment Measures, important data means data that may endanger national security, economic operation, social stability and public health and safety once altered, destroyed, leaked, illegally obtained or illegally used.

All the data collected and produced during our operations within the mainland of the PRC is stored within the PRC. Although our customers of RWS solutions include MNCs of household brands, we only provide services to Chinese entities of such MNCs and will not deliver the results generated to any foreign entity. Furthermore, there is no data cross-border transfer during our business operations except for the fact that certain our overseas part-time employees, who are bounded by confidentiality obligations with respect to materials they received, could download and provide insights on translations of academic papers submitted by physicians who intend to publish such academic papers in a different language during our clinical study assistance services. See "— Employees" for details of our part-time employees. Based on the fact that (i) such academic papers contain only de-identified personal information, if any, (ii) through the public search conducted by our PRC Legal Adviser, the data we process has not yet been included into any effective catalog of important data published by any governmental authority as such important data is subject to the security assessment when transferred overseas under the Security Assessment Measures, and (iii) the revenue from such professional academic translation is very limited, we are of the view that the Security Assessment Measures do not have a material adverse impact on our operation.

Our PRC Legal Adviser has conducted a consultation with Shanghai Office of CAC, via its dedicated hotline about security assessment for cross-border data transfer, and how the Security Assessment Measures apply to us on a named basis. During the consultation, our PRC Legal Adviser has explained our business model, especially the data processing activities and we are advised to seek guidance from the medical and health regulatory authorities for the important data catalog in the health industry. As of the Latest Practicable Date, we had not received any notice from the CAC requiring the application of security assessment regarding our business. Our PRC Legal Adviser consulted the important data catalog in the health industry with the National Health Commission, which, as advised by our PRC Legal Adviser, is a competent authority for the determination of important data catalog in the health industry according to the Data Security Law of the PRC (《中華人民共和國數據安全法》). The National Health Commission indicated that (i) the official guidelines for the important data catalog in the health industry are still being formulated, and (ii) before the issue of official guidelines, healthcare institutions at all levels shall establish their own data classification and hierarchy standards pursuant to the Administrative Measures on Network Security of Healthcare Institutions (《醫療衛生機構網絡安全管理辦法》) to determine the important data catalog. Nevertheless, as confirmed by our PRC Legal Adviser, we are not a healthcare institution and the Administrative Measures on Network Security of Healthcare Institutions (《醫療衛生機構網絡安全管理辦法》) does not apply to us.

As the Security Assessment Measures have only been recently promulgated and the catalog of important data is still in the process of being developed, the interpretation and enforcement of the Security Assessment Measures and its application remain uncertain. Nonetheless, to ensure on-going compliance, we have formulated a cross-border data transfer mechanism and a cross-border data transfer self-assessment procedure pursuant to standards specified in Information Security Technology — Guidelines for Identification of Important Data (《信息安全技術 — 重要數據識別指南》), which are open for public comment, and Guidelines on the Declaration for Security Assessment of Data Cross-border Transfer (《數據出境安全評估申報指南》(第一版)) published by the CAC, to address any potential cross-border data transfer issues during our business operations. The cross-border data transfer mechanism includes a comprehensive checklist that enables us to identify data that may warrant a security assessment by regulatory authorities to transfer overseas. As of November 12, 2022, we had completed the self-assessment pursuant the cross-border data transfer self-assessment procedure and was of the view that our business operations did not involve processing and sharing important data or large amounts of personal information. Based on the aforesaid self-assessment, the PRC Legal Adviser is of the view that our current business operations did not involve cross-border data transfers that may warrant a security assessment by regulatory authorities.

We will maintain ongoing communication with government authorities regarding the latest development and requirements of new regulations and timely implement necessary measures, including but not limited to, taking any potential rectification required according to the Security Assessment Measures within the grace period stipulated in such measures.

SALES AND MARKETING

We primarily market all of our solutions offering to pharmaceutical and medical device companies and physicians through our own sales force. We have a professional business development team to focus on securing business from both new and existing customers. Leveraging our brand recognition, extensive network of experienced physician user base and medical knowledge information, we are able to attract physicians and other healthcare professionals to our platform through word-of-mouth referrals, as well as online and offline marketing campaigns. Meanwhile, our sales and marketing team also conducts frequent and in-depth communications with pharmaceutical and medical device companies and physicians, which allow us to receive valuable customer feedback, enrich our platform resources and identify definitive needs. Our principal marketing and branding initiatives include: (i) regularly following up with pharmaceutical and medical device companies, primarily MNCs and manufacturers of innovative drugs and medical devices, on their marketing demands and potential collaboration opportunities; (ii) working with advertisement agencies of pharmaceutical and medical device companies by publishing certain customized materials demonstrating our academic medical expertise and precision marketing capabilities; and (iii) hosting and participating industry conferences and seminars to increase our recognition and exposure among pharmaceutical and medical device companies and physicians.

CUSTOMERS

Our customers primarily include pharmaceutical and medical device companies, physicians and non-profit organizations.

In 2020, 2021 and 2022, revenue from our top five customers in each year during the Track Record Period accounted for 20.6%, 19.3% and 23.2% of our total revenue for the respective years, and revenue from our largest customer in each year during the Track Record Period accounted for 8.7%, 7.2% and 11.2% of our total revenue for the respective years.

During the Track Record Period, none of our five largest customers is a connected person or a supplier of us. None of our Directors, their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in any of our five largest customers during the Track Record Period that is required to be disclosed under the Listing Rules.

The following tables set out the details of our top five customers in each year during the Track Record Period:

For the year ended December 31, 2020

Customer	Revenue amount (RMB in thousands)	Percentage of total revenue (%)	Years of commencement of business relationship with us	Place of Establishment	Background and Principal Business	Size of Business	Solution provided by us
Customer A	18,747	8.7	2018	Shanghai	Company engaging in medical technology consultancy and sales of health-related products	Approximately RMB1.1 billion in revenue for the nine months ended September 30, 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer B[(1)]	7,732	3.6	2016	Xi'an	PRC subsidiary of a MNC headquartered in the United States engaging in the development and sales of drugs and medical devices	Approximately RMB520.0 million in revenue in 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer C	6,203	2.9	2018	Shanghai	PRC subsidiary of a MNC headquartered in Japan engaging in the development and sales of drugs and medical devices	Approximately RMB30.0 million in revenue in 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer D	5,830	2.7	2019	Beijing	Non-profit organization offering medical assistance, medical knowledge information and trainings for the public	Public information not available	Precision omni-channel marketing solutions
Customer E	5,823	2.7	2015	Beijing	PRC subsidiary of a MNC headquartered in Germany engaging in the development and sales of drugs and medical devices	The revenue of the MNC sourced in China amounted to approximately EUR3.9 billion in 2021 based on publicly available information	Precision omni-channel marketing solutions

For the year ended December 31, 2021

Customer	Revenue amount (RMB in thousands)	Percentage of total revenue (%)	Years of commencement of business relationship with us	Place of Establishment	Background and Principal Business	Size of Business	Solution provided by us
Customer B[(1)]	21,554	7.2	2016	Xi'an	PRC subsidiary of a MNC headquartered in the United States engaging in the development and sales of drugs and medical devices	Approximately RMB520.0 million in revenue in 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer A	9,365	3.1	2018	Shanghai	Company engaging in medical technology consultancy and sales of health-related products	Approximately RMB1.1 billion in revenue for the nine months ended September 30, 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer E	9,184	3.1	2015	Beijing	PRC subsidiary of a MNC headquartered in Germany engaging in the development and sales of drugs and medical devices	The revenue of the MNC sourced in China amounted to approximately EUR3.9 billion in 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer C	8,867	3.0	2018	Shanghai	PRC subsidiary of a MNC headquartered in Japan engaging in the development and sales of drugs and medical devices	Approximately RMB30.0 million in revenue in 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer F[(1)]	8,603	2.9	2016	Shanghai	PRC subsidiary of a MNC headquartered in the United States engaging in the sales and maintenance of medical devices	Approximately RMB20.0 billion in revenue in 2021 based on publicly available information	Precision omni-channel marketing solutions

For the year ended December 31, 2022

Customer	Revenue amount (RMB in thousands)	Percentage of total revenue (%)	Years of commencement of business relationship with us	Place of Establishment	Background and Principal Business	Size of Business	Solution provided by us
Customer G	39,010	11.2	2019	Ji'nan	Company engaging in development and sales of medical, biological and chemical products	Approximately RMB34.4 billion in revenue in 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer B[(1)]	14,903	4.3	2016	Xi'an	PRC subsidiary of a MNC headquartered in the United States engaging in the development and sales of drugs and medical devices	Approximately RMB520.0 million in revenue in 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer E	9,961	2.9	2015	Beijing	PRC subsidiary of a MNC headquartered in Germany engaging in the development and sales of drugs and medical devices	The revenue of the MNC sourced in China amounted to approximately EUR3.9 billion in 2021 based on publicly available information	Precision omni-channel marketing solutions
Customer H	9,310	2.7	2019	Shanghai	Company engaging in medical technology consultancy and sales of medical devices	Approximately RMB8.3 million in revenue for the five months ended May 31, 2022 based on publicly available information	RWS Solutions
Customer I	7,429	2.1	2020	Shanghai	PRC subsidiary of a MNC headquartered in Switzerland engaging in the development and sales of drugs	The revenue of the MNC sourced in China amounted to approximately CHF3.2 billion in 2021 based on publicly available information	Precision omni-channel marketing solutions

Note:

(1) Customer B and Customer F are both PRC subsidiaries of the same MNC headquartered in the United States.

SUPPLIERS

Our suppliers are primarily providers of information technology services, telecommunication services, human resources related services and others. They primarily help us generate academic medical contents on our *MedSci* platform.

In 2020, 2021 and 2022, purchases from our top five suppliers in each year during the Track Record Period accounted for 35.2%, 35.8% and 56.7% of our total purchases for the respective years, and purchases from our largest supplier in each year during the Track Record Period accounted for 12.2%, 10.0% and 32.8% of our total purchases for the respective years. The concentration of purchases from our largest supplier was attributable to increasing purchases from Supplier F, a supplier that assisted our Group in creating academic medical contents, from 10.0% in 2021 to 32.8% in 2022. The purchase amount from Supplier F increased substantially primarily because (i) the overall increase in the number of contracts, especially for precision omni-channel marketing solutions, in 2022 as well as the temporary measures implemented due to COVID-19 in Shanghai and the fact that many of our employees contracted COVID-19 and took leaves in the end of 2022 affected our ability to deliver academic medical contents solely with our own employees. Therefore, we strategically decided to outsource more non-core but labor-intensive content creation related work under our guidance to third-party suppliers; and (ii) given Supplier F had a track record of consistently providing quality content creation related work at competitive prices, we decided to increase the purchase amount from Supplier F. Nevertheless, we are of the view that, despite the increasing purchases, we did not materially rely on Supplier F for the content creation related work primarily because the work is non-core in nature and it will not be materially difficult for us to seek alternative suppliers in the market as we have already engaged other suppliers for the same type of work. Further, with the release of temporary measures implemented due to COVID-19, we did not expect the purchase from Supplier F to further increase substantially.

During the Track Record Period, none of our five largest suppliers is a connected person or a customer of us. None of our Directors, their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in any of our five largest suppliers during the Track Record Period that is required to be disclosed under the Listing Rules.

The following tables set out the details of our top five suppliers in each year during the Track Record Period:

For the year ended December 31, 2020

Supplier	Purchase amount (RMB in thousands)	Percentage of total purchase (%)	Years of commencement of business relationship with us	Place of Establishment	Select Business Scope	Size of Business	Goods/services provides to us
Supplier A	9,970	12.2	2019	Shanghai	Bio-med related technology services, laboratory equipment, medical device, sales of chemical materials and products and equipment leasing	Approximately RMB100.0 million in revenue in 2021 based on publicly available information	Content development
Supplier B[(1)]	6,259	7.6	2017	Tianjin	Human resources related services, technology related services, professional design services, intellectual property services and internet culture operation services	Approximately RMB1.0 billion to RMB2.0 billion in revenue in 2021 based on publicly available information	Content development
Supplier C	4,877	6.0	2019	Huzhou	Information technology services, telecommunication services, information consultancy services, marketing strategy design services and health consultancy services	Approximately RMB3.0 billion to RMB5.0 billion in revenue in 2021 based on publicly available information	Content development
Supplier D	4,576	5.6	2016	Kunshan	Equipment development, manufacturing, sales and after-sales services	Public information not available	Property rental
Supplier E	3,085	3.8	2019	Shanghai	Bio-science related technology services and for-profit medical institutions	Approximately RMB100.0 million in revenue in 2021 based on publicly available information	Content development

Note:

(1) As a human resources related services provider, Supplier D provided content development services through helping us develop academic medical contents through their medical and IT personnel.

For the year ended December 31, 2021

Supplier	Purchase amount (RMB in thousands)	Percentage of total purchase (%)	Years of commencement of business relationship with us	Place of Establishment	Select Business Scope	Size of Business	Goods/services provides to us
Supplier F	8,363	10.0	2021	Tianjin	Information technology services, digital technology consultancy services, information consultancy services, health consultancy services, translation services, human resources related services and internet culture operation services	Approximately RMB52.5 billion in revenue in 2021 based on publicly available information	Content development
Supplier B[(1)]	6,906	8.3	2017	Wuhan	Human resources related services, technology related services, professional design services, intellectual property services and internet culture operation services	Approximately RMB1.0 billion to RMB2.0 billion in revenue in 2021 based on publicly available information	Content development
Supplier G	5,207	6.2	2020	Kaifeng	Information technology services, corporate management and information consultancy services, webpage design services, digital picture and article design services, online video services and human resources related services	Public information not available	Content development
Supplier H	4,834	5.8	2021	Zhuzhou	Information technology services, corporate management consultancy services, health consultancy services, professional design services and marketing design services.	Public information not available	Content development
Supplier D	4,576	5.5	2016	Kunshan	Equipment development, manufacturing, sales and after-sales services	Public information not available	Property rental

Note:

(1) As a human resources related services provider, Supplier D provided content development services through helping us develop academic medical contents through their medical and IT personnel.

For the year ended December 31, 2022

Supplier	Purchase amount (RMB in thousands)	Percentage of total purchase (%)	Years of commencement of business relationship with us	Place of Establishment	Select Business Scope	Size of Business	Goods/services provides to us
Supplier F	36,374	32.8	2021	Tianjin	Information technology services, digital technology consultancy services, information consultancy services, health consultancy services, translation services, human resources related services and internet culture operation services	Approximately RMB52.5 billion in revenue in 2021 based on publicly available information	Content development
Supplier B[(1)]	12,328	11.1	2017	Wuhan	Human resources related services, technology related services, professional design services, intellectual property services and internet culture operation services	Approximately RMB1.0 billion to RMB2.0 billion in revenue in 2021 based on publicly available information	Content development
Supplier I	6,661	6.0	2022	Anqing	Information technology services, information consultancy services, human resources related services, health consultancy services and professional design services	Public information not available	Content development
Supplier J	3,846	3.5	2021	Xiamen	Human resources related services, corporate consultancy services, information consultancy services and technology related services	Public information not available	Content development
Supplier D	3,684	3.3	2016	Kunshan	Equipment development, manufacturing, sales and after-sales services	Public information not available	Property rental

Note:

(1) As a human resources related services provider, Supplier D provided content development services through helping us develop academic medical contents through their medical and IT personnel.

COMPETITION

We operate in the highly competitive healthcare industry in China and are faced with intense competition, including competition for customers, technology and talents. We face competition with other physician platform service providers that develop and commercialize digital healthcare marketing services, clinical study services and/or medical content services. We strive to improve our scalability and reliability of services, technology capabilities, marketing and sales capabilities, customer experience, pricing, brand recognition and reputation, so as to maintain and grow the number and engagement of physician users and pharmaceutical and medical device companies.

We believe that we are well-positioned to compete effectively on the basis of the foregoing factors. Nevertheless, our competitors may have a longer operating history, greater brand recognition, larger customer bases as well as greater financial, technical and other resources. For risks relating to our competitiveness in the industry, please see "Risk Factors — Risks Relating to Our Business and Industry — If we are unable to compete effectively, our business, results of operations and financial condition may be materially and adversely affected."

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognitions for the quality and popularity of our solutions. The following table sets out a list of major awards and recognitions we received during the Track Record Period:

Award/Recognition	Award Year	Awarding Institution
Top 100 Future Medicare Provider from 2020 to 2022 & Top 100 in Digital Medicare Category (2020–2022未來醫療100強數字醫療榜TOP100)	2022	VCBeat Research
Silver Award of the 9th Suqin Award (Technology Group) Smart Marketing Category (第九屆蒲公英獎(技術組)智能營銷類銀獎)	2022	Suqin Chamber
2021 Industry Quality Model Award (2021行業品質典範獎)	2021	The Second International Quality Festival
Top 50 Influential New Medical Service Provider in 2020 (2020年度新醫療 • 影響時代的逆行者TOP50)	2021	Pencil Never Lies

Award/Recognition	Award Year	Awarding Institution
Top 100 Future Medicare Provider in 2020 & Top 10 in Digital Marketing Category (2020未來醫療100強 — 數字化營銷類TOP10)	2020	VCBeat Research
Top 100 Future Medicare Provider in 2019 & Top 5 in Physician Academic Training Category (2019未來醫療100強中國榜醫生學術培訓TOP5)	2019	VCBeat Research
Top 100 Future Medicare Provider in 2020 & Top 100 in Digital Medicare Category (2019未來醫療100強 — 數字醫療榜TOP100)	2019	VCBeat Research
2019 Red Herring Asia 100 (2019紅鯡魚亞洲100強)	2019	Red Herring

OUR SOCIAL RESPONSIBILITIES

Our ESG Governance

Our business does not face material environmental, social and corporate governance ("**ESG**") risks or opportunities, including environmental, social and climate-related risks or opportunities, which could cause a potential material impact on our business, strategy and financial performance. We primarily generate revenue from operating our precision omni-channel marketing solutions and physician platform solutions, which are not industry sectors that have material ESG exposure. Our business does not involve material environmental risks such as inherent exposure to carbon emission, land and water use, manufacturing footprint and packaging, or material social risks such as health and safety risks. To ensure compliance with applicable laws and regulations, from time to time, our human resources department would, if necessary and after consultation with our legal advisers, adjust our human resources policies to accommodate material changes to relevant labor and work safety laws and regulations.

Nevertheless, we are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations. Corporate social responsibility is viewed as part of our core growth philosophy that will be pivotal to our ability to create sustainable value for our Shareholders by embracing diversity and public interests. Accordingly, our Board of Directors [has adopted] a comprehensive policy on environmental, social and corporate governance, or ESG, responsibilities (the "**ESG Policy**") in accordance with the Listing Rules, which sets forth our corporate social responsibility objectives and provides guidance on practicing corporate social responsibility in our daily operations. Our Board of Directors has the collective and overall responsibility for establishing, adopting and reviewing our policies for environmental, social and corporate governance related matters, and evaluating, determining and addressing the relevant risks. Our Board of Directors may assess or engage independent third party(ies) to evaluate the ESG risks and review our existing strategy, target and internal controls. Necessary improvement will then be implemented to mitigate the risks.

We will establish an ESG committee (the "**ESG Committee**") at our Board level after the [REDACTED] to support our Board in establishing and adopting the ESG policies, strategies and targets of the Company, and reviewing the Company's performance against ESG-related targets and revising the ESG strategies as appropriate if significant variance from the target is identified. Our management team is generally responsible for carrying out our ESG policies in executing the Company's business operations.

The ESG Committee will have a specific focus on environmental matters, such as energy consumption, pollutants, greenhouse gas emissions and reporting, as well as waste management and recycling efforts. In addition, the ESG Committee will also be responsible for the identification, assessment and management of material ESG-related matters, including climate-related risks, by taking into consideration the metrics and targets stipulated in Appendix 27 to the Listing Rules and applicable laws, regulations and industry standards. We will also include environmental protection as an important part of our employee training programs, and continue to raise the awareness of energy conservation and environmental protection of all employees in the Group, helping us achieve a green, healthy and sustainable development.

Our ESG Policy

Under our ESG Policy, we aim to build a sustainable community with our employees, business partners, users and other participants of our platform. We endeavor to reduce negative impacts on the environment through our commitment to energy saving and sustainable development. We also focus on embracing diversity within our Company and equal and respectful treatment of all of our employees including employees with disabilities in their hiring, training, wellness and professional and personal development. We will continue to promote work-life balance and create a positive workplace for all of our employees. We strive to establish a sound talent cultivation mechanism and create an online-offline combined training platform.

Our ESG Policy sets forth measures to reduce our carbon footprint such as reducing the energy consumption through:

- encouraging our employees to commute by public transport and arranging shuttle buses for our employees to conveniently access public transport from our office premises;
- installing energy efficient lighting and asking our employees to switch off lighting after working hours;
- encouraging our employees to avoid printing hard copies and requiring double-sided printing whenever possible;
- promoting recycling schemes, seeking alternative ways of disposing of and reducing waste in environmental-friendly ways;
- reusing materials whenever possible;
- strictly complying with and fully implementing all relevant environmental laws and regulations;
- encouraging teleconferences as opposed to physical meetings to reduce travel;
- asking our employees to be mindful of the environment when using office supplies and encouraging them to reuse office supplies; and
- reducing the usage of air conditioning, including requirements on lowest temperature.

Impact of ESG-related Risks and Opportunities

As we are primarily engaged in providing various online services to pharmaceutical and medical device companies and physicians in China, we believe we do not have any significant impact on the environment. During the Track Record Period, we have not incurred, and we do not expect to incur, any material costs of compliance with applicable rules and regulations relating to environmental matters. Our PRC Legal Adviser has advised us that there were no breaches or violations of the PRC environmental laws and regulations applicable to our business operations during the Track Record Period that may have a material and adverse impact on our business, financial condition or results of operations taken as a whole.

However, we understand that we may be exposed to possible financial loss and non-financial detriments arising from environmental and climate-related risks. These risks include primarily (i) physical risks, being the damages arising from extreme weather conditions and long-term chronic shifts in climate patterns and (ii) transition risks, being the risks arising from compliance with the applicable environmental laws and regulations and the stringent environmental protection standards. The estimated magnitude of resulting impacts is evaluated over short, medium and long term horizons.

In recent years, changing weather patterns due to climate change have increased in frequency of extreme weather conditions. In terms of major climate change related impacts that may affect us, we make reference to the Task Force on Climate-Related Financial Disclosures ("**TCFD**") framework to evaluate the magnitude of the climate impacts. Extreme weather conditions as a short-term risk, such as typhoons, storm surges and rainstorms, may disrupt our business operation and ultimately our revenue. Disasters created by extreme conditions could cause damage to or destruction of our owned or leased properties, resulting in temporary or long-term closures of our properties and operations and expenses for repair or replacement of damaged or destroyed properties. In the medium to long term, increasingly enacted legislation and regulations in response to potential impacts of climate change may have the potential to affect our operations directly or indirectly as a result of required compliance by our customers or our supply chain, and may subject us to additional costs and restrictions, which could negatively impact our financial condition and results of operations. Any inconsistency of such laws and regulations may also affect our costs of compliance.

Our working teams mainly operate in Shanghai and the physical risk to our operations due to climate change is limited. However, we are fully aware of the fact that physical risks and transition risks may have a greater impact on our customers and the overall supply chain, which may ultimately affect our performance. As such, in addition to implementing our ESG policy to guide our development, we will closely work with our customers and suppliers by understanding their exposure to physical and transition risks brought by environmental, social and climate-related issues.

Protecting the environment is now a priority for consumers, companies and the government. Their converging interests, driven by increased global awareness of climate change, technological advances and health concerns, are underpinning a global drive to seek more environmental-friendly approaches to conduct businesses. We believe that our business will benefit from such an awareness change primarily because, as an online physician platform service provider for physicians and a digital healthcare marketing platform for pharmaceutical and medical device companies, our solutions (i) enhance the efficiency of operation of our customers, thus saving energy and resources and (ii) help our customers operate their business even in case of extreme weather conditions. For instance, pharmaceutical and medical device companies can shift more customer and KOL visits from offline to online, further reducing carbon footprints. Moreover, the benefits of our platform can be enjoyed whether or not our customers are affected by extreme weather conditions. Therefore, our Directors expect that the shifting public sentiment over environmental and climate-related risks may have a positive impact on our results of operations.

Metrics and Targets Used for Assessment of ESG-related Risks

In line with our vision for sustainable development, we oversee our environmental protection performance in various aspects, such as efficiency in the use of resources and energy consumption. The table below sets forth an analysis of our environmental protection performance during the Track Record Period:

	As of/For the year ended December 31,		
	2020	2021	2022
Number of employees	588	703	646
Electricity consumption costs (RMB)	260,727	327,706	407,610
Per employee electricity consumption (RMB)	443	466	631

Our electricity consumption costs amounted to approximately RMB0.3 million, RMB0.3 million and RMB0.4 million, respectively, in 2020, 2021 and 2022. The per employee electricity consumption cost rose to approximately RMB631 primarily as a result of (i) the opening of new office premises that leads to higher electricity consumption and (ii) the increase in the usage of electrical disinfection equipment during the COVID-19 outbreak to protect our employees.

We aim to avoid or reduce the adverse impact on the environment caused by our operations and services, formulate environmental management plans to continuously improve our energy consumption efficiency and ensure all of our operations comply with governmental environment-related regulations and requirements. Moreover, we encourage all staff to reduce the production of paper waste, reduce consumption of water resources and electrical appliances by posting environmental reminder labels on our electrical appliances and in our office area.

We regularly review our electricity consumption level and consider different methods to reduce energy consumption. Our current target is to gradually adopt more environmentally friendly and energy efficient measures in our daily operations. The data will serve as a foundation for developing more relevant energy reduction strategies and settling appropriate reduction targets for us in the future. We intend to reduce our per employee electricity consumption by 20% in 2027. We set our energy reduction target by taking into account of our historical energy consumption rates and our overall goal to reduce our carbon footprint. With respect to the specific measures to be implemented to meet our goal, see "— Our ESG Policy" for details.

We understand a set of proper internal control measures on implementation of ESG Policy is essential to achieve our targets. As such, our ESG Committee will work with our management team to execute the ESG Policy and related measures and will review the execution process on a regular basis to ensure implementation of ESG Policy. We will also require our ESG Committee to meet with our management team on the ESG performance of our Group each year to assess the effectiveness of the execution of ESG Policy and provide further recommendations and targets if required. Specifically, when the measures are not effective in improving our energy efficiency, the relevant departments of our Company shall report to the ESG Committee. Mitigation and pre-emptive measures will be proposed by the management of relevant departments and further reviewed and, if appropriate, approved by the ESG Committee. Also, timely adjustment on ESG-related internal control measures, mitigation and pre-emptive plans and targets will be made in response to the evolving ESG-related regulatory requirement.

Health, Safety and Environmental Matters

We do not believe that we are subject to any significant health, work safety or environmental risk. To ensure compliance with applicable laws and regulations, from time to time, our human resources department would, if necessary and after consultation with our legal advisers, adjust our human resources policies to accommodate material changes to relevant labor and work safety laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any fines or other penalties due to noncompliance in relation to health, work safety or environmental regulations and ESG risks and have not been involved in any accident, or claim for personal or property damage made by our employees which had materially and adversely affected our business operations and financial condition.

Good Health and Well-Being

We seek to increase health and well-being for people at all ages by supporting clinical decisions by physicians and educating patients about their conditions. We believe our solutions help improve the accuracy of diagnosis, raise awareness of health issues and motivate lifestyle changes.

Quality Education

We strive to promote inclusive and equitable quality education and lifelong learning opportunities for medical students, physicians and other healthcare professionals. We believe our solutions help medical students, physicians and other healthcare professionals improve their clinical knowledge and skills.

THE IMPACT OF AND OUR RESPONSE TO COVID-19

Since the end of December 2019, the outbreak of a novel strain of coronavirus, or COVID-19, has adversely affected the Chinese and global economy. In response to the COVID-19 pandemic, including the recent recurrence of the Omicron variant of COVID-19 around the beginning of 2022 in China and across the world, the PRC government has imposed mandatory quarantine, closure of workplaces and facilities, travel restrictions and other related measures. These measures have caused a decline in the business activities in various industries in which our customers and business partners operate. The COVID-19 pandemic has caused temporary disruptions to our business operation to varying degrees. For instance, the number of offline marketing activities and business trips significantly declined due to COVID-19-related travel restrictions. Moreover, we encountered practical difficulties in conducting RWS solutions, primarily because lockdown measures prevent physicians from conducting clinical studies, inhibiting our ability to gather real-world evidence. Furthermore, the average project term for our omni-channel marketing solutions also increased due to COVID-19-related restrictive measures, driving up overall operation costs. And the number of physicians who engaged us for clinical study assistance services were affected by COVID-19 as physicians are busy fulfilling their duties during the COVID-19 pandemic. However, the impact of the ongoing COVID-19 pandemic has accelerated the need for digitalized solutions. Pharmaceutical and medical device companies, instead of in-person traditional detailing, need digitalized solutions to reach a wider physician audience to market their products. Moreover, physician platforms can better provide comprehensive support addressing needs of physicians at different stages of their career digitally. See "Industry Overview — Physician Platform Service in China" for more details.

The outbreak of the COVID-19 pandemic originally peaked in February 2020 in China and the social and market conditions have substantially improved since late March 2020, when the COVID-19 pandemic was substantially under control. Throughout the COVID-19 pandemic, we have been proactively mobilizing internal resources and leveraging our strong technological capabilities to mitigate the impact of the COVID-19 pandemic. Such remedial measures include, among others, (i) promoting remote working arrangements among our employees, (ii) designating specialized personnel to address the work and living needs of our employees, facilitating better working and living environment in the event of lockdown, (iii) applying video conferences in more scenarios and (iv) arranging more trainings on COVID-19 preventions and purchasing protective gear to safeguard our employees. As a result, we had maintained strong revenue growth throughout the Track Record Period, despite the impact of the COVID-19 pandemic as outlined above.

As the pandemic resurged in the first half of 2022 in China, particularly in Shanghai, there remain uncertainties associated with the COVID-19 pandemic, including with respect to the ultimate spread of the virus, the severity and duration of the pandemic and further actions that may be taken by governmental authorities in China and around the world to contain the virus. The outbreak in Shanghai in the first half of 2022 has negatively affected our business operations and financial performance. For instance, the demand for physician platform solutions decreased as a result of temporary closure of hospitals and a substantial increase in COVID-19-related duties among physicians, particularly physicians in

Shanghai. Furthermore, the COVID-19 recurrence in Shanghai also negatively affected our ability to conduct RWS solutions and precision omni-channel marketing solutions as physicians are occupied with their COVID-19-related duties. The fact that many patients are under mandatory quarantine in Shanghai further inhibits physicians from conducting clinical and real-world studies on new cases, further affecting our revenue.

As China relaxes its "zero-COVID" policy, there has been a significant surge of COVID-19 cases in China. The rising number of confirmed COVID-19 cases across China may further have a negative impact on our business operations and financial position. In late December 2022 and early January 2023, many of our employees contracted COVID-19 and took leaves. This may have a temporary adverse effect on our business operation. Nonetheless, in view of the PRC government's recent relaxation of its "zero-COIVD" policy since December 2022 (such as the PRC authorities releasing measures to accelerate the economic recovery and resume normal operations of the society and the lifting up of quarantine measures and travel restrictions), and notwithstanding the soaring COVID-19 cases in late December 2022 and early January 2023, our Directors remained cautiously optimistic with our operations in the future. With information currently available to our Directors (including (i) the fact that since late December 2022 and up to the Latest Practicable Date, there was no material delay or cancellation of our projects due to COVID-19; (ii) the fact that we did not experience any material shortage of labor and our employees have gradually returned to offices and thus, our operational efficiency has gradually resumed to normal; and (iii) market information based on our regular communication with our key customers and suppliers) and after taking into account the governmental measures implemented to accelerate China's economic recovery, up to the Latest Practicable Date, our Directors were not aware of any material adverse impact of such relaxation of the "zero-COVID" policy and consequent resurgence of COVID-19 in the PRC since late 2022 on our operations and financial performance. Furthermore, we believe that although there remain significant uncertainties surrounding the COVID-19 pandemic and its recent resurgence in China, which may have a negative impact on our operations and financial performance, COVID-19 shall not materially disrupt our business operations as the demand for our services may gradually increase along with the recovery of China's economy, as well as the China's healthcare market. Our Directors will continue to assess the impact of the COVID-19 on our operations and financial performance and closely monitor our exposure to the risks and uncertainties in connection with the COVID-19.

The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations, cash flows and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted. See "Risk Factors — Risks Related to Our Business and Industry — We face risks related to natural disasters, health epidemics and other outbreaks, such as the outbreak of COVID-19, which could significantly disrupt our operations."

INTELLECTUAL PROPERTY

Intellectual property is important to our business operations and we have devoted significant time and resources to their development and protection. As of the Latest Practicable Date, we had been issued 115 trademarks, 12 patents, 170 registered copyrights and 15 domain names. See "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual property rights" for details of selected material intellectual property rights.

We rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection and confidentiality agreements with our employees and third parties and other measures to protect our intellectual property rights. We clearly state all rights and obligations regarding the ownership and protection of intellectual properties in most commercial agreements we enter into. In addition, our employees must enter into a standard employment contract which includes a clause acknowledging that all inventions, trade secrets, developments and other processes generated by them during their employment with us are our properties, and assigning to us any ownership rights that they may claim in those works.

We intend to protect our technology and proprietary rights vigorously, but there can be no assurance that our efforts will be successful. As of the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement upon third parties' intellectual property rights in China. However, future unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position."

We have also adopted policies and procedures to prevent copyright infringement and ensure our operations are in compliance with copyright related laws and regulations. We require all our employees to comply with our policies, and we strictly prohibit unauthorized use of copyrighted contents. We provide trainings and clear guidelines to our employees to help them understand the scope of copyrighted works. We encourage employees to educate their peers on copyright compliance and report any potential copyright infringement.

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. We do not maintain business interruption insurance or general third-party liability insurance, nor do we maintain product liability insurance or key-man insurance. See "Risk Factors — Risks Relating to Our Business and Industry — We have limited business insurance coverage, which could expose us to significant costs and business disruption." During the Track Record Period, we did not make any material insurance claims in relation to our business.

EMPLOYEES

As of December 31, 2020, 2021 and 2022, we had a total of 588, 703 and 646 full-time employees. The table below sets out our employees by function as of December 31, 2022:

Departments	Number of employees	% of total employees
Front-end marketing management center[(1)]	207	32.0
Mid-end operation management center[(2)]	133	20.6
Back-end production management center[(3)]	168	26.0
R&D center[(4)]	50	7.7
Management center[(5)]	49	7.6
Others[(6)]	39	6.0
Total	646	100.0

Notes:

(1) Front-end marketing management center consisted of 116 sales personnel for physician platform solutions, 11 sales personnel for RWS solutions, 67 sales personnel for precision omni-channel marketing solutions and 13 personnel for other products and services as of December 31, 2022.

(2) Mid-end operation management center consisted of 12 employees responsible for physician platform solutions, 48 employees responsible for RWS solutions, 24 employees responsible for precision omni-channel marketing solutions, 29 employees responsible for general platform operation and development and five employees to assist in sales process and 15 employees from our marketing strategy center responsible for marketing our solution offerings as of December 31, 2022.

(3) Back-end production management center consisted of 60 employees responsible for producing contents for medical knowledge services, 40 employees responsible for producing contents for clinical study assistance services, 18 employees responsible for producing contents for RWS solutions, eight employees responsible for digital technology development and 42 MSLs as of December 31, 2022.

(4) R&D center consisted of 50 employees performing various information technology or research and development functions as of December 31, 2022.

(5) Management center consisted of 49 employees who are principally responsible for, among others, finance, procurement, human resources, quality control and overall strategies of our operations as of December 31, 2022.

(6) Others consisted of 39 employees for various miscellaneous services as of December 31, 2022.

As of the Latest Practicable Date, all of our full-time employees are based in China. As of the same date, we had 34 freelancers from 12 different foreign jurisdictions, such as, among others, the United States, the United Kingdom, Japan and Canada, helping us provide insights on translations of academic papers submitted by physicians who intend to publish such academic papers in a different language during the provision of our clinical study assistance services. As part of our retention strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives.

The number of employees decreased from 703 as of December 31, 2021 to 646 as of December 31, 2022 primarily because (i) we took a more conservative growth strategy in light of the macro economic conditions and temporary measures implemented in Shanghai due to COVID-19 and streamlined our work force accordingly and (ii) we further introduced various technology services into our daily operations that allowed us to operate with a more streamlined workforce. Nonetheless, with the expected increase in China's healthcare expenditure, the growth of the pharmaceutic and medical device markets and the lift of temporary measures implemented due to COVID-19 in Shanghai, we are of the view that we need to ultimately expand our talent pools to grasp the future development trend. Going forward, we expect to further recruit and retain more talents, such as, among others, medical experts, content creation talents, researchers and engineers to upgrade our existing marketing and research and development capabilities in order to meet the evolving demands from our customers. See "Future Plans and Use of [REDACTED]" for details.

We primarily recruit our employees through on-campus and offline job fairs, internal referral and online channels, including our corporate website and third-party employment websites. We also adopt comprehensive training programs, pursuant to which employees regularly receive training from management, technology, regulatory and other internal speakers and external consultants. We primarily classify our training programs into new hire training, skill improvement training and talent development training.

- *New Hire Training*. New hire trainings are organized to assist new hires to familiarize themselves with our Company's overall operation with follow-up review sessions conducted with new hires to receive their feedback.

- *Skill Improvement Training*. Skill improvement training can be divided into general skill training for all prepared by our administration team and work-specific skill improvement trainings for different departments. All of our skill improvement trainings will be recorded for further review by all of our employees.

- *Talent Development Training*. We conduct talent development training for key employees. Key employees are screened based on their work ethic, potential and past performance and our administrative team will help arrange one-on-one mentor programs for such key employees to guide their career development. We also organize training campaigns on leadership and invite outside counsels for further internal training twice a year for our key employees.

As required under PRC regulations, we participate in housing funds and various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. We enter into standard labor contracts and confidentiality agreements that contain non-compete restrictions with our employees.

None of our employees are currently represented by labor unions. We believe that we maintain a good working relationship with our employees and we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations.

PROPERTIES

As of the Latest Practicable Date, we owned one building with an aggregate gross floor area of 1,445.6 sq.m. and leased eleven properties with an aggregate gross floor area of 5,130.3 sq.m. Our self-owned and leased properties are mainly used for office premises and research and development purposes.

As of the Latest Practicable Date, landlords of five properties leased by us were unable to provide us relevant documents proving that they have the right to lease the properties to us. These five properties with an aggregate gross floor area of 1,646 sq.m. represented approximately 32.1% of the aggregate gross floor area of our leased properties. These five leased properties are used for our office premises and research and development purposes. As a result, there may be risks that we may not be able to continue to occupy and use such properties and may be required to relocate. Our Directors believe that our inability to use these properties individually or collectively will not have a material adverse effect on our business, financial condition or results of operations, and we will be able to easily find comparable properties to relocate into and the costs incurred for relocation will be minimal. As of the Latest Practicable Date, we were not aware of any property ownership disputes or third-party claims to our leased properties.

As of the Latest Practicable Date, eleven lease agreements with respect to the leased properties for our business operations had not been registered with the relevant PRC government authorities. As advised by our PRC Legal Adviser, failure to register such lease agreements with relevant PRC government authorities does not affect the effectiveness of those lease agreements, but the relevant PRC government authorities may order us to, within a prescribed time limit, register the lease agreements. Failure to do so may subject us to a fine ranging from RMB1,000 to RMB10,000 for each lease agreement. As of the Latest Practicable Date, we had not been ordered by any government authorities to register any lease agreements. See "Risk Factors-Risks Relating to Our Business and Industry-Certain of our self-owned or leased property interests may be defective, which could cause disruption to our business."

As of the Latest Practicable Date, two properties with an aggregate gross floor area of 2,076.8 sq.m. were used for our office premises and research and development purposes while the real property ownership certificates of such properties designated the land of such properties for industrial usage and such properties as plants. In the event that the actual use of our self-owned or leased properties is inconsistent with the use registered on the title

certificates, it could lead to challenges from the competent authorities, the relevant property owners or other third parties, in which case we could be forced to vacate the relevant properties and seek alternative properties, which may adversely affect our business, financial condition and results of operation. As of the Latest Practicable Date, we had obtained undertaking letters from relevant government agencies with respect to these two properties with an aggregate floor area of 2,076.8 sq.m, indicating that the inconsistent land usage does not affect our legal title to such properties and we can continue to utilize such properties as office premises.

As of the Latest Practicable Date, none of the properties held by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all our Group's interests in land or buildings.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to, and were not aware of any threat of, any legal, arbitral or administrative proceeding, which, in our opinion, would likely have a material and adverse effect on our business, financial conditions or results of operation. We may from time to time, be subject to various legal claims and proceedings arising in the ordinary course of our business. During the Track Record Period, a few third-parties filed litigations against us, claiming that medical academic contents on our *MedSci* platform infringed their intellectual property rights. Such third parties are primarily the copyright owners or holders of various intellectual property rights. In 2020 and 2022, two and one companies filed claims against us for academic medical contents published on our *MedSci* platform from 2012 to 2018 and from 2012 to 2015, respectively.

The claims arose primarily because certain academic medical contents published on our *MedSci* platform cited or included materials from such copyright owners or intellectual property right holders without proper authorization. These materials were primarily medical evidence, pictures or articles about certain medical products or knowledge information. Such academic medical contents were part of our medical knowledge services for registered users and did not directly generate any revenue for us during the Track Record Period. Furthermore, we do not consider such academic medical contents to be material for our business as these contents were not irreplaceable, the amounts of compensatory damage that such third parties sought from us were not material to our business, and the exclusion of the academic medical contents under dispute would not affect the comprehensiveness of our medical knowledge services. All such claims were settled through amicable negotiations, reconciliation or compensation payments.

Our Directors confirmed that, as of the Latest Practicable Date, all of such litigations were settled and none of such litigations, individually or in aggregate, had a material impact on our business operations and financial performance. Nonetheless, litigation or any other legal proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention. For the potential impact of legal proceedings on us, see "Risk Factors — Risks Relating to Our Business and Industry — We may become subject to lawsuits and liabilities which could cause us to incur significant expenses and adversely affect our business, financial condition and results of operations." We have adopted the following internal control measures in December 2020 to ensure the medical knowledge information on our platform is authorized: (i) always reaching out to the original author or copyright owner for authorization, (ii) carefully reviewing the contents before publishing relevant materials on our *MedSci* platform and (iii) in case of dispute, timely isolating and deleting relevant contents. To avoid similar occurrences, we have established a dedicated legal department to assist us with potential legal disputes and will revert to outside counsel for assistance when necessary. With respect to the intellectual property rights, we have set up comprehensive procedures requiring our employees to monitor and timely report potential disputes over intellectual property rights held by us or third parties. Upon notification, we will send designated personnel to handle disputes over intellectual property claims. After adopting the above internal control measures, none of the academic medical contents subsequently published on our *MedSci* platform were subject to similar claims. We are of the view that the internal control measures we implemented are adequate and can effectively protect us from claims or litigations from other parties relating to academic medical contents on our *MedSci* platform. Thus, our actual or potential exposure to future claims from other parties would not materially affect our results of operations and financial condition.

During the Track Record Period and up to the Latest Practicable Date, we have had no incidents of noncompliance having a material adverse effect on our business operation and financial condition. According to our PRC Legal Advisers, other than disclosed in this Document, we have complied with all relevant PRC laws and regulations in all material respects up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems.

We have adopted a series of risk management and internal control policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Our senior management, and ultimately our Directors, supervise the implementation of our risk management policies.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, budget management policies, financial statements preparation policies and financial department and staff management policies. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures. We also provide regular training to our financial department staff to ensure that they understand financial management and accounting policies and implement them in our daily operations.

Operational Risk Management

In order to effectively manage our compliance and legal risk exposures, we have adopted strict internal procedures to ensure the compliance of our business operations with the applicable rules and regulations. In accordance with these procedures, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our customers and suppliers. Our legal department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations, our business contracts and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

We have adopted internal policies and practices relating to content standards. We select academic medical information from various sources primarily based on clinical utility and scientific value. We also consider the levels of evidence used in accordance with the professional standards for evidence-based medical research, comprehensiveness, conciseness and timeliness. We require customized contents to be evidence-based and screen inaccurate, biased or malicious contents before publishing. Furthermore, to minimize the risks of infringing the intellectual property rights of others, we implemented heightened internal control measures. See "— Legal Proceedings and Compliance" for details.

Information System Risk Management

Sufficient maintenance, storage and protection of user data and other related information is critical to our success. We have implemented relevant internal procedures and controls to protect user date and prevent data breaches and loss. Our information technology team is responsible for ensuring the security of our information technology infrastructure and ensuring that the usage, maintenance and protection of user data are in compliance with our internal rules and the applicable laws and regulations. We provide regular trainings to our information technology teams. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of user data. See "— Our Technology" and "— Data Protection and Privacy" for further details.

Human Resources Risk Management

We provide regular and specialized training tailored to the needs of our employees in different departments. Our human resources department regularly organizes internal training sessions conducted by senior employees or outside consultants on topics of interest. Our human resources department schedules online trainings, reviews training materials, follows up with employees to evaluate the impact of such training and rewards lecturers for positive feedback. Through these trainings, we ensure that our staff's skill sets remain up-to-date, enabling them to better discover and meet consumers' needs.

We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practices, work ethic, fraud prevention mechanisms, negligence and corruption. We provide employees with regular trainings and resources to explain the guidelines contained in the employee handbook.

Compliance and Whistle Blow Policies

We have in place anti-corruption and anti-bribery policies, which are distributed to all our employees, to safeguard against any corruption within our Company. We prohibit our employees from receiving or giving any form of bribes or kickbacks in dealing with third parties. We have included clear and strict guidelines against the acceptance of gifts, hospitality and other offers by interested third parties and the making of such offers by our employees to any third parties. We require our suppliers and other third parties who cooperate with us to sign an anti-corruption and anti-bribery undertaking, and comply with relevant laws and regulations. Under our firm-wide whistle blowing policy, we make our internal reporting channel open and available for our employees to report, on an anonymous basis, any noncompliance incidents and acts, including bribery and corruption. We will report bribery and corruption activities to relevant authorities if we determine such activities have violated applicable laws and regulations. We also have regular trainings for employees regarding anti-bribery policy to facilitate better implementation. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any bribery incident by our employees, suppliers or any third parties in relation to all of our customers in connection with our business operations.

LICENSES AND PERMITS

As of the Latest Practicable Date, as advised by our PRC Legal Adviser, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations in China and such licenses, approvals and permits are valid and subsisting. Our Directors confirmed that, as of the Latest Practicable Date, we foresaw no obstacles in renewing any of the requisite licenses, approvals and permits that are material to our operations in China.

The following table sets out a list of material licenses and permits currently held by us:

License/Permit	Holder	Grant Date	Expiration Date	Our Business
Value-added Telecommunication Business Operating License (增值電信業務經營許可證)	Shanghai MedSci	April 2021	April 2026	Physician Platform Solutions, Precision Omni-channel Marketing Solutions and RWS solutions
Online Drug Information Service Certificate (互聯網藥品信息服務資格證書)	Shanghai MedSci	June 17, 2020	June 16, 2025	Physician Platform Solutions and Precision Omni-channel Marketing Solutions
Value-added Telecommunication Business Operating License (增值電信業務經營許可證)	Shanghai Chungu	February 2022	February 2027	Physician Platform Solutions, Precision Omni-channel Marketing Solutions and RWS solutions
Online Drug Information Service Certificate (互聯網藥品信息服務資格證書)	Shanghai Chungu	August 6, 2020	December 22, 2024	Physician Platform Solutions and Precision Omni-channel Marketing Solutions
Radio and Television Program Production and Operation License (廣播電視節目製作經營許可證)	Hefei Kang'en	September 17, 2021	March 31, 2023	N/A[(1)]

Note:

(1) As of the Latest Practicable Date, Hefei Kang'en held the radio and television program production and operation license (the "**R&T license**") and it had no substantial business operations during the Track Record Period. Hefei Kang'en commenced its development and production of educational materials on medical areas in the form of radio and television program in January 2023. It will renew the R&T license upon its expiry. Our current solutions offering, such as provision of short videos, live-streaming or prerecorded videos to targeted medical professionals, does not require such license. See "— Potential Licensing Requirements — Why AVSPs or R&T Licenses Are Not Required" for details.

Potential Licensing Requirements

Radio and Television Program Production and Operation Licenses (廣播電視節目製作經營許可證) and Audio and Video Service Permissions (信息網路傳播視聽節目許可證)

Requirements under Existing Laws and Regulations of the PRC

According to the Administrative Regulations on Internet Audio-Visual Program Service (《互聯網視聽節目服務管理規定》) (the "**Audio-Visual Regulations**"), promulgated by the State Administration of Radio, Film and Television (the "**SARFT**", currently known as the National Radio and Television Administration (the "**NRTA**")) and the Ministry of Information Industry of the PRC (the "**MII**", which is the predecessor of the Ministry of Industry and Information Technology (the "**MIIT**")) on December 20, 2007, as amended on August 28, 2015, Internet audio-visual program service refers to activities of making, editing and integrating audio-visual programs, providing them to the general public via Internet, and providing such services to others by uploading.

According to Article 2 of the Radio and Television Law of the PRC (Draft for Comment) (《廣播電視法》(徵求意見稿)) (the "**Draft Radio and Television Law**"), the term "radio and television activities" refers to the transmission of video, audio and other audio-visual programs and related activities to "the public" through fixed, mobile and other terminals in a one-way or interactive manner. In addition, the Administrative Provisions on the Production and Distribution of Radio and Television Programs (《廣播電視節目製作經營管理規定》) (the "**Administrative Provisions**") merely provided a non-exhaust list of examples of radio and television programs, the production or distribution of which shall warrant a radio and television program production and operation license (the "**R&T license**"). Such a list includes radio and television programs with a special topic, column programs, variety shows, animated cartoons, radio plays and televisions dramas.

The Audio-Visual Regulations, the Draft Radio and Television Law and the Administrative Provisions are silent on whether the online audio-visual programs created specifically for medical professionals, but not the public, are online audio-visual programs needing audio and video service permissions (the "**AVSPs**") or R&T licenses. As advised by the PRC Legal Adviser, pursuant to the Administrative Provisions and the Audio-Visual Regulations, under the principle of localized management (屬地管理), the Company's business is under the guidance and supervision of the relevant local radio and television authorities in Shanghai. See "— Competency of the Confirmation from the Director" for details on the basis of the PRC Legal Adviser's opinion. Hence, interviews with the provincial management authorities in Shanghai provide definitive guidance in this regard for us.

The Nature of Our Online Audio-Visual Programs on MedSci Platform

As part of the medical knowledge services offered under the physician platform solutions, we offer *Online Courses*, which are online audio-visual programs that primarily consist of short videos, live streaming or prerecorded videos. Under *Online Courses*, we invite industry experts in the areas of, among others, various diseases, epidemiology, medical statistics and pharmacoeconomics to host streaming or recorded curriculums on

diseases and clinical studies. For certain specific and premium contents, we grant access only to subscribing users or users to whom we award credits. The *Online Courses* are prepared and intended for medical professionals, which is evidenced by the highly specialized and professional nature of the contents.

Why AVSPs or R&T Licenses Are Not Required

Based on the government consultation detailed below and the confirmation from the PRC Legal Adviser, neither AVSPs nor R&T licenses are required for our previous and current provision of online audio-visual programs because the online audio-visual programs on the *MedSci* platform target medical professionals rather than the general public. See "— Authority's Confirmation on Our Understanding of the Licensing Requirements" for details of the government consultation. The professional nature of the contents included in the online audio-visual programs further demonstrates the fact that the online audio-visual programs target medical professionals because such contents, being highly specialized and professional in the view of the provincial management authority, are meaningful only to medical professionals. If we were (which is not the case here) to provide educational online audio-visual programs that target the public, AVSPs and R&T licenses may be required.

Currently, we limit the majority of our online audio-visual programs to registered users only. However, it is irrelevant whether or not the general public can access the online audio-visual programs provided on the *MedSci* platform as targeting medical professionals is not equivalent to granting exclusive access to medical professionals. Therefore, as advised by the PRC Legal Adviser and based on the consultation detailed below, as long as the online audio-visual programs provided target medical professionals, our provision of such programs does not require either an AVSP or an R&T license. See "— Authority's Confirmation on Our Understanding of the Licensing Requirements" for details.

Nonetheless, while not mandatorily required by the law, we voluntarily implemented a number of measures to further entrench and evidence our clear intention to target medical professionals (as opposed to the general public). Such measures includes: (i) adding a disclaimer reminding viewers in each online audio-visual programs offered on *MedSci* platform that the videos and/or live streaming were prepared for medical professionals only. Kindly remind viewers to log out if they were not medical professionals; and (ii) limiting our online audio-visual programs to only registered users who have been verified as medical professionals in the future. In any event, we are in full compliance with existing laws and regulations on AVSPs and R&T licenses and the absence of the above-mentioned measures will not render our previous and current operations non-compliant.

Authority's Confirmation on Our Understanding of the Licensing Requirements

We conducted a consultation jointly with the PRC Legal Adviser with the director of the Radio, Television and Network Audio-visual Program Administration Department of the Shanghai Municipal Administration of Culture and Tourism (the "**SMACT**") on April 10, 2022 to clarify, from the competent authority's perspective, on whether our previous and current provision of online audio-visual programs requires AVSPs or R&T licenses. Prior to the consultation, the director reviewed online audio-visual programs on the *MedSci* platform by herself without obtaining special access from us, and she was thus fully aware

of the fact that the online audio-visual programs on the *MedSci* platform can be accessed by non-medical professionals, including the general public. During the consultation, the PRC Legal Adviser introduced our business to the director and also explained that we provided online audio-visual programs on our *MedSci* platform. After listening to the description provided by the PRC Legal Adviser, the director confirmed that: (i) the SMACT is the radio and television management authority in Shanghai overseeing AVSP and R&T license related issues; (ii) our Group's online audio-visual programs target medical professionals rather than the general public, which is evidenced by the highly specialized and professional nature of the contents provided in such programs. The online audio-visual programs we provided to target medical professionals do not require either AVSPs or R&T licenses, as they are not deemed as audio-visual programs which require AVSPs, and are not educational online audio-visual programs created to target the general public, which require R&T licenses; and (iii) the Radio, Television and Network Audio-visual Program Administration Department of the SMACT would not penalize us for our provision of online audio-visual programs targeting medical professionals.

Hefei Kang'en, which is one of our Consolidated Affiliated Entities and holds an R&T license, started to produce customized educational video programs intended for the general public according to the specific requirements of our customers in January 2023. Such programs are delivered to our customers for their further use, and are not used by us otherwise, thus not available on the *MedSci* platform. Taking into account that the programs are produced by Hefei Kang'en and are not available on the *MedSci* platform, the PRC Legal Adviser is of the view that such production does not have any impact on the findings of the aforesaid consultation with the SMACT on April 10, 2022.

Competency of the Confirmation from the Director

Competency Regarding AVSPs

According to the Audio-Visual Regulations, institutions, other than centrally-administered entities in Beijing and the agencies directly under them, applying for AVSPs shall submit their applications to and seek preliminary examination from relevant radio, film and television management departments at provincial level. The PRC Legal Advisor also conducted a public consultation with NRTA. The interviewee confirmed that if we would like to apply for an AVSP, we cannot directly submit our application to NRTA. Instead, we shall submit our application to the provincial radio, film and television management departments and seek their preliminary examination first. Based on the foregoing and the fact that the SMACT is a provincial level radio, film and television management department authorized to conduct the aforesaid preliminary examination on the AVSP applications, the PRC Legal Adviser is of the view that the SMACT is a competent authority to confirm that we are not required to obtain AVSPs.

Competency Regarding R&T Licenses

According to Article 8 of the Administrative Provisions, while centrally-administered entities in Beijing and agencies directly under them can obtain an R&T license from NRTA, all other institutions shall submit their applications for R&T licenses to the local administrative department responsible for radio and television programs in each administrative region. After reviews by each responsible administrative level, the applicant can proceed to seek final approval of its application from the radio and television administrative department at provincial level.

The PRC Legal Adviser conducted a public consultation with NRTA on November 21, 2022. The interviewee confirmed that: (i) if we were to obtain an R&T license, we should submit applications to the radio and television administration departments in Shanghai; and (ii) the provincial level authority is in charge of the review and approval of the R&T licenses based on the principle of localized management (屬地管理) and (iii) NRTA will not challenge the discretion of radio and television administration departments at provincial level on R&T license related matters.

Based on the information on the official website of the SMACT, the SMACT is the local competent management authority in managing culture, tourism, radio and television and cultural relics affairs in Shanghai. Furthermore, information on the official website further provides that the Radio, Television and Network Audio-visual Program Administration Department (廣播電視和網路視聽節目管理處) of the SMACT shall be responsible for providing guidance on the production and development of online audio-visual programs and the monitoring and supervision of the transmission of audio-visual programs on the Internet and other public spheres.

With the assistance of the PRC Legal Adviser, we conducted a consultation with the director of the Fifth Division of Law Enforcement Unit of the SMACT, which is primarily responsible for law enforcement and inspection in the areas of Internet culture market, radio, television and satellite receiving facilities in Shanghai, on November 28, 2022. During the consultation, the director of the Fifth Division of Law Enforcement Unit of the SMACT confirmed that the Law Enforcement Unit of the SMACT (i) is responsible for opining on law enforcement affairs on radio and television related matters in Shanghai; (ii) as a law enforcement department, respects the opinion of the Radio, Television and Network Audio-visual Program Administration Department (廣播電視和網路視聽節目管理處) of the SMACT on whether it is required to obtain a particular qualification; and (iii) will not impose any penalty with respect to an R&T license if the Radio, Television and Network Audio-visual Program Administration Department (廣播電視和網路視聽節目管理處) of the SMACT was of the view that an R&T license is not required.

Based on the foregoing, the PRC Legal Adviser is of the view that the SMACT is a competent authority to confirm that we are not required to obtain R&T licenses.

View of Other Regulatory Authorities

The PRC Legal Adviser, together with Joint Sponsors and their legal adviser, conducted public consultations on January 30 and January 31, 2023 with the State Internet Information Office (國家互聯網信息辦公室), the National Anti-Prostitution and Anti-Illegal Working Group (全國掃黃打非工作小組), the MIIT (工業和信息化部), the Ministry of Culture and Tourism (文化和旅遊部), the Department of Public Security of Shanghai (上海市公安局) and the Shanghai Administration for Market Regulation (上海市市場監督管理局). The interviewees from these departments confirmed that the approval of AVSPs and R&T licenses are not within their jurisdictions. Moreover, some interviewees suggested us to seek confirmation from radio and television department for affairs relating to AVSPs and R&T licenses.

Potential Exposure to Enforcement Action Due to A Change of Regulatory Interpretation of Relevant Rules

In the unlikely event that the local authority consider our online audio-visual programs targeting medical professionals violate existing laws and regulations on AVSPs and R&T licenses, the local authorities may impose an administrative penalty on us for such violations. With respect to AVSPs, according to Article 24 of the Audio-Visual Regulations, the radio, film and television management department at the county level or above may warn, order a rectification or impose a fine up to RMB30,000 for provision of online audio-visual program services without authorizations. If the violation is serious, the radio, film and television management department at the county level or above may order a ban, confiscate special instruments, equipment and program carriers and impose a fine of not less than one time but not more than two times the total investment. With respect to R&T licenses, according to Article 48 of the Administrative Provisions, the broadcast and television administrative department at county level or above may order a ban, confiscate special instruments, equipment and program carriers and impose a fine of not more than RMB50,000 for unauthorized production of radio and television programs. Nonetheless, based on the consultation set forth above, the PRC Legal Adviser is of the view that the risk of our business being subject to administrative penalty for violating radio and television related laws and regulations for providing online audio-visual programs targeting medical professionals is remote. See "— Authority's Confirmation on Our Understanding of the Licensing Requirements" for details. As such, we are of the view that the potential exposure to enforcement action will not material affect our financial position and results of operations. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to obtain and maintain the requisite licenses, permits and approvals applicable to our business as a result of the complexity and uncertainties of laws and regulations, or fail to obtain additional licenses that become necessary as a result of new enactment or promulgation of laws and regulations or the expansion of our business, our business and results of operations may be materially and adversely affected."

Online Publishing Service License (網路出版服務許可證)

We provided online audio-visual programs to medical professionals through our *MedSci* platform or mobile application during the Track Record Period without obtaining the online publishing service license (the "**OPSL**"). Such activities may fall within the meaning of "online publishing" and therefore the OPSL might be required. Applicable PRC laws and regulations require any entity that provides online publications to the public to hold an OPSL. However, as advised by the PRC Legal Adviser, the Online Publishing Services (《網絡出版服務管理規定》) and the relevant regulations and rules do not clearly categorize whether online medical professional audio-visual programs belong to the category of "online publications". It is still subject to interpretation by the relevant regulatory authorities. According to the application information displayed on official websites and our business practice, if we need to apply for the OPSL, we shall submit the relevant documents to Shanghai Bureau of Press and Publication (上海市新聞出版局).

On April 10, 2022, we conducted an online interview with the officer of the Shanghai Bureau of Press and Publication (上海市新聞出版局) in respect of matters relating to the requirement of an OPSL. During the consultation, the officer orally confirmed that professional medical platforms like us, which do not provide games or online publications, are not included in their scope of supervision and inspection. As a result, Shanghai Bureau of Press and Publication (上海市新聞出版局) would not accept our application for an OPSL. According to the Administrative Provisions on Online Publishing Services (《網絡出版服務管理規定》), online publishing services are supervised and administered on the principle of territorial management (屬地管理), and the provincial publication administrative departments shall strengthen their daily supervision and administration of the entities providing online publishing services and their publishing activities within their administrative areas. According to the PRC Legal Adviser, Shanghai Bureau of Press and Publication (上海市新聞出版局) is a provincial bureau authorized to supervise us and thus have the requisite authority. Furthermore, as of the Latest Practicable Date, the above confirmations of the competent authorities had never been challenged by any higher authorities and we have not been subject to any claims, inquiry, or investigation by any PRC regulatory authority. As such, the PRC Legal Adviser is of the view that the above confirmation from the office of Shanghai Bureau of Press and Publication (上海市新聞出版局) is issued by the competent authority. Based on the above, our Directors are of the view that the risk that the confirmations will be challenged by any higher authorities is relatively low. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to obtain and maintain the requisite licenses, permits and approvals applicable to our business as a result of the complexity and uncertainties of laws and regulations, or fail to obtain additional licenses that become necessary as a result of new enactment or promulgation of laws and regulations or the expansion of our business, our business and results of operations may be materially and adversely affected."

FINANCIAL INFORMATION

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS.

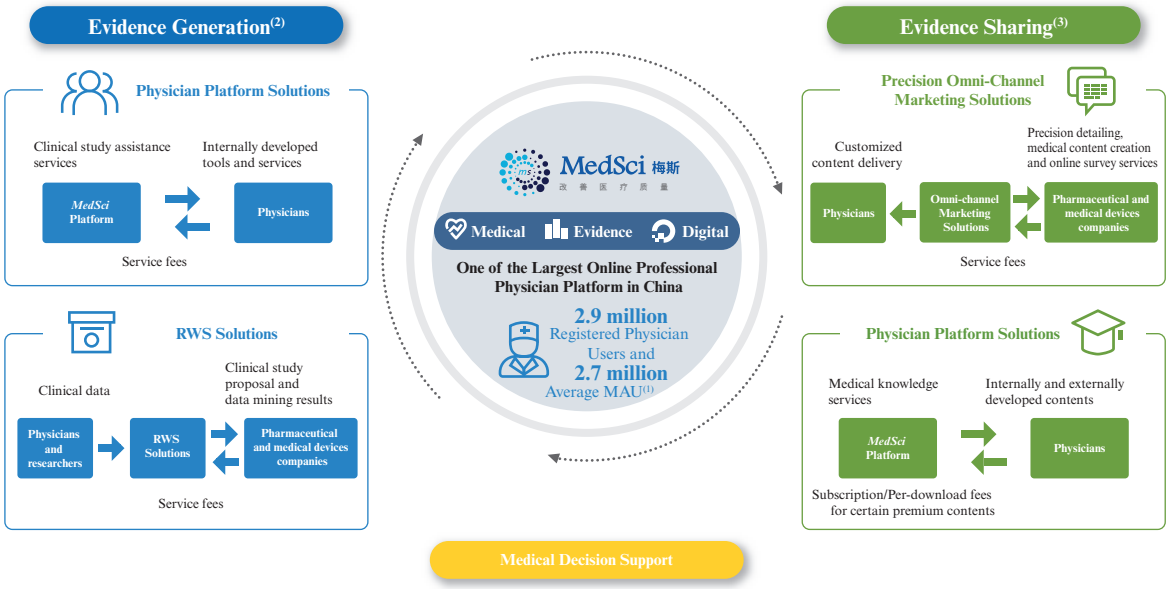
The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Document, including but not limited to the sections headed "Risk Factors" and "Business."

OVERVIEW

We operate online professional physician platforms in China. As of December 31, 2022, our platform had approximately 2.9 million registered physician users and our average MAU reached approximately 2.7 million in 2022. Our *MedSci* platform also features a high percentage of experienced physician users with the title of associate-chief physician (副主任醫師) and above. As of December 31, 2021, the total number of registered physician users on our *MedSci* platform who had the title of associate-chief physician and above represented 67.1% of the total number of physicians in China who had obtained the title of associate-chief physician and above, based on the latest published information from the NHC. Our *MedSci* platform is accessible through multiple channels such as website, mobile application, WeChat mini-program and WeChat public account. While key functions of the *MedSci* platform are self-developed by us, third parties, primarily pharmaceutical and medical device companies, also provide ancillary support, such as academic medical contents they created or copyrighted.

As illustrated by the diagram below, we mainly provide physician platform solutions, precision omni-channel marketing solutions and RWS solutions to our customers. We believe such solution offerings can help generate and share meaningful medical evidence to a wider physician community and help guide prescription decisions of physicians in order to promote the rational use of medical products and deliver better value and care to patients. We are committed to solidifying our position as a platform-based, professional-knowledge-oriented and digitalized med-tech company and aspire to enhance the overall quality of patients' healthcare through the value offered by generating and

sharing medical evidence. The diagram below provides an overview of our service offerings alongside the value we offered:



Note:

(1) For the year ended/as of December 31, 2022

(2) Our clinical study assistance services and RWS solutions can support the generation of medical evidence for physicians, pharmaceutical and medical device companies and other industry stakeholders, respectively.

(3) Our precision omni-channel marketing solutions and medical knowledge services can share medical evidence to a wide group of pharmaceutical and medical device companies, physicians and other stakeholders.

We delivered strong financial performance during the Track Record Period. Our total revenue increased by 37.9% from RMB215.9 million in 2020 to RMB297.7 million in 2021 and further increased by 17.2% from RMB297.7 million in 2021 to RMB349.0 million in 2022. Such strong financial performance is primarily driven by (i) our evolving professional service capabilities; (ii) our ability to retain existing customers and expand our customer base to capture new customers; and (iii) the standardization of our service portfolio on our *MedSci* platform.

FINANCIAL INFORMATION

BASIS OF PRESENTATION

The historical financial information of our Group has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board. The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make judgements, estimates and assumptions in the process of applying our Group's accounting policies. Judgements made by management in the application of IFRS that have a significant effect on the historical financial information and major sources of estimation uncertainty are discussed in Note 3 to the Accountants' Report included in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are outside of our control. These factors include but are not limited to the following:

Economic and Industry Trends in China

Our business and results of operations are affected by general factors affecting China's healthcare industry, particularly the pharmaceutical and medical device industries. Such general factors include China's overall economic growth, aging population, increasing disposable income, rising prevalence of chronic diseases and growing health awareness. China's healthcare expenditure is expected to continue to grow and will result in a continued increase in spending on digital healthcare marketing by pharmaceutical and medical device companies.

In addition, our business and results of operations are also affected by government policies and regulations applicable to the healthcare industry. We have benefited from certain recent favorable regulatory and policy changes in China. The impact of centralized procurement on pharmaceutical and medical device companies, the spurt of innovative drugs and medical devices coming to market as a result of China's healthcare reforms, and the restrictions on traditional in-person detailing through medical representatives due to the COVID-19 pandemic have provided a favorable market environment for digital healthcare marketing in recent years.

We believe we are well-positioned to benefit from such industry trends and regulatory changes. On the other hand, there could also be industry challenges and regulatory restrictions in the future that affect us.

Ability to Retain and Attract Physician Users and Drive User Engagement on Our *MedSci* Platform

Our long-term success depends on our ability to retain our existing physician users and attract new physician users, especially experienced physician users with the title of associate-chief physician and above. Our large and experienced physician user base and behavioral data accumulated with consent from our physician users have helped us to develop insights into the background and preferences of physicians and make us the platform of choice for pharmaceutical and medical device companies in launching digital marketing campaigns. We plan to extend our reach to cover more junior physicians who lack sufficient training and access to the latest medical knowledge information and academic support services, to attract, engage and retain additional physician users.

The attractiveness of our platform to pharmaceutical and medical device companies and the growth of our business are also driven by the engagement of our physician users. A continued increase in the engagement of our physician users will lead to an increase in more UGCs and enhanced recognition among physician users. We will continue to drive user engagement by enhancing the depth and breadth of information available on our platform, providing more comprehensive clinical decision support tools, upgrading our technology and strengthening its applications in our solutions, as well as expanding our solution offerings that are tailored to the evolving needs of physicians at all levels of expertise, leveraging our data insights.

Ability to Retain Existing Pharmaceutical and Medical Device Companies and Acquire New Pharmaceutical and Medical Device Companies

There is an increasing need for pharmaceutical and medical device companies to undergo digital transformation so as to get their products in front of physicians and patients in an efficient manner. The growth in the number of pharmaceutical and medical device companies who are our customers is a key driver of our revenue growth. We have amassed a large and diversified pharmaceutical and medical device companies customer base. During the Track Record Period, our customers for precision omni-channel marketing solutions included all of the top 20 global pharmaceutical and medical device companies in 2021 in terms of revenue, 82% of the top 50 global pharmaceutical and medical device companies in 2021 in terms of revenue, 50% of the innovative drug companies listed on the STAR Market pursuant to the fifth set of listing standards as of December 31, 2021 and 45% of the biotech companies listed on the Hong Kong Stock Exchange pursuant to Chapter 18A of the Listing Rules as of December 31, 2021.

We believe we have fostered the loyalty of existing pharmaceutical and medical device companies by delivering superior returns on their spending on our precision omni-channel marketing solutions. We benefit from our large and experienced physician user base, industry-leading academic medical expertise, strong research support capabilities, sophisticated data analytics and technological solutions, which will enable us to further strengthen our relationships with existing customers. We also seek to generate additional

revenue from existing pharmaceutical and medical device companies through efforts such as expanding the product and service coverage of any single pharmaceutical and medical device company and enriching our solution offerings.

We aim to acquire and retain new pharmaceutical and medical device companies and continue to diversify our customer base. We have identified significant demand for digital marketing from pharmaceutical and medical device companies focusing on developing innovative drugs and medical devices and MNCs that need to reshape their marketing solutions with digitalized and academic medical contents. We will continue to invest in developing and offering more solutions, as well as adding new features to our existing solutions to address the needs of pharmaceutical and medical device companies more effectively.

Ability to Expand Our Solution Offerings

Our main business offerings include precision omni-channel marketing solutions, physician platform solutions and RWS solutions. We also offer other miscellaneous services during the Track Record Period. Our revenue grew significantly during the Track Record Period primarily due to our deeper penetration in these verticals and the expansion of our solution offerings to more customers.

Our future success is significantly dependent on our ability to further penetrate the verticals in which we operate by further expanding the scope of our solution offerings and by improving the quality and efficiency of our existing solutions. Historically, our revenue was primarily derived from precision omni-channel marketing solutions and physician platform solutions. We are in the process of launching a number of other products and services, including, among others, digital therapy programs, VR diagnosis products, prognosis modelling services and chronic disease management tools. We believe our new service offerings will allow us to stay at the frontend of healthcare reform.

Our Ability to Effectively Invest in Technology

Our technological capabilities are fundamental to our business. Our business and results of operations depend in part on our ability to invest in technology to cost-effectively meet the demands of our anticipated growth. Our ability to engage users and provide precision omni-channel marketing solutions to pharmaceutical and medical device companies is affected by the breadth and depth of our data insights that are enabled by our technology capabilities. We have made, and will continue to make, investments in our technology capabilities to attract physician users and pharmaceutical and medical device companies, enhance user experience and expand the capabilities and scale of our platform. In particular, we plan to continue to invest in the fields of AI, big data, smart recognition, Content and Technology Center + Software Service platforms and natural language processing to strengthen our technological advantage. We expect our strategic focus on innovations will further reinforce the entry barrier we established and enable us to capture additional market share, which in turn will enable us to further increase our revenue and strengthen our financial performance.

Seasonality

We experience seasonal fluctuations in the operating results of main solutions offerings. As compared to the rest of a year, we typically record higher revenue from our solutions offerings in the fourth quarter of a year primarily because physician users are more likely to complete IIT projects and pharmaceutical and medical device companies are more likely to engage us for precision omni-channel marketing solutions in the fourth quarter. As such, our operating results have fluctuated and are expected to continue to vary from period to period. Our financial performance for any period of less than a year may not reflect our annual financial results and a comparison of different periods may not be meaningful.

The Impact of and Our Responses to COVID-19

We primarily generate revenue from our precision omni-channel marketing solutions and physician platform solutions. Although some of our offline activities were interrupted due to the impact of COVID-19, we have not experienced significant difficulties or failed to discharge obligations under our existing contracts due to disruptions caused by the outbreak of COVID-19. We have business continuity plans in place, which include remote working arrangements for the majority of our workforce, and we do not currently anticipate significant challenges to our ability to maintain the operations of our platform in light of the measures under such plans. We also have not experienced material disruptions in services from our suppliers due to COVID-19, primarily because, as evidenced by the services provided by our five largest suppliers, many of our suppliers have assisted us in content development and such service offerings can be easily provided in remote settings. See "Business — Suppliers" for details. As a result, COVID-19 has not caused a material adverse impact on our financial condition, results of operations or development plans. However, as China relaxes its "zero-COVID" policy, there remain significant uncertainties associated with risks brought by the pandemic. See "Business — The Impact of and Our Response to COVID-19" for more details.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continuously evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events which are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

Set forth below are accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our significant accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in further detail in Notes 2 and 3 to the Accountants' Report included in Appendix I to this Document.

Revenue Recognition

We recognize revenue from contracts with customers when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

We transfer control of goods or services over time and recognize revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by our performance as we perform our services;
- Our performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- Our performance does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

If the control over the goods or services is transferred over time, we recognize revenue based on progress towards satisfaction of the performance obligation. Otherwise, we recognize revenue at a point in time when the customer obtains control of the goods or services.

We derive revenue from rendering of services of precision omni-channel marketing solutions, physician platform solutions, RWS solutions and sales of goods.

We recognize revenue of our major solution offerings over time in contrast to one time. Based on relevant accounting standards, since our customers simultaneously receive and consume the benefits provided by our services for precision omni-channel marketing solutions, physician platform solutions and RWS solutions, we recognize revenue over time during our performance rather than at one time after performing all obligations under the relevant contracts. See "— Precision Omni-Channel Marketing Solutions", "— Physician Platform Solutions" and "— RWS Solutions" below for details on why customers simultaneously receive and consume the benefits of our services.

For over time contracts not linked to sales of products, we recognize our over time contracts based on the input method during the Track Record Period as these over time contracts are normally entered into with fixed consideration and paid according to the progress specified in the contracts. Revenue on contracts over time involving the transfer of goods or services is recognized under either the input or output methods based on the applicable accounting standards. The input method recognizes revenue based on the proportion of the actual costs incurred relative to the estimated total costs for the satisfaction of the service. The output method recognizes revenue based on an objective measure of the value of goods or services delivered to the customer relative to the remaining promised goods or services to be delivered to the customer.

For over time contracts not linked to sales of products, we recognize revenue from our soluton offerings based on the input method during the Track Record Period primarily because (i) our major solution offerings are highly customized based on the demand from our customers and there are no universal objective milestones that can be utilized as an output to objectively measure the progress of our work; (ii) even if our contracts include certain milestone events for payments of installments of the total consideration under the contracts, such milestones in payment schedules are individually tailored and highly subjective; and (iii) given the nature of our business model with a large number of customer contracts and the relatively small amount for each contract, it is impracticable to have the customers certify objective milestones. Our Directors believe, which are concurred by Frost & Sullivan, that such revenue recognition method is not uncommon in comparable companies in the same industry. Therefore, we believe the input method is appropriate in recognizing our revenues for our major solution offerings.

As we have adopted the input method for revenue recognition for over time contracts of precision omni-channel marketing solutions, physician platform solutions and RWS solutions not linked to the sales of products during the Track Record Period, we recognize revenue based on the percentage of the actual costs incurred in relation to the estimated total costs for the satisfaction of the service. Our customers are not required to independently verify and certify our revenue under the applicable accounting standards for the input method. We believe amounts recognized under this method fairly represent our revenues as (i) we have implemented the internal control methods as described below to ensure the inputs accurately reflect the actual work progress; and (ii) the maximum amount of revenue that can be recognized was predetermined and fixed in each contract, and a majority of our contracts triggered the settlement term within one year from the date of the contracts.

Actual costs of each individual project primarily consist of staff salaries and benefits paid to our employees and content development costs paid to various content contributors, copyright owners and other third parties to produce contents for our solutions offering. Staff salaries and benefits were closely monitored in terms of actual labor hours spent on each individual project. We have adopted internal policies and standard procedures related to labor time records designed to ensure the accuracy of the records of actual labor hours expended for our projects in 2018. We also require our employees to closely track content development costs and various other costs incurred in order to accurately measure our work progress. During the implementation phase of a project, our employees are required to fill

in their actual working hours and various costs incurred, along with the respective project identification codes and narratives of the work performed, in the project management system on a daily basis. Managers for each project are responsible for assigning tasks to the relevant departments and reviewing the reasonableness of time and cost records in the project management system based on the assigned tasks. To ensure the actual costs recorded are reasonably accurate, we have internal audit procedures and may conduct spot-check inspections on the time and cost records from time to time. For instance, employees at our management center who are responsible for finance and human resources need to compare the actual time entries entered with the attendance records each month to ensure the timeliness, accuracy and completeness of the actual costs recorded. We require our employees to trace labor time records and content development costs to each individual project when entering their daily working hours and expense entries in the project management system. As such, the vast majority of costs recorded are tied to each individual project. Nonetheless, we may incur some common costs during our operations and would allocate such common costs among different projects pro rata with the respective time entries and cost records of each relevant project.

We have also implemented internal policies and standard procedures to ensure our estimated total costs are reasonably accurate and up-to-date. Based on our experience and with the benefit of historical information on actual costs incurred for completed projects, we formulated an internal manual relating to budgeting that can guide the cost estimation process. According to our internal manual, our managers for each project are required to make detailed budgets on estimated labor hours and content development costs, including the specific departments involved as well as the estimated number and type of contents to be sourced from third parties. Reviews and approvals from senior management teams are necessary before giving effects to such budgets on estimated total costs. If the actual costs deviate materially from the estimated total costs, our internal manual requires us to promptly communicate with our customers and negotiate for additional fees. Furthermore, to ensure our estimated total costs are up-to-date, we conduct monthly reviews on whether detailed budgets on estimated total costs are made for all ongoing projects, quarterly reviews on any material deviations identified with respect to the estimated total costs and the underlying reasons thereof, and annual reviews of actual costs against the estimated total costs for all ongoing or completed projects in a given year. During the Track Record Period and up to the Latest Practicable Date, we had a few instances of material adjustments on estimated total costs and communicated with our customers accordingly. We consider an adjustment material when it deviates more than 10% from the original estimated total costs and the adjustment amount is equal to or more than RMB100,000. We made such adjustments primarily due to (i) changes on actual labor hours required resulting from changed work scope or contract duration; (ii) changes on content development costs or various other costs resulting from changed work scope or the fact that we provided the underlying materials or services with our own employees rather than third-party content or service provider, decreasing the actual costs incurred; and (iii) other additional costs incurred during project execution phase as a result of COVID-19 related temporary measures, additional costs incurred during the course of obtaining ethical or regulatory approvals and costs to accommodate additional demands from our customers. Nonetheless, our Directors are of the view that such adjustments do not have a material impact on the

accuracy of our overall estimated total costs as the number of contracts subject to material adjustments only constituted less than 1% of the total number of ongoing contracts as of December 31, 2022.

In 2022, we entered into certain contracts under precision omni-channel marketing solutions based on and linked to sales of products. They are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. We use the expected value method to estimate the amounts of claims and use an output method to measure progress towards complete satisfaction of the service. For details, see "— Revenue Recognition — Precision Omni-channel Marketing Solutions" below.

Precision Omni-channel Marketing Solutions

Precision omni-channel marketing solutions mainly include precision detailing services, medical content creation services and online survey services with the purpose of enabling pharmaceutical and medical device companies to efficiently reach target physicians and effectively convey information about their medical products.

Contracts include a single performance obligation as delivery of integrated services over a period of time. Revenue is recognized over time, as the customer simultaneously receives and consumes the benefits provided by us in precision omni-channel marketing solutions.

For contracts not linked to sales of products which are generally at fixed price and are settled according to progress specified in the contracts, we use an input method to measure progress towards complete satisfaction of the service. For instance, during project execution, we regularly meet with our customers on our work progress and actual work performed and our customers can enjoy the benefits provided by us in precision omni-channel marketing solutions the moment we started to connect physicians, create medical contents or administer online surveys. During these regular follow-up meetings, our customers can provide timely feedbacks based on services received in order for us to provide more targeted precision omni-channel marketing solutions for them. All of these happen over a period of time. The fact that another entity would not need to substantially re-perform precision omni-channel marketing solutions from scratch for the service that we have provided to date even if the engagements with our customer were terminated also demonstrates that the customer simultaneously receives and consumes the benefits of our performance as we perform.

For contracts with contract price based on and linked to the volume of the customers' sales of pharmaceuticals, they are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. We use the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which we will be entitled. We use an output method to measure progress towards complete satisfaction of the service. We entered into certain contracts that includes variable

consideration based on volume milestones in 2022 and the amount of revenue recognized for the year ended December 31, 2022 for such contracts is nil, after taking the variable considerations into account. For details, see "Judgment — Revenue from contracts with customers".

Physician Platform Solutions

Physician platform solutions primarily involve medical knowledge services and clinical study assistance services, addressing physicians' lifelong research and learning needs. Medical knowledge services involve the provision of academic medical information to physicians, covering their lifelong learning needs and the needs of other registered users on our *MedSci* platform. Clinical study assistance services involve providing guidance and support to physicians in IITs or other non-registered clinical trials.

Revenue from medical knowledge service is recognized over the expected usage periods because the customer simultaneously receives and consumes the benefits provided by us. We do not recognize credits granted to our users and content contributors for accessing premium contents on our *MedSci* platform as revenue.

For clinical study assistance services, the customer simultaneously receives and consumes the benefits provided by us and we have an enforceable right to payment from the customer for its performance completed to date according to the contracts. For instance, during project execution, we regularly meet with physician customers on our work progress and actual work performed and our physician customers can enjoy the benefits provided by us in clinical study assistance services the moment we started to design clinical study protocols and manage relevant databases. During these regular follow-up meetings, physicians can provide timely feedbacks based on services received in order for us to provide more targeted clinical study assistance services for them. All of these happen over a period of time. The fact that another entity would not need to substantially re-perform physician platform solutions from scratch for the service that we have provided to date even if the engagements with our customer were terminated also demonstrates that the customer simultaneously receives and consumes the benefits of our performance as we perform. As a result, revenue from clinical study assistance services is recognized over time.

Input method is used to measure progress towards complete satisfaction of the service. The input method recognized revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the service.

RWS Solutions

RWS solutions involve offering real-world evidence-based research to pharmaceutical and medical device companies regarding their medical products' safety and effectiveness, including protocol design, data collection and assessment, project operation, statistical analysis and publication support.

For the RWS solutions, we consider that the series of ingredient activities undertaken are substantially the same and have the same pattern of transfer to the customers, and therefore account for them as one performance obligation. We recognize revenue for the RWS solutions ratably during the service period as the customers simultaneously receive and consume the benefits. For instance, during project execution, we regularly meet with our customers on our work progress and actual work performed and our customers can enjoy the benefits provided by us in RWS solutions the moment we started to collect data, operate the underlying project or perform statistical analysis. During these regular follow-up meetings, our customers can provide timely feedbacks based on services received in order for us to provide more targeted RWS solutions for them. All of these happen over a period of time. The fact that another entity would not need to substantially re-perform RWS solutions from scratch for the service that we have provided to date even if the engagements with our customer were terminated also demonstrates that the customer simultaneously receives and consumes the benefits of our performance as we perform.

Others

During the Track Record Period, we sold medical products from our platform. Revenue from the sales of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of goods. For sales of goods, we act as principals and are primarily responsible for selling goods to the customers. We recognize the fee received or receivable from customers as our revenue and all related goods costs as our cost of sales.

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If we perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract Liabilities

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before we transfer the related goods or services. Contract liabilities are recognized as revenue when we perform under the contract, which means transferring control of the related goods or services to the customer.

Convertible Preferred Shares

The preferred shares we issued are classified, on the basis of their component parts, as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The preferred shares issued are classified as equity if they are non-redeemable by us or redeemable only at our option, and any dividends are discretionary. Dividends on preferred shares capital classified as equity are recognized as distributions within equity. The preferred shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of the preferred shares (including options that are only exercisable in case of triggering events having occurred).

On November 4, 2021, we entered into a warrant subscription agreement ("**Warrant Subscription Agreement**") with Dr. Zhang Fabao, Dr. Li Xinmei and Series A-1, A-2 and B preferred shareholders as a step of the reorganization to mirror the shareholding in Shanghai MedSci before the reorganization. On November 25, 2021, we entered into a shareholders' agreement with all the then shareholders. Pursuant to such shareholder's agreement, the instrument held by each of the Series A-1, A-2 and B preferred shareholders was warrant in legal form. Once these shareholders obtain requisite requisite overseas direct investment approvals ("**ODI Approvals**"), the warrants granted can be exercised and converted into our preferred shares with no further consideration. Pursuant to the shareholders' agreement, each of the Series A-1, A-2 and B preferred shareholders shall enjoy the same rights, powers and preferences of a holder of the preferred shares as if each of them has exercised the warrant under the Warrant Subscription Agreement in full and has become a holder of the Preferred Shares. In substance, Series A-1, A-2 and B preferred shareholders enjoyed the same rights and benefits as if holders of the preferred shares before the warrants are exercised. As of May 31, 2022, these warranted were all exercised after the ODI Approvals had been obtained and the related administrative procedures had been completed to register the related shareholders as holders of the preferred shares.

The warrant held by each of the Series A-1, A-2 and B preferred shareholders is treated as preferred shares in accounting. The Series A-1 preferred shares issued by us are non-redeemable and we do not have contractual obligation to make any payment, therefore, the Series A-1 preferred shares are classified as equity instruments in the account namely convertible preferred shares when the warrants were issued. The Series A-2 and B preferred shares issued by us are redeemable at the option of the holders or upon occurrence of certain future events which are outside our control, therefore, the Series A-2 and B preferred shares are accounted for as financial liabilities in the account namely convertible redeemable preferred shares when the warrants were issued and were subsequently remeasured to fair value at the reporting date. No accounting treatment was occurred when warrants were exercised.

We designated redeemable preferred shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Any directly attributable transaction costs are recognized as finance costs in profit or loss as incurred. The component of fair value changes relating to our own credit risk is recognized in other comprehensive income. Amounts recorded in other comprehensive income related to credit risk are not subject to subsequent recycling in profit or loss, but are transferred to retained earnings when realized. Fair value changes relating to market risk are recognized in profit or loss.

Judgment

Revenue from contracts with customers

We applied judgement in determining the method to estimate the variable consideration and assessing the constraint for rendering the precision omni-channel marketing solutions linked to sales of products that significantly affect the determination of the amount of revenue from contracts with customers.

Certain contracts entered into during the year ended December 31, 2022 for the rendering of services of precision omni-channel marketing solutions include variable consideration that are based on volume milestones. While the underlying services provided under such contracts remain substantially the same as those entered into by us previously, the settlement term is different as the amount of contract price to be paid is dependent on the ultimate sales volumes, or volume milestones, of the underlying medical products. In estimating the variable consideration, we are required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which we will be entitled.

In estimating the variable consideration for the rendering of services of precision omni-channel marketing solutions with volume milestones, we determined that using the expected value method is appropriate. The selected method that better predicts the amount of variable consideration related to volume milestones is primarily driven by the number of volume thresholds contained in the contract. For amount of total claims to be recognized, the most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold. Output method is used to measure progress towards complete satisfaction of services in order to determine the amount of revenue recognized.

Before including any amount of variable consideration in the transaction price, we consider whether the amount of variable consideration is constrained. Such constraint means whether volume milestones can be achieved, which variable consideration is based on. The variable consideration is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty, which primarily relates to our ability to achieve targeted volume milestones with the variable consideration, is subsequently resolved. The amount of revenue recognized in 2022 for contracts including variable consideration that are based on volume milestones is nil, after taking the variable considerations into account. We determined that the estimates of variable consideration are constrained based on its historical experience, business forecast and the current economic conditions in 2022. In addition, the uncertainty on the variable consideration will be resolved within a short time frame as there were quarterly pre-settlement procedures for such contracts and the annual settlement procedure will happen in the first quarter of the following year. Such settlement procedures can help resolve the uncertainty on whether we can meet the volume milestones.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB '000	*% of Revenue*	*RMB '000*	*% of Revenue*	*RMB' 000*	*% of Revenue*
Revenue	215,854	100.0	297,731	100.0	348,950	100.0
Cost of sales	(98,822)	(45.8)	(107,921)	(36.2)	(142,629)	(40.9)
Gross profit	117,032	54.2	189,810	63.8	206,321	59.1
Other income and gains	4,411	2.0	7,918	2.7	13,792	4.0
Selling and distribution expenses	(46,587)	(21.6)	(83,217)	(28.0)	(94,901)	(27.2)
Administrative expenses	(22,318)	(10.3)	(39,619)	(13.3)	(73,392)	(21.0)
Research and development expenses	(18,078)	(8.4)	(24,412)	(8.2)	(35,013)	(10.0)
Impairment losses on financial and contract assets	(507)	(0.2)	(6,504)	(2.2)	(2,534)	(0.7)
Fair value losses on convertible redeemable preferred shares	—	—	(190,630)	(64.0)	(109,350)	(31.3)
Other expenses	(359)	(0.1)	(133)	(0.1)	(858)	(0.2)
Finance costs	(421)	(0.2)	(271)	(0.1)	(357)	(0.1)
Profit/(Loss) before tax	33,173	15.4	(147,058)	(49.4)	(96,292)	(27.6)
Income tax (expense)/credit	(4,259)	(2.0)	(3,972)	(1.3)	(3,589)	(1.0)
Profit/(Loss) for the year	28,914	13.4	(151,030)	(50.7)	(99,881)	(28.6)
Attributable to:						
Owners of the parent	28,914	13.4	(151,030)	(50.7)	(99,881)	(28.6)
Other comprehensive income/(loss) for the year, net of tax	(126)	(0.1)	(499)	(0.2)	18,465	5.3
Total comprehensive income/(loss) for the year	28,788	13.3	(151,529)	(50.9)	(81,416)	(23.3)
Attributable to:						
Owners of the parent	28,788	13.3	(151,529)	(50.9)	(81,416)	(23.3)

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that this measure provides useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of the adjusted profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS 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 IFRS.

We define adjusted profit (non-IFRS measure) as profit/(loss) for the year adjusted by adding back [REDACTED] and fair value losses on convertible redeemable preferred shares. We exclude such items in adjusted profit (non-IFRS measure) primarily because (i) [REDACTED] are expenses related to the [REDACTED] and (ii) fair value losses on convertible redeemable shares are non-cash items and are not expected to result in future cash payments made by us. During the Track Record Period, our adjusted profit (non-IFRS measure) increased from RMB41.2 million in 2021 to RMB45.6 million in 2022. The increase of adjusted profit (non-IFRS measure) is generally in line with our revenue and profit expansion. See "— Descriptions of Major Components of Our Results of Operations" for reasons for our revenue and profit expansion.

	For the year ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Reconciliation of profit or loss for the year and adjusted profit (non-IFRS measure)			
Profit/(Loss) for the year	28,914	(151,030)	(99,881)
Add			
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fair value losses on convertible redeemable preferred shares[(1)]	—	190,630	109,350
Adjusted profit (non-IFRS measure)	28,914	41,169	45,553

Note:

1. Fair value losses on convertible redeemable preferred shares arise primarily from the changes in the carrying amount of our convertible redeemable preferred shares in connection with the [REDACTED] Investments. These fair value changes are non-cash in nature. Upon completion of the [REDACTED] and the [REDACTED], such convertible redeemable preferred shares will be automatically converted into ordinary shares of our Company at the applicable ratio with prior written approval from holders of such preferred shares and no fair value losses will be recorded.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue primarily from three main business lines, namely precision omni-channel marketing solutions, physician platform solutions and RWS solutions. The following table sets forth a breakdown of our revenue by business line, in absolute amounts and as percentages of the total revenue, for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Precision Omni-channel Marketing Solutions	130,608	60.5	184,070	61.8	198,508	56.9
Physician Platform Solutions	72,602	33.6	76,446	25.7	89,136	25.5
RWS Solutions	11,737	5.5	36,590	12.3	61,306	17.6
Others	907	0.4	625	0.2	—	—
Total	215,854	100.0	297,731	100.0	348,950	100.0

Precision Omni-channel Marketing Solutions

Revenue from precision omni-channel marketing solutions is primarily derived from fees paid by pharmaceutical and medical device companies in engaging us for precision detailing services, medical content creation services and online survey services.

Physician Platform Solutions

Revenue from physician platform solutions is primarily derived from (i) service fees paid by physicians for engaging us for clinical study assistance services and (ii) subscription fees paid by physicians for accessing certain premium academic medical contents on the *MedSci* platform. The following table sets forth a breakdown of our revenue from physician platform solutions by service line for the years indicated:

	For the year ended December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Medical Knowledge Services	—	517	1,596
Clinical Study Assistance Services	72,602	75,929	87,540
Total	**72,602**	**76,446**	**89,136**

RWS Solutions

Revenue from RWS solutions is primarily derived from service fees paid by pharmaceutical and medical device companies in engaging us to design, administer and execute real-world evidence-based research projects to help expand their medical products' indication and recognition.

Others

Revenue from others is primarily derived from fees paid by patients for purchasing medical products in our offline pharmacies. We discontinued such services in 2021.

For details of our brands and products, see "Business — Our Business Services."

Cost of Sales

Our cost of sales consists primarily of (i) staff salaries and benefits relating to employee benefit expenses incurred for employees involved in operating our platform and offering our solutions to customers, (ii) content development costs primarily relating to content development fees paid to various content contributors, copyright owners and other third parties to produce contents for our solutions offering, (iii) meeting affair charge relating to offline academic conferences we organized and (iv) various other miscellaneous expenses such as, among others, office expenses and depreciation and amortization incurred during the ordinary course of our business. Our content development costs decreased from RMB63.0 million in 2020 to RMB54.9 million in 2021 primarily due to our enhanced capabilities in generating medical academic contents through our own employees. Our content development costs increased to RMB85.2 million in 2022 as we strategically decided to source more services and materials from content contributors, copyright owners and other third parties to meet the needs of our customers.

The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as percentages of the total cost of sales, for the years indicated:

	For the year ended December 31					
	2020		2021		2022	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Staff salaries and benefits	31,907	32.3	48,111	44.6	51,732	36.3
Content development costs	62,961	63.7	54,937	50.9	85,231	59.8
Meeting affair charge	1,785	1.8	3,199	3.0	4,703	3.3
Office expenses	354	0.4	193	0.2	88	0.1
Depreciation and amortization	118	0.1	139	0.1	127	0.1
Cost of goods	595	0.6	428	0.4	—	—
Others	1,102	1.1	914	0.8	748	0.5
Total	98,822	100.0	107,921	100.0	142,629	100.0

The following table sets forth a breakdown of our cost of sales by business line, in absolute amounts and as percentages of the total cost of sales, for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Precision Omni-channel Marketing Solutions	67,787	68.6	65,988	61.1	83,970	58.9
Physician Platform Solutions	19,893	20.1	16,253	15.1	19,745	13.8
RWS Solutions	10,547	10.7	25,252	23.4	38,914	27.3
Others	595	0.6	428	0.4	—	—
Total	98,822	100.0	107,921	100.0	142,629	100.0

The cost of sales relating to precision omni-channel marketing solutions primarily consists of (i) staff salaries and benefits paid to employees developing customized academic medical contents for our customers, (ii) content development costs paid to various content contributors, copyright owners and other third parties to produce contents for our solutions offering, and (iii) meeting affair charges relating to organizing various offline academic conferences. The fluctuation of cost of sales relating to precision omni-channel marketing solutions was primarily driven by the fluctuation in content development costs associated with precision omni-channel marketing solutions. See "— Comparison of Results of Operations — Year Ended December 31, 2021 Compared to Year Ended December 31, 2022 — Cost of Sales — Precision Omni-channel Marketing Solutions" and "— Comparison of Results of Operations — Year Ended December 31, 2020 Compared to Year Ended December 31, 2021 — Cost of Sales — Precision Omni-channel Marketing Solutions" for details.

The cost of sales relating to physician platform solutions primarily consists of (i) staff salaries and benefits paid to employees who provide clinical study assistance to physicians and (ii) staff salaries and benefits paid to employees who produce contents and operate our *MedSci* platform.

The cost of sales relating to RWS solutions primarily consists of (i) staff salaries and benefits paid to employees who administer our RWS solutions, (ii) staff salaries and benefits paid to employees who develop and maintain our software programs for RWS solutions and (iii) content development costs.

The cost of sales relating to others primarily consists of costs of the medical products, rental fees for offline pharmacies and staff salaries and benefits paid to our employees.

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit by business line both in absolute amounts and as the percentage of respective revenue, or gross profit margin, for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Gross Profit and Gross Profit Margin:						
Precision Omni-channel Marketing Solutions	62,821	48.1	118,082	64.2	114,538	57.7
Physician Platform Solutions	52,709	72.6	60,193	78.7	69,391	77.8
RWS Solutions	1,190	10.1	11,338	31.0	22,392	36.5
Others	312	34.4	197	31.5	—	—
Total	117,032	54.2	189,810	63.8	206,321	59.1

Our gross profit increased from RMB117.0 million in 2020 to RMB189.8 million in 2021 and further increased to RMB206.3 million in 2022 as a result of our business expansion that leads to strong revenue growth during the Track Record Period.

Gross profit margin for precision omni-channel marketing solutions increased from 48.1% in 2020 to 64.2% in 2021, primarily due to increased economies of scale. As more physicians join our *MedSci* platform and their engagement increases, our entire platform benefits from better data insights and stronger network effects, which allow for more accurate and more cost-efficient delivery of our solutions. This, in turn, attracts more pharmaceutical and medical device companies, further enabling us to deliver our precision omni-channel marketing solutions in a cost-effective manner. However, gross profit margin for precision omni-channel marketing solutions decreased to 57.7% in 2022, primarily because although pharmaceutical and medical device companies reduced their budgets on marketing in 2022 in the midst of the COVID-19 outbreak, they nonetheless demanded the same level and standard of services provided by us, which in turn reduce our gross profit margin. As temporary measures implemented due to COVID-19 became rigorous and comprehensive in 2022, especially in Shanghai, our customers encountered more difficulties in daily operations and, thus, controlled their budgets more carefully. In order to continue to attract new customers and retain existing customers in 2022, we offered more discounts for the same type of services provided, which ultimately resulted in lower amount of revenue with the same amount operating costs as compared to 2021. As a result of such discounts, the average budgeted gross profit margin of contracts for precision omni-channel marketing solutions entered into in 2022 decreased by approximately 5% as compared to contracts for precision omni-channel marketing solutions entered into in 2021.

Gross profit margin for physician platform solutions increased from 72.6% in 2020 to 78.7% in 2021, primarily due to greater efficiency resulting from implementation of the latest technology and optimized work structure and workflow. The introduction of advanced technologies such as AI and big data capabilities enabled us to identify the needs of physician users and provide targeted recommendations on academic medical contents and medical support tools that can address physicians' demands. Furthermore, such advanced technologies also allow us to serve an increasing number of customers without increasing our team size. As such, the overall operating efficiency improved as a result of the implementation of the latest technology. Moreover, our operating efficiency for clinical study assistance services also improved during the Track Record Period as a result of a more experienced and well-structured workforce. For instance, we restructured our team to simplify the work procedures, making it possible for our employee to focus their time on their area of expertise to efficiently execute clinical study assistance projects. Furthermore, the number of employees who achieved the degree of masters or above increased from 94 as of December 31, 2020 to 103 as of December 31, 2021. Gross profit margin for physician platform solutions decreased slightly to 77.8% in 2022, primarily because we introduced certain new premium contents to our *MedSci* platform in 2022 and offered discounts to attract user subscription, affecting our overall gross profit margin of physician platform solutions.

Gross profit margin for RWS solutions increased from 10.1% in 2020 to 31.0% in 2021, primarily due to the implementation of technology, the increased economic activities in China as a result of a decrease in COVID-19-related incidents in China, economies of scale as a result of our business expansion and better efficiency of our workforce. Gross profit margin for RWS solutions further increased to 36.5% in 2022, primarily due to the enhanced efficiency of our employees as a result of business expansion and experienced workforce.

Gross profit margin for others remained at a relatively stable level at 31.5% in 2021 as compared to 34.4% in 2020. Gross profit margin for others subsequently decreased to nil in 2022, primarily because we discontinued the sales of medical products in 2021.

Other Income and Gains

Our other income primarily consists of (i) bank interest income, (ii) tax incentives granted by local authorities, (iii) government grants, (iv) value-added tax and (v) others. We also recognized gains during the Track Record Period, which primarily includes (i) foreign exchange gains, (ii) fair value gains on financial assets through profit or loss and (iii) gain on disposal of subsidiaries.

The following table sets forth a breakdown of our other income and gains for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Other Income			
Bank interest income	1,469	4,845	10,379
Tax linked incentives by local authorities	1,667	1,624	1,918
Government grants	—	—	600
Value-added tax	266	521	744
Others	13	92	151
	3,415	7,082	13,792
Gains			
Fair value gain of financial assets at fair value through profit or loss	996	—	—
Gain on disposal of subsidiaries	—	836	—
	996	836	—
Total	4,411	7,918	13,792

Selling and Distribution Expenses

Our selling and distribution expenses consist primarily of (i) staff salaries and benefits mainly including expenses paid to employees performing selling and distribution functions, (ii) traveling expenses mainly including traveling fees incurred by our employees in performing selling and distribution functions, (iii) professional fees in relation to fees paid to external lecturers in hosting our online courses, (iv) business development expenses mainly including marketing-associated costs in relation to various online and offline campaigns and (v) other miscellaneous expenses, such as, office expenses and depreciation and amortization in relation to property, office equipment and electronic equipment in association with selling and distribution functions.

Our selling and distribution expenses increased significantly during the Track Record Period primarily due to an increase in staff salaries and benefits as we expanded our businesses. We expect our selling and distribution expenses to remain substantial in absolute amounts as we need to further expand our solution offerings and retain existing and attract new customers.

The following table sets forth a breakdown of our selling and distribution expenses both in absolute amounts and as percentages of the total selling and distribution expenses for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Staff salaries and benefits	41,882	89.9	73,959	88.9	84,436	89.0
Professional fees	1,880	4.0	2,896	3.5	4,902	5.2
Traveling expenses	1,645	3.5	2,657	3.2	3,067	3.2
Office expenses	241	0.5	628	0.8	105	0.1
Depreciation and amortization	281	0.6	281	0.3	270	0.3
Business development expenses	651	1.4	2,581	3.1	1,821	1.9
Others	7	0.0	215	0.3	300	0.3
Total	46,587	100.0	83,217	100.0	94,901	100.0

Administrative Expenses

Our administrative expenses consist primarily of (i) staff salaries and benefits mainly including salaries and benefits paid to employees performing administrative functions, (ii) depreciation and amortization in relation to property, office equipment and electronic equipment in association with administrative functions, (iii) professional fees in relation to auditing fees, service fees paid for external training and service fees paid to employment agencies, (iv) office expenses in relation to administrative functions, (v) share-based payment in relation to the Equity Incentive Plan, (vi) [REDACTED] in relation to the [REDACTED] and (vii) other miscellaneous fees such as traveling expenses and utility expenses incurred during the ordinary course of our business when performing administrative functions.

The following table sets forth a breakdown of the components of our administrative expenses both in absolute amounts and as percentages of the total administrative expenses for the years indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Staff salaries and benefits	10,010	44.9	14,148	35.7	15,478	21.1
Share-based payment	—	0.0	8,151	20.6	6,267	8.5
Traveling expenses	357	1.5	307	0.7	489	0.7
Office expenses	865	3.9	1,161	2.9	1,632	2.2
Depreciation and amortization	6,430	28.8	7,591	19.2	7,279	9.9
Professional fees	2,115	9.5	2,745	6.9	3,125	4.3
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Utility expenses	1,008	4.5	1,691	4.3	1,092	1.5
Tax	1,061	4.8	1,551	3.9	1,257	1.7
Others	472	2.1	705	1.8	689	0.9
Total	22,318	100.0	39,619	100.0	73,392	100.0

Research and Development Expenses

Our research and development expenses primarily consist of (i) salaries and benefits for employees performing research and development functions, (ii) professional fees in relation to third-party software and technology required to build our platform infrastructure and (iii) other miscellaneous expenses such as, among others, traveling expenses, depreciation and amortization and office expenses incurred during the research and development process. Our research and development expenses reached RMB18.1 million, RMB24.4 million and RMB35.0 million, respectively, in 2020, 2021 and 2022.

Impairment Losses on Financial and Contract Assets

Impairment losses on financial and contract assets arise primarily from impairments of trade receivables, contract assets and other assets. In 2020, 2021 and 2022, we had impairment losses on financial and contract assets of RMB0.5 million, RMB6.5 million and RMB2.5 million, respectively. An impairment analysis is performed at the end of each of the Track Record Periods using a provision matrix to measure expected credit losses. The provision rates are based on aging and past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Track Record Periods about past events, current conditions and forecasts of future economic conditions.

Fair Value Losses on Convertible Redeemable Preferred Shares

Our fair value losses on convertible redeemable preferred shares arise primarily from the changes in the carrying amount of our convertible redeemable preferred shares in connection with the [REDACTED] Investments. Prior to the [REDACTED], such convertible redeemable preferred shares have not been traded in an active market and their value at each respective reporting period is determined using valuation techniques. Furthermore, the fair value losses on convertible redeemable preferred shares are negatively related to the value of our business. In 2021 and 2022, we had fair value losses on convertible redeemable preferred shares of RMB190.6 million and RMB109.4 million.

Other Expenses

Our other expenses primarily consist of bank charges, compensation and indemnities paid in relation to certain immaterial disputes relating to contents on our platform and exchange losses. See "Business — Legal Proceedings and Compliance" for details. We recorded other expenses of RMB0.4 million, RMB0.1 million and RMB0.9 million in 2020, 2021 and 2022, respectively.

Finance Costs

Our finance costs primarily represent interest on our lease liabilities. We recorded finance costs of RMB0.4 million, RMB0.3 million and RMB0.4 million in 2020, 2021 and 2022, respectively.

Income Tax (Expense)/Credit

We recorded income tax expense of RMB4.3 million, RMB4.0 million and RMB3.6 million in 2020, 2021 and 2022. As of the Latest Practicable Date, we did not have any material disputes with any tax authority.

We are subject to various rates of income tax under different jurisdictions. The following summarizes major factors affecting our applicable tax rates in the Cayman Islands, Hong Kong and the PRC.

Cayman Islands

We are incorporated in the Cayman Islands. Under the current law of the Cayman Islands, we are not subject to income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

Hong Kong

Our subsidiary incorporated in Hong Kong is subject to Hong Kong's two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million. During the Track Record Period, no Hong Kong profit tax on our subsidiary incorporated in Hong Kong has been provided because there was no assessable profits arising in Hong Kong during the Track Record Period.

PRC

Our subsidiaries incorporated in China are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Pursuant to the PRC Enterprise Income Tax Law, or the EIT Law, which became effective on January 1, 2008 and was last amended on December 29, 2018, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. For example, enterprises qualified as "High and New Technology Enterprises" are entitled to a 15% enterprise income tax rate rather than the 25% uniform statutory tax rate. Further more, certain of our Group's subsidiaries enjoy the preferential income tax treatment for Small and Micro Enterprise with a preferential income tax rate of 20% from year 2020 to year 2022. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

Considering that, during the Track Record Period and up to the Latest Practicable Date, (i) we had made all the required tax filings and enterprise income tax payments with the relevant authorities in PRC, (ii) we were not subject to any tax audit, tax dispute or tax investigation, and (iii) we have obtained confirmation letters from the relevant tax authorities, which are the competent authorities to issue such confirmations as advised by our PRC Legal Adviser, confirming that the competent authority had not found that our PRC operating entities had any outstanding tax payments or had been imposed any penalty with respect to tax, our PRC Legal Adviser is not aware that any of our PRC operating entities have been penalized by the relevant authorities due to material violation of the relevant tax laws and regulations during the Track Record Period.

Profit/(loss) for the Year

As a result of the foregoing, our profit for the year amounted to RMB28.9 million, respectively, in 2020. We incurred a loss of RMB151.0 million in 2021 and a loss of RMB99.9 million in 2022.

COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

Revenue

Our revenue increased by 17.2% from RMB297.7 million in 2021 to RMB349.0 million in 2022, primarily driven by the following factors:

- *Precision Omni-channel Marketing Solutions*. Revenue generated from our precision omni-channel marketing solutions increased by 7.8% from RMB184.1 million in 2021 to RMB198.5 million in 2022. The increase in revenue was primarily attributable to an increase in the number of customers we served from approximately 250 pharmaceutical and medical device companies in 2021 to approximately 350 pharmaceutical and medical device companies in 2022 and an increase in penetration of existing pharmaceutical and medical device companies by providing precision omni-channel marketing solutions for multiple medical products from the same customer.

- *Physician Platform Solutions*. Revenue generated from our physician platform solutions increased by 16.6% from RMB76.4 million in 2021 to RMB89.1 million in 2022. The increase in revenue was primarily attributable to the expansion of our clinical study assistance services through enhancing our *MedSci* platform to attract more physicians and drive up their activeness and interest in our solutions.

- *RWS Solutions*. Revenue generated from our RWS solutions increased by 67.5% from RMB36.6 million in 2021 to RMB61.3 million in 2022. The increase in revenue was primarily attributable to favorable governmental policies that resulted in an increase in the RWS solutions market, leading to an increase in customers we served. Volume-based procurement, together with other regulatory changes, pushed pharmaceutical and medical device companies to engage us in real-world evidence-based studies to generate academic medical contents to expand their medical products' recognition among physicians as well as help pharmaceutical and medical device companies expand their medical products' indications. The number of pharmaceutical and medical device companies that engaged us for RWS solutions increased from 37 in 2021 to 86 in 2022.

- *Others*. Revenue generated from others decreased from RMB0.6 million in 2021 to nil in 2022 due to the discontinuation of sales of medical products in 2021.

Cost of Sales

Our cost of sales increased by 32.2% from RMB107.9 million in 2021 to RMB142.6 million in 2022, primarily driven by the following factors:

- *Precision Omni-channel Marketing Solutions*. Cost of sales related to precision omni-channel marketing solutions increased by 27.3% from RMB66.0 million in 2021 to RMB84.0 million in 2022. The increase in cost of sales was primarily attributable to an increase in content development costs in 2022 as compared to in 2021 as we sourced more services and materials from content contributors, copyright owners and other third parties to meet the needs of our customers.

- *Physician Platform Solutions*. Cost of sales related to physician platform solutions increased by 21.5% from RMB16.3 million in 2021 to RMB19.7 million in 2022. The increase in cost of sales was generally in line with revenue growth and was also attributable to an increase in content development costs in 2022 as compared to in 2021 as we source more services and materials from content contributors, copyright owners and other third parties to meet the needs of our customers.

- *RWS Solutions*. Cost of sales related to RWS solutions increased by 54.1% from RMB25.3 million in 2021 to RMB38.9 million in 2022. The increase in cost of sales was primarily attributable to our business expansion that resulted in higher revenue generated and costs incurred.

- *Others*. Cost of sales related to others decreased from RMB0.4 million in 2021 to nil in 2022.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 8.7% from RMB189.8 million in 2021 to RMB206.3 million in 2022. Our gross profit margin decreased from 63.8% in 2021 to 59.1% in 2022, primarily driven by the following factors:

- *Precision Omni-channel Marketing Solutions*. Gross profit for our precision omni-channel marketing solutions decreased by 3.0% from RMB118.1 million in 2021 to RMB114.5 million in 2022. Our gross profit margin for precision omni-channel marketing solutions decreased from 64.2% in 2021 to 57.7% in 2022, primarily because although pharmaceutical and medical device companies reduced their budgets on marketing in the midst of the COVID-19 outbreak, they nonetheless demanded the same level and standard of services provided by us, which in turn reduce our gross profit and gross profit margin. As temporary measures implemented due to COVID-19 became rigorous and comprehensive in 2022, especially in Shanghai, our customers encountered more difficulties in daily operations and, thus, controlled their budgets more carefully. In order to continue to attract new customers and retain existing customers in 2022, we offered more discounts for the same type of services provided, which ultimately resulted in lower amount of revenue with the same amount operating costs as compared to 2021. As a result of such discounts, the average budgeted gross profit margin of

contracts for precision omni-channel marketing solutions entered into in 2022 decreased by approximately 5% as compared to contracts for precision omni-channel marketing solutions entered into in 2021.

- *Physician Platform Solutions*. Gross profit for our physician platform solutions increased by 15.3% from RMB60.2 million in 2021 to RMB69.4 million in 2022 in line with revenue growth. Our gross profit margin for physician platform solutions decreased slightly from 78.7% in 2021 to 77.8% in 2022, primarily because we introduced certain new premium contents to our *MedSci* platform in 2022 and offered discounts to attract user subscription, affecting our overall gross profit margin of physician platform solutions.

- *RWS Solutions*. Gross profit for our RWS solutions increased by 97.5% from RMB11.3 million in 2021 to RMB22.4 million in 2022. Our gross profit margin for RWS solutions increased from 31.0% in 2021 to 36.5% in 2022, primarily due to the enhanced efficiency of our employees as a result of business expansion and a more experienced workforce.

- *Others*. Gross profit for others decreased from RMB0.2 million in 2021 to nil in 2022 as we discontinued the sales of medical products in 2021.

Other Income and Gains

Our other income and gains increased by 74.2% from RMB7.9 million in 2021 to RMB13.8 million in 2022, primarily due to (i) an increase in bank interest income from RMB4.8 million in 2021 to RMB10.4 million in 2022 due to an increase in bank deposits from cash generated from our ordinary course of business as well as cash from our settlement of series C financing in 2021 and (ii) an increase in government grants from nil in 2021 to RMB0.6 million in 2022 due to government grants for operation within Shanghai to reward business performance and support operational development of enterprises in that area. There are no unfulfilled conditions or contingencies relating to these grants.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 14.0% from RMB83.2 million in 2021 to RMB94.9 million in 2022. The increase was primarily due to (i) an increase in staff salaries and benefits from RMB74.0 million in 2021 to RMB84.4 million in 2022 primarily resulting from an increase in the number of employees responsible for selling and distribution in 2022 as compared to 2021 and (ii) an increase in professional fees from RMB2.9 million in 2021 to RMB4.9 million in 2022 resulting from the engagement of third parties providing marketing related services and advice on launching the *Selected Curriculum* in the second half of 2021, resulting in higher professional fees paid in 2022 as compared to 2021.

Administrative Expenses

Our administrative expenses increased by 85.2% from RMB39.6 million in 2021 to RMB73.4 million in 2022. The increase was primarily due to (i) an increase in [REDACTED] in connection with the [REDACTED] from RMB1.6 million in 2021 to RMB36.1 million in 2022 and (ii) an increase in staff salaries and benefits from RMB14.1 million in 2021 to RMB15.5 million in 2022 primarily resulting from an increase in the number of employees performing general and administrative functions.

Research and Development Expenses

Our research and development expenses increased by 43.4% from RMB24.4 million in 2021 to RMB35.0 million in 2022. The increase was resulted from a substantial increase in professional fees paid to third parties for providing research and development related services and advice on *Selected Curriculum* launched in the second half of 2021.

Impairment Losses on Financial and Contract Assets

Our impairment losses on financial and contract assets decreased by 61.0% from RMB6.5 million in 2021 to RMB2.5 million in 2022, primarily due to a decrease in expected credit loss rates on our trade receivables and contract assets. See "— Discussion of Certain Key Balance Sheet Items — Contract Assets" for more details.

Fair Value Losses on Convertible Redeemable Preferred Shares

We recorded fair value losses on convertible redeemable preferred shares of RMB109.4 million in 2022 as a result of valuation.

Other Expenses

Our other expenses increased significantly from RMB0.1 million in 2021 to RMB0.9 million in 2022, primarily due to losses recorded resulting from exchange rate fluctuation in 2022.

Finance Costs

Our finance costs increased by 31.7% from RMB0.3 million in 2021 to RMB0.4 million in 2022, primarily due to an increase in interest on lease liabilities resulting from the increase in renewal rents for certain properties we leased in the second half of 2021 and in 2022.

Profit/(Loss) before Tax

As a result of the foregoing, we recorded profit before tax of RMB147.1 million and loss before tax of RMB96.3 million in 2021 and 2022, respectively.

Income Tax (Expense)/Credit

Our income tax expense decreased from RMB4.0 million in 2021 to RMB3.6 million in 2022, primarily due to the increase in deductibles as a result of our increase in research and development expenses.

Profit/(Loss) for the Year

As a result of the foregoing, we recorded loss of RMB151.0 million and RMB99.9 million in 2021 and 2022, respectively.

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Revenue

Our revenue increased by 37.9% from RMB215.9 million in 2020 to RMB297.7 million in 2021, primarily driven by the following factors:

- *Precision Omni-channel Marketing Solutions*. Revenue generated from our precision omni-channel marketing solutions increased by 40.9% from RMB130.6 million in 2020 to RMB184.1 million in 2021. The increase in revenue was primarily attributable to an increase in the number of customers we served from approximately 200 pharmaceutical and medical device companies in 2020 to approximately 250 pharmaceutical and medical device companies in 2021 and an increase in penetration of existing pharmaceutical and medical device companies by providing precision omni-channel marketing solutions for multiple medical products from the same customer.

- *Physician Platform Solutions*. Revenue generated from our physician platform solutions increased by 5.3% from RMB72.6 million in 2020 to RMB76.4 million in 2021, primarily attributable to the expansion of our clinical study assistance services and the initiation of our subscription service model for certain premium contents on our *MedSci* platform in 2021.

- *RWS Solutions*. Revenue generated from our RWS solutions increased significantly by 211.7% from RMB11.7 million in 2020 to RMB36.6 million in 2021. The increase in revenue was primarily attributable to favorable governmental policies that resulted in an increase in the RWS solutions market, leading to an increase in customers we served. Volume-based procurement, together with other regulatory changes, pushed pharmaceutical and medical device companies to engage us in real-world evidence-based studies to generate academic medical contents to expand their medical products' recognition among physicians as well as helping them expand their medical products' indications. The number of pharmaceutical and medical device companies that engaged us for RWS solutions increased from 10 in 2020 to 37 in 2021.

- *Others*. Revenue generated from others decreased by 31.1% from RMB0.9 million in 2020 to RMB0.6 million in 2021. The decrease in others was primarily attributable to discontinuation of sales of medical products in 2021.

Cost of Sales

Our cost of sales increased by 9.2% from RMB98.8 million in 2020 to RMB107.9 million in 2021. The increase in cost of sales is primarily driven by the following factors:

- *Precision Omni-channel Marketing Solutions*. Cost of sales related to precision omni-channel marketing solutions decreased by 2.7% from RMB67.8 million in 2020 to RMB66.0 million in 2021. The decrease in cost of sales was primarily attributable to an increase in operating efficiency resulting from a more skilled workforce and a decrease in content development costs paid to content producers resulting from our enhanced capabilities in generating medical academic contents through our own employees.

- *Physician Platform Solutions*. Cost of sales related to physician platform solutions decreased by 18.3% from RMB19.9 million in 2020 to RMB16.3 million in 2021. The decrease in cost of sales was primarily attributable to an increase in operating efficiency resulting from implementation of technology that allowed us to operate with a more streamlined team structure and a more skilled workforce as well as a decrease in content development costs paid to content producers resulting from our enhanced capabilities in generating medical academic contents on our *MedSci* platform through our own employees.

- *RWS Solutions*. Cost of sales related to RWS solutions increased significantly by 139.4% from RMB10.5 million in 2020 to RMB25.3 million in 2021. The significant increase in cost of sales was primarily attributable to our business expansion that resulted in higher costs incurred, such as, increases in staff salaries and benefits paid to employees and content development costs paid to content producers.

- *Others*. Cost of sales related to others decreased by 28.1% from RMB0.6 million in 2020 to RMB0.4 million in 2021.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 62.2% from RMB117.0 million in 2020 to RMB189.8 million in 2021. Our gross profit margin increased from 54.2% in 2020 to 63.8% in 2021, primarily because of the margin expansion of all of our major business lines.

- *Precision Omni-channel Marketing Solutions*. Gross profit for our precision omni-channel marketing solutions increased by 88.0% from RMB62.8 million in 2020 to RMB118.1 million in 2021. Our gross profit margin for precision omni-channel marketing solutions increased from 48.1% in 2020 to 64.2% in 2021, primarily due to economies of scale and a more skilled workforce that

resulted in higher efficiency as well as a higher level of engagement among registered users that attracted more pharmaceutical and medical device companies. For instance, the number of employees who achieved the degree of masters or above increased from 94 as of December 31, 2020 to 103 as of December 31, 2021.

- *Physician Platform Solutions*. Gross profit for our physician platform solutions increased by 14.2% from RMB52.7 million in 2020 to RMB60.2 million in 2021. Our gross profit margin for physician platform solutions increased from 72.6% in 2020 to 78.7% in 2021, primarily due to economies of scale and positive network effect resulting from the growing number of registered physician users on our *MedSci* platform as we continue to provide useful and targeted contents and tools addressing their needs. Furthermore, the implementation of latest technology, such as AI algorithm and big data capabilities, also allowed us to operate our business with a more streamlined team structure.

- *RWS Solutions*. Gross profit for our RWS solutions increased by 852.8% from RMB1.2 million in 2020 to RMB11.3 million in 2021. Our gross profit margin for RWS solutions increased from 10.1% in 2020 to 31.0% in 2021, primarily due to the implementation of technology such as, optical character recognition, and clinical study assistance products, such as, ePro, that improves our operating efficiency in delivering RWS solutions as well as the increased economic activities in China as a result of a decrease in COVID-19-related incidents in China, economies of scale as a result of our business expansion and better efficiency of our workforce.

- *Others*. Gross profit for others decreased from RMB0.3 million in 2020 to RMB0.2 million in 2021, primarily attributable to the discontinuation of sales of medical products in 2021.

Other Income and Gains

Our other income and gains increased by 79.5% from RMB4.4 million in 2020 to RMB7.9 million in 2021, primarily due to (i) an increase in bank interest income from RMB1.5 million in 2020 to RMB4.8 million in 2021 resulting from an increase in bank deposits from cash generated from our ordinary course of business as well as cash from our settlement of series C financing in 2021 and (ii) an increase in gain on disposal of subsidiaries in the amount of RMB0.8 million in 2021 as we disposed of certain of our subsidiaries, partially offset by a decrease in fair value gain of financial assets at fair value through profit or loss as we disposed of our wealth management products in 2020.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 78.6% from RMB46.6 million in 2020 to RMB83.2 million in 2021. The increase was primarily due to (i) an increase in staff salaries and benefits from RMB41.9 million in 2020 to RMB74.0 million in 2021 primarily resulting from an increase in the number of employees responsible for selling and distribution; (ii) an increase in business development expenses from RMB0.7 million in 2020

to RMB2.6 million in 2021 resulting from the hosting of various marketing activities; and (iii) an increase in professional fees from RMB1.9 million in 2020 to RMB2.9 million in 2021 resulting from technology service fees paid to professionals to enhance growth and engagement of our users and content contributors.

Administrative Expenses

Our administrative expenses increased by 77.5% from RMB22.3 million in 2020 to RMB39.6 million in 2021. The increase was primarily due to (i) an increase in staff salaries and benefits from RMB10.0 million in 2020 to RMB14.1 million in 2021 primarily resulting from an increase in the number of employees performing general and administrative functions, (ii) an increase in share-based payment in 2021 resulting from the Equity Incentive Plan, (iii) an increase in [REDACTED] of RMB1.6 million in connection with the [REDACTED] and (iv) an increase in depreciation and amortization in association with property, plant and equipment performing administrative functions.

Research and Development Expenses

Our research and development expenses increased by 35.0% from RMB18.1 million in 2020 to RMB24.4 million in 2021, primarily attributable to an increase in staff and salaries costs relating to employees performing research and development functions.

Impairment Losses on Financial and Contract Assets

Our impairment losses on financial and contract assets increased significantly by 1,182.8% from RMB0.5 million in 2020 to RMB6.5 million in 2021, primarily due to an impairment resulting from the fact that the aging of certain contract assets reached two years in 2021 and we recognized the full amount of such contract assets as allowance for expected credit losses on contract asset as a result of our prudent financial policy. See "Discussion of Certain Key Balance Sheet Items — Contract Assets" for more details.

Fair Value Losses on Convertible Redeemable Preferred Shares

We recorded fair value losses on convertible redeemable preferred shares of RMB190.6 million in 2021 as a result of valuation.

Other Expenses

Our other expenses decreased by 63.0% from RMB0.4 million in 2020 to RMB0.1 million in 2021, primarily because, unlike 2020, we did not incur compensation and liquidated damages in 2021. See "Business — Legal Proceedings and Compliance" for details on compensation and liquidated damages paid with respect to disputes over contents on our *MedSci* platform.

Finance Costs

Our finance costs decreased from RMB0.4 million in 2020 to RMB0.3 million in 2021, primarily due to a decrease in lease interest as we paid our rents for properties we leased.

Profit/(Loss) before Tax

As a result of the foregoing, we recorded profit before tax of RMB33.2 million in 2020 and a loss before tax of RMB147.1 million in 2021.

Income Tax (Expense)/Credit

Our income tax expense decreased from RMB4.3 million in 2020 to RMB4.0 million in 2021, primarily due to the increase in deductibles as a result of our increase in research and development expenses.

Profit/(Loss) for the Year

As a result of the foregoing, we recorded profit of RMB28.9 million in 2020 and loss of RMB151.0 million in 2021.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this Document:

	As of December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Total non-current assets	28,218	23,818	31,661
Total current assets	322,722	685,395	714,854
Total assets	350,940	709,213	746,515
Total non-current liabilities	2,910	603,663	724,975
Total current liabilities	151,318	172,765	163,804
Total liabilities	154,228	776,428	888,779
Net assets/(liabilities)	196,712	(67,215)	(142,264)
Share capital	—	5	5
Treasury shares	—	—*	—*
Convertible preferred shares	—	53,417	53,417
Reserves	196,712	(120,637)	(195,686)
Total Equity/(deficiency in assets)	196,712	(67,215)	(142,264)

Note:

* Amount less than RMB1,000.

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of February 28,
	2020	2021	2022	2023
				(unaudited)
	(RMB in thousands)			
Current assets				
Trade receivables	17,537	29,693	37,720	30,257
Contract assets	22,088	50,942	64,927	82,002
Due from related parties	250	250	250	250
Prepayments, deposits and other receivables	5,875	8,508	12,691	12,505
Cash and bank balances	276,972	596,002	599,266	590,109
Total current assets	322,722	685,395	714,854	715,123
Current liabilities				
Trade payables	2,388	1,587	1,967	1,835
Other payables and accruals	142,277	159,756	154,148	151,753
Tax payable	300	8,018	2,163	2,361
Lease liabilities	6,353	3,404	5,526	5,036
Total current liabilities	151,318	172,765	163,804	160,985
Net current assets	171,404	512,630	551,050	554,138

We recorded net current assets of RMB554.1 million as of February 28, 2023, being the latest practicable date for our indebtedness statement, as compared to net current assets of RMB551.1 million as of December 31, 2022, primarily due to (i) an increase in contract assets of RMB17.1 million resulting from our business expansions and (ii) a decrease in other payables and accruals of RMB2.4 million resulting from a decrease in payables to employees due to payment of annual bonuses to our employees in the beginning of 2023, partially offset by (i) a decrease in cash and bank balances of RMB9.2 million resulting from our use of cash during operations and (ii) a decrease in trade receivables of RMB7.5 million as our customers settled some of our trade receivables in the beginning of 2023.

We recorded net current assets of RMB551.1 million as of December 31, 2022, as compared to net current assets of RMB512.6 million as of December 31, 2021, primarily due to (i) an increase in contract assets of RMB14.0 million resulting from our business expansion, (ii) an increase in trade receivables of RMB8.0 million resulting from our business expansion, (iii) a decrease in tax payable of RMB5.9 million resulting from prepayment of tax in 2022 and a decrease in taxable income, (iv) a decrease in other payables and accruals of RMB5.6 million resulting from a decrease in contract liabilities and payable to employees and (v) an increase in current prepayments, deposits and other receivables of RMB4.2 million resulting from an increase in the capitalized portion of

incurred [REDACTED] as well as an increase in prepayments to suppliers as we expanded our business. The increase was partially offset by an increase in current portion of lease liabilities of RMB2.1 million resulting from renewal of a number of leases in 2022.

We recorded net current assets of RMB512.6 million as of December 31, 2021, as compared to net current assets of RMB171.4 million as of December 31, 2020, primarily due to (i) an increase in cash and bank balances of RMB319.0 million primarily resulting from the settlement of our series C financing in 2021 and cash generated from our ordinary course of business and (ii) an increase in contract assets of RMB28.9 million and an increase in trade receivables of RMB12.2 million resulting from our business expansion that led to more trade receivables and contract assets from our customers.

Trade Receivables

Trade receivables represent outstanding amounts due from our customers for services that we provided in the ordinary course of business. A trade receivable is recorded when we have an unconditional right to consideration. Our trade receivables mainly arise from precision omni-channel marketing solutions and RWS solutions. Our trade receivables are generally due for settlement within six months and therefore are all classified as current assets. The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Trade receivables	17,920	30,749	38,936
Impairment	(383)	(1,056)	(1,216)
Total	17,537	29,693	37,720

Our trade receivables amounted to RMB17.5 million, RMB29.7 million and RMB37.7 million as of December 31, 2020, 2021 and 2022, respectively. The increase in our trade receivables from RMB17.5 million as of December 31, 2020 to RMB37.7 million as of December 31, 2022 was primarily attributable to the growth of our business, especially the growth of our precision omni-channel marketing solutions and RWS solutions. Impairment of trade receivables increased from RMB0.4 million as of December 31, 2020 to RMB1.2 million as of December 31, 2022, primarily attributable to the increase in trade receivables and the management's assessment of credit risk exposure at the end of each Track Record Period.

The following table sets forth the turnover days of our trade receivables as well as trade receivables and contract assets for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
Trade receivables turnover days[(1)]	29	30	35
Trade receivables and contract assets turnover days[(2)]	57	74	96

Note:

(1) Trade receivables turnover days are based on the average balance of trade receivables divided by total revenue for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the years ended December 31 is 365 days.

(2) Trade receivables and contract assets turnover days for a period are calculated using the average of open balance and closing balance of the trade receivables and contract assets for such period divided by revenue for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the years ended December 31 is 365 days.

Our trade receivables turnover days were 29 days, 30 days and 35 days in 2020, 2021 and 2022, respectively. The increase in trade receivables turnover days from 25 days to 29 days was primarily attributable to the increase in our revenue. It remained stable at 30 days in 2021 as compared to 2020 primarily due to our enhanced trade receivables collection measures as our revenue grew. Our trade receivables turnover days increased to 35 days in 2022 as compared to 30 days 2021. The increase was mainly due to temporary measures implemented due to COVID-19 across different cities in China which had the effect of extending the settlement cycle for certain of our customers. We generally granted a credit term ranging from 60 to 180 days to our customers and most of our customers settle their payments within the credit term.

Our trade receivables and contract assets turnover days amounted to 57 days, 74 days and 96 days in 2020, 2021 and 2022, respectively. The increase from 57 days in 2020 to 74 days in 2021 and further to 96 days in 2022 was attributable to the increase in average project life cycles of our solutions offerings. See "— Contract Assets" for details on quantitative analysis on the increase in project life cycles.

The following table sets forth an aging analysis of our trade receivables, based on the invoice dates, as of the dates indicated:

	As of December 31,		
	2020	2021	2022
	(RMB in thousands)		
Within six months	15,279	25,205	32,027
Over six months and within one year	1,724	3,886	4,778
One to two years	512	546	881
Two to three years	22	56	34
Total	17,537	29,693	37,720

The following table sets forth an aging analysis of collection status of our trade receivables as of the dates indicated:

	Trade Receivables as of December 31, 2022	Trade Receivables Collected as of February 28, 2023	
	(RMB in thousands, expect percentages)		
Within six months	32,027	17,291	54.0%
Over six months and within one year	4,778	4,336	90.7%
One to two years	881	435	49.4%
Over two years	34	—	0.0%
Total	37,720	22,062	58.5%

As of February 28, 2023, RMB22.1 million, or 58.5% of our trade receivables outstanding as of December 31, 2022 had been subsequently collected.

The expected credit loss rate of trade receivables amounted to 2.1%, 3.4% and 3.1% as of December 31, 2020, 2021 and 2022, respectively. The increase in expected credit loss rates in trade receivables from 2020 to 2021 is the result of the mechanism of the vintage-based model, which, in turn, is driven by (i) the increase in the amount of trade receivables past due as a result of COVID-19 and (ii) the increase in settlement cycle for certain of our new customers. See "— Contract Assets" for details on the mechanics of the vintage-based model. Furthermore, the decrease from 3.4% as of December 31, 2021 to 3.1% as of December 31, 2022 was also driven by our rigorous credit management policy and enhanced collection efforts in trade receivables leading to a decrease in the expected credit loss rate of trade receivables.

Our Directors are of the view that there is no material recoverability issue for our contract assets and the trade receivables arising from subsequent billing. Throughout the Track Record Period and based on our previous experience with collection of trade receivables, we have not experienced material recoverability issues. See "— Contract Assets" for additional analysis on the recoverability of contract assets and the trade receivables arising from subsequent billings during the Track Record Period. Having

considered that (i) the trade receivables balances were mainly due from customers with ongoing business relationships with us, (ii) there were no material ongoing disputes with such customers, (iii) these customers had been making continuous subsequent repayment to us and their historical repayment pattern was generally consistent during the Track Record Period, (iv) the lift of temporary measures implemented in various difference cities in China due to COVID-19 and the end of "zero-COVID" policies across China allowed us to timely issue invoices and collect trade receivables, and (v) we have continuously carried out stringent credit management policy and increased effort in trade receivables collection, our Directors are of the view that there is no material recoverability issue for our trade receivables.

In addition, we have recorded expected credit loss allowances for our trade receivables during the Track Record Period by applying a provision matrix to measure expected credit losses in accordance with applicable accounting principles. The provision rates for past due balances are estimated taking into consideration of the aging analysis of trade receivables based on invoice dates. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each year of the Track Record Period about past events, current conditions and forecasts of future economic conditions. Therefore, our Directors are of the view that sufficient provision had been made for our trade receivables during the Track Record Period in accordance with applicable accounting principles. See Note 17 to the Accountants' Report included in Appendix I to this Document for details of vintage-based model and impairment analysis performed.

Contract Assets

Our contract assets represent our right to consideration in exchange for goods or services transferred to the customer before the issuance of bills and payment of such consideration by customers. The following table sets forth a breakdown of our contract assets by solution category as of the dates indicated:

	As of December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Contract assets arising from:			
Precision Omni-channel Marketing Solutions	19,079	40,025	42,120
RWS Solutions	3,491	17,149	30,668
	22,570	57,174	72,788
Impairment	(482)	(6,232)	(7,861)
Total, Net	22,088	50,942	64,927

Contract assets are initially recognized in relation to revenue earned from the provision of precision omni-channel marketing solutions and RWS solutions as the receipt of consideration is conditional on the successful completion of customized milestones in the contractual arrangements. Upon the issuance of invoices of services according to the contractual arrangements, the amounts recognized as contract assets are reclassified to trade receivables. For precision omni-channel marketing solutions, we usually set tighter payment terms for new customers as compared to regular customers, such as down payment before initiating the projects. Our net contract assets increased from RMB22.1 million as of December 31, 2020 to RMB50.9 million as of December 31, 2021 as a result of business expansion that led to an increase in contract assets. Specifically, the increase in contract assets is mainly attributable to the significant increase in the sales of precision omni-channel marketing solutions and RWS solutions during the Track Record Period. Normally the contractual period in almost all of our contracts will be within two years and with two to seven customized and highly tailored milestone events to bill the customers according to the contractual terms. Our net contract assets further increased to RMB64.9 million as of December 31, 2022 as a result of our business expansion as well as temporary measures implemented due to COVID-19 across different cities in China which affected our ability to timely issue invoices to our customers. As such, our gross contract assets increased substantially from RMB22.6 million as of December 31, 2020 to RMB57.2 million as of December 31, 2021 and further to RMB72.8 million as of December 31, 2022.

Contract assets are subject to impairment assessment. An impairment analysis is performed at the end of each year of the Track Record Period using a provision matrix to measure expected credit losses. The provision matrix is based on a vintage-based model on days past due of trade receivables and status of underlying projects related to the contract assets for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Track Record Period about past events, current conditions and forecasts of future economic conditions. Under the vintage-based model, when the proportion of contract assets with longer ages increased as compared to the contract assets with shorter ages in the previous year, the model considers the probability that contract assets with shorter ages would carry forward to the contract assets with longer ages in the following year would increase, enlarging the expected credit loss rates. The impairment for contract assets increased significantly from RMB0.5 million as of December 31, 2020 to RMB6.2 million as of December 31, 2021, mainly because of (i) the increase in the overall contract assets balance and (ii) the aging of contract assets from an online platform serving primarily physicians and patients on medical training, treatment and pharmacy management which reached two years in 2021 and we recognized the full amount of such contract assets as allowance for expected credit losses on contract assets as a result of our prudent financial policy. With respect to works performed for such customer, we completed part of the project in 2019 in accordance with the contractual arrangements and recognized approximately RMB950,000 as revenue in 2019 out of the total contract value of approximately RMB3.0 million. We believe the revenue recognized fairly represents our work progress due to our internal policies and standard procedures on revenue recognition. We have adopted internal control policies to ensure the accuracy of the representation of our project work progress, which would then be used as the basis of recording contract assets, including regular internal

inspection on the actual cost, estimated budgets and invoice issuances of all ongoing projects. For details, see "— Critical Accounting Policies and Estimates — Revenue Recognition". We recorded an expected credit loss rate of 14.7% in 2020, based on our internal financial policy. Starting in 2020, the customer intended to terminate the project as the original sponsor of the RWS project did not settle its payment obligations owed to our customer. The project was officially terminated in 2021. We had been in discussions with the customer on the settlement arrangement for our fees since project termination and intended to issue invoices after the confirmation of the settlement arrangement. In December 2022, we received RMB200,000 in settlement from such customer. As two years had passed since the completion of the early phase of the project as of December 31, 2021 and the project had been actually terminated during 2021, we recognized the full amount of contract assets as impairment as of December 31, 2021. All contract assets aged over two years were from such customer with respect to the same project. Furthermore, the aging and eventual full provision of such contract assets also significantly increased the overall expected credit loss rates and the expected credit loss rates for contract assets of all age groups as of December 31, 2021. The subsequent increase of impairment for contract assets to RMB7.9 million as of December 31, 2022 was primarily attributable to the increase in the overall contract assets balance.

Although our contract assets represent our right to consideration in exchange for the goods or services we offered, contract assets are not equivalent to a right to payment. The aging of contract assets results from the timing difference between our project completion status and the timing of issuance of our invoice and we typically issue invoices to our customers based on relevant settlement terms or milestones detailed in payment schedules in each contract. During the Track Record Period, a majority of our projects triggered a settlement term within one year from the date of the contract based on the contractual arrangements and almost all of our contracts triggered a settlement term based on the contractual arrangements within two years from the date of the contract. As such, when determining the amount of impairment for contract assets, we take our historical settlement terms in our contractual arrangements into account and consider any contract assets aged over two years as atypical. As such, we are of the view that any contract assets aged over two years have relatively high uncertainty as to whether we are able to issue invoices and receive settlement of payments in full. Therefore, based on our prudent financial policy, we recognized the full amount of contract assets aged over two years as impairment.

The following table sets forth an aging analysis of our contract assets and the respective expected credit loss recognized as of the dates indicated:

	As of December 31, 2020			
	Contract Assets	Expected Credit Loss	Expected Credit Loss Rate	Contract Assets, Net
	(RMB in thousands, expect percentages)			
Within one year	21,307	296	1.4%	21,011
One to two years	1,263	186	14.7%	1,077
Total	**22,570**	**482**	**2.1%**	**22,088**

	As of December 31, 2021			
	Contract Assets	Expected Credit Loss	Expected Credit Loss Rate	Contract Assets, Net
	(RMB in thousands, expect percentages)			
Within one year	52,730	3,514	6.7%	49,216
One to two years	3,494	1,768	50.6%	1,726
Over two years	950	950	100.0%	—
Total	**57,174**	**6,232**	**10.9%**	**50,942**

	As of December 31, 2022			
	Contract Assets	Expected Credit Loss	Expected Credit Loss Rate	Contract Assets, Net
	(RMB in thousands, expect percentages)			
Within one year	61,467	3,870	6.3%	57,597
One to two years	11,321	3,991	35.3%	7,330
Total	**72,788**	**7,861**	**10.8%**	**64,927**

The expected credit loss rates of our contract assets increased significantly from 2.1% as of December 31, 2020 to 10.9% as of December 31, 2021, and remained relatively stable at 10.8% as of December 31, 2022, primarily as a result of (i) an increase of contract assets aged over two years from an online platform serving primarily physicians and patients on medical training, treatment and pharmacy management as detailed above; (ii) an increase of contract assets aged one to two years as we started to provide more comprehensive and longer-term solution offerings to our customers and the average contract amounts increased accordingly; and (iii) the mechanics of the vintage-based model that leads to higher expected credit loss rates for contract assets of all age groups. With respect to (ii) above, for instance, our precision omni-channel marketing solutions evolved from providing isolated precision detailing services and medical content creation services into an integrated solution that focuses on commercialization of the underlying medical products. Such an integrated solution was more comprehensive as compared to the previous isolated services and typically entailed longer project life cycles and invoice cycles, resulting in an increase of contract assets aged one to two years. Our RWS solutions also developed from clinical evidence generation oriented assistance into full life cycle comprehensive services that cover protocol design, data collection and assessment, project operation, statistical analysis and publication support. As a result of the above, the average contract amount of precision omni-channel marketing solutions was approximately RMB92,000, RMB155,000 and RMB166,000 in 2020 and 2021 and 2022, respectively, and the average contract amount of RWS solutions was approximately RMB84,000, RMB354,000 and RMB1,001,000 in 2020, 2021 and 2022, respectively. As we enhance our service capacities, we have received wide customer recognitions and are able to provide comprehensive solutions for the entire precision omni-channel marketing project or RWS project, rather than undertaking isolated or piecemeal service from a comprehensive project, leading to a substantial increase in contract amount in 2022. The average life cycles of precision omni-channel marketing solutions amounted to eight, seven and nine months in 2020, 2021 and 2022, respectively, and the average life cycle of RWS solutions amounted to eight, 13 and 23 months in 2020, 2021 and 2022, respectively. We do not believe the change in average project life cycle had a material adverse impact on our cash funding needs as we recorded positive cash flows from operating activities in 2020 and 2021. With respect to (iii) above, as the proportion of contract assets with longer ages increased as compared to the contract assets with shorter ages in the previous year, the vintage-based model considers the probability that contract assets with shorter ages would carry forward to the contract assets with longer ages in the following year increased, enlarging the expected credit loss rates.

Nonetheless, despite the increase in expected credit loss rates, the recoverability of the contract assets and the trade receivables arising from subsequent billings did not deteriorate materially during the Track Record Period. For instance, all contract assets aged over two years were from one project for one customer, namely, the online platform serving primarily physicians and patients on medical training, treatment and pharmacy management as detailed above. Meanwhile, the percentage of trade receivables past due constituted 42.6%, 32.9% and 30.0% of total trade receivables as of December 31, 2020, 2021 and 2022, respectively. The decrease from 42.6% to 32.9% and further to 30.0% further confirms that the recoverability of our contract assets and trade receivables did not deteriorate from year 2020 to year 2022.

The following table sets forth an aging analysis of settlement status of our gross contract assets as of the dates indicated:

	Contract Assets as of December 31, 2022	Contract Assets Reclassified as Trade Receivables as of February 28, 2023	
	(RMB in thousands, expect percentages)		
Within one year	61,467	10,049	16.3%
One to two years	11,321	1,200	10.6%
Total	**72,788**	**11,249**	**15.5%**

As of February 28, 2023, RMB11.2 million, or 15.5% of our gross contract assets outstanding as of December 31, 2022 had been reclassified as trade receivables. As of the same date, RMB2.5 million, or 3.5% of our gross contract assets outstanding as of December 31, 2022 had been subsequently collected.

We believe that there is no material recoverability issue for contract assets considering that as of the Latest Practicable Date, there were no material ongoing late payment issues with any of the customers against whom we recorded contract assets and the settlement terms with such customers were generally in line with our historical practice. The relatively low subsequent reclassification to trade receivables aged between one to two years was primarily because the projects in question had not reached their respective settlement milestones as of February 28, 2023, such that we cannot issue invoices. We expect to and will issue invoices upon achieving the respective settlement milestones.

The following table sets forth the settlement status of our gross contract assets by business line as of the dates indicated:

	As of December 31, 2022	As of February 28, 2023	
	Contract Assets	Reclassified as Trade Receivables	Payment Settled for Trade Receivables
	(RMB in thousands)		
Precision Omni-Channel Marketing Solutions	42,120	9,174	1,290
RWS Solutions	30,668	2,075	1,248
Total	**72,788**	**11,249**	**2,538**

There were no contract assets with respect to physician platform solutions as of December 31, 2022 primarily because our physician customers typically prepay fees in advance for our solution offering.

Due from Related Parties

Due from related parties primarily represents payment to one of our senior management members, which was fully repaid in 2020. During the Track Record Period, we recorded such due from related parties of RMB0.3 million, RMB0.3 million and RMB0.3 million as of December 31, 2020, 2021 and 2022, respectively. The RMB0.3 million due from related parties in 2020, 2021 and 2022 was non-trade in nature and represented loans to Shanghai Meiyue, one of our former employee equity incentive platforms. Such an amount will be settled prior to the [REDACTED]. For details, please see Note 30 to the Accountants' Report set forth in Appendix I to this Document.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables consist primarily of (i) prepayments to suppliers for content creation and technology services, (ii) prepaid [REDACTED] in relation to the [REDACTED], (iii) advances to employees to support our business operation, (iv) other current assets relating to prepaid tax by our subsidiaries, (v) deposits in connection with tender deposits for precision omni-channel marketing solutions and RWS solutions as well as security deposits for our leases, and (vi) other receivables, mainly relating to trade receivables from our disposed subsidiaries. Our prepayments, deposits and other receivables were generally expected to be recovered or recognized as expenses within one year and therefore are all classified as current assets.

The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Current potion			
Prepayments to suppliers	3,989	3,544	4,380
Prepaid [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Advances to employees	140	66	17
Other current assets	430	97	—
Deposits	1,204	1,462	1,138
Other receivables	163	2,947	3,105
Impairment allowance	(51)	(132)	(127)
Total	5,875	8,508	12,691
Non-current portion			
Deposits	—	—	1,196
	5,875	8,508	13,887

Our current portion of prepayments, deposits and other receivables increased from RMB5.9 million as of December 31, 2020 to RMB8.5 million as of December 31, 2021, primarily due to an increase in prepaid [REDACTED] and a substantial increase in other receivables resulting from trade receivables from a disposed subsidiary engaging in sales of medical products in 2021. Our current portion of prepayments, deposits and other receivables increased from RMB8.5 million as of December 31, 2021 to RMB12.7 million as of December 31, 2022, primarily due to an increase in the capitalized portion of incurred [REDACTED] as well as an increase in prepayments to suppliers as we expanded our business. We recorded non-current deposit in the amount of RMB1.2 million as of December 31, 2022 primarily as a result of renewal of a number of leases with terms of more than one year 2022 that leads to payment of long-term security deposits.

As of February 28, 2023, RMB2.9 million, or 22.7% of current portion of our prepayments, deposits and other receivables outstanding as of December 31, 2022 had been subsequently settled.

Cash and Bank Balances

During the Track Record Period, we had cash and bank balances of RMB277.0 million, RMB596.0 million and RMB599.3 million as of December 31, 2020, 2021 and 2022, respectively, primarily driven by cash generated from or used in our operating activities and cash from series B and series C financing. For a detailed analysis of our cash flow during the Track Record Period, see "— Liquidity and Capital Resources — Cash Flow Analysis."

Property, Plant and Equipment

Our property, plant and equipment consists primarily of buildings, furniture and facilities, and devices and equipment. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Buildings	16,829	16,427	16,025
Furniture and facilities	54	93	82
Devices and equipment	1,231	1,500	1,256
Total	18,114	18,020	17,363

The net book value of our property, plant and equipment amounted to RMB18.1 million, RMB18.0 million and RMB17.4 million as of December 31, 2020, 2021 and 2022, respectively. The movement in the net book value of our property, plant and equipment over time was primarily the movement of spending on devices and equipment to support our operation as partially offset by depreciation recorded.

Right-of-use Assets

Our right-of-use assets represent our leased office premises. Our right-of-use assets decreased from RMB10.0 million as of December 31, 2020, to RMB4.6 million as of December 31, 2021 resulting from depreciation charge of RMB6.3 million, RMB7.5 million recorded as of December 31, 2020 and 2021, respectively. Our right-of-use assets increased to RMB10.2 million as of December 31, 2022 resulting from the renewal of a number of leases in 2022.

Intangible Assets

We recorded intangible assets in the amount of RMB1.6 million as of December 31, 2022 primarily as a result of our purchase of information technology programs for our current and future service offerings.

Deferred Tax Asset

Deferred tax assets arise from deductible temporary differences, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. We recorded deferred tax assets of RMB0.1 million and RMB1.2 million, respectively, as of December 31, 2020 and 2021. The increase in deferred tax assets was primarily attributable to the fact that the aging of certain contract assets reached two years as of December 31, 2021 and we recognized the full amount of such contract assets as allowance for expected credit losses on contract assets as a result of our prudent financial policy. The deferred tax assets further increased to RMB1.3 million as of December 31, 2022 as a result of a further increase in current lease liabilities.

Trade Payables

Our trade payables represent unpaid liabilities for products and services provided to us by our suppliers, which were primarily content development-related costs during the Track Record Period, prior to the end of each year.

Our trade payables amounted to RMB2.4 million, RMB1.6 million and RMB2.0 million as of December 31, 2020, 2021 and 2022, respectively. The decrease of trade payables from RMB2.4 million as of December 31, 2020 to RMB1.6 million as of December 31, 2021 was primarily because we did not have a credit term arrangement with certain of our major suppliers in 2021 and such suppliers required us to prepay for services rendered. The trade payables further increased to RMB2.0 million as of December 31, 2022 as we expanded our business.

The following table sets forth the aging analysis of our trade payables as of the dates indicated:

	As of December 31,		
	2020	2021	2022
	(RMB in thousands)		
Within 3 months	2,388	1,587	1,967
	2,388	1,587	1,967

The following table sets forth our trade payables turnover days for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
Trade payables turnover days[(1)]	9	7	5

Note:

(1) Trade payables turnover days are based on the average balance of trade payables divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the years ended December 31 is 365 days.

Our trade payable turnover days decreased from nine days in 2020 to seven days in 2021 and five days in 2022 primarily because some new suppliers did not have credit term arrangements with us and required us to prepay or pay upon demand.

As of February 28, 2023, the full amount of our trade payables outstanding as of December 31, 2022 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals consist primarily of (i) contract liabilities in relation to prepayment from our customers for our solutions offering, (ii) payables for staff-related costs representing salary and benefits payable to our employees, and social insurance and housing provident fund contributions to be made for our employees, (iii) other tax payables, (iv) other payables and (v) deferred income.

The following table sets forth our other payables and accruals as of the dates indicated:

	As of December 31,		
	2020	2021	2022
	(RMB in thousands)		
Contract liabilities	118,970	124,341	107,234
Payables to employees	14,825	22,223	18,202
Other tax payable (other than income tax)	6,981	12,326	10,033
Other payables	941	866	18,679
Deferred income (government grants)	560	—	—
	142,277	159,756	154,148

Our other payables and accruals increased from RMB142.3 million as of December 31, 2020, to RMB159.8 million as of December 31, 2021, primarily due to the expansion of our business that led to higher contract liabilities and an increase in employees that led to higher payables to employees. Our other payable and accruals decreased to RMB154.1 million as of December 31, 2022, primarily attributable to a decrease in contract liabilities due to then temporary measures implemented in Shanghai due to COVID-19 in 2022 that affected the prepayment we received and the subsequent recognition of revenue of certain projects under precision omni-channel marketing solutions and RWS solutions as we performed our services.

The following table sets forth a breakdown of contract liabilities by business line as of the dates indicated:

	As of December 31,		
	2020	2021	2022
	(RMB in thousands)		
Physician platform solutions	59,662	67,051	69,271
Precision omni-channel marketing solutions	49,729	47,974	33,288
RWS solutions	9,579	9,316	4,675
Total	**118,970**	**124,341**	**107,234**

The contract liabilities increased from RMB119.0 million as of December 31, 2020 to RMB124.3 million as of December 31, 2021 in line with our business expansion. Our contract liabilities subsequently decreased to RMB107.2 million as of December 31, 2022 primarily due to the performance of a number of projects under precision omni-channel marketing solutions and RWS solutions that results in the corresponding contract liabilities subsequently recognized as revenue. See "— Major Factors Affecting Our Results of Operations" for more details. The decrease was also attributable to temporary measures implemented in Shanghai in 2022 due to COVID-19 that affected our ability to receive prepayments from our customers. We have adopted internal control policies to ensure the accuracy of the representation of our project work progress, which would then be used as the basis of recording contract liabilities, including regularly internal inspection on the actual cost, estimated budgets and invoice issuances of all ongoing projects. For details, see "— Critical Accounting Policies and Estimates — Revenue Recognition".

As of February 28, 2023, RMB9.1 million, or 8.5% of our contract liabilities as of December 31, 2022 had been subsequently recognized as revenue.

Tax Payable

We recorded tax payable of RMB0.3 million, RMB8.0 million and RMB2.2 million as of December 31, 2020, 2021 and 2022. The tax payables of RMB8.0 million as of December 31, 2021 primarily represents the tax payables of RMB0.3 million as of December 31, 2020, the income tax refund of RMB2.6 million received in 2021 (which we subsequently determined that should be filed and paid to relevant government agencies due to adjustments made pursuant to the adoption of the input method under IFRS), and the current income tax charge of RMB5.1 million, which is after the adjustment made as a result of the implementation of input method when preparing the financial statements during the Track Record Period. We fully settled all of our tax obligations that arose from the adjustment due to the implementation of input method in June 2022 during the 2021 annual Enterprise Income Tax filing. Our PRC Legal Adviser is of the view that the risk of the relevant PRC tax authorities imposing the administrative penalty on us due to the above adjustment is remote, on the basis that (i) we have completed the 2021 annual Enterprise Income Tax filing, including the tax adjustment related matters, in June 2022 and the local tax authority accepted the relevant documents without objection, (ii) we have obtained confirmation letters from the relevant tax authorities in July 2022, confirming that they have not found that our PRC operating entities had any outstanding tax payments or had been imposed any penalty with respect to tax, and (iii) we have not been subject to any penalty or dispute with tax authorities during the Track Record Period. The tax payable further decreased to RMB2.2 million as of December 31, 2022 as a result of prepayment of tax in 2022 and a decrease in taxable income as a result of [REDACTED] incurred. The amount of prepayment primarily depends on the profit level of our Group, without taking into account of eligible deductibles such as research and development related deductions. The difference in the amount prepaid and the amount required to be paid will be settled in the Enterprise Income Tax filing in the following year.

Lease Liabilities

Our lease liabilities represent the present value of outstanding lease payments under our lease agreements.

The following table sets forth our lease liabilities as of the dates indicated:

	As of December 31,			As of February 28,
	2020	2021	2022	2023
				(unaudited)
	(RMB in thousands)			
Current	6,353	3,404	5,526	5,036
Non-current	2,910	596	4,068	3,358
	9,263	4,000	9,594	8,394

The carrying amount of our lease liabilities decreased from RMB9.3 million as of December 31, 2020 to RMB4.0 million as of December 31, 2021, primarily due to payment of our leases during the year. The carrying amount of our lease liabilities increased to RMB9.6 million as of December 31, 2022, primarily due to the renewal of a number of leases in 2022.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from cash generated from our business operations and shareholder equity contributions. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, the net [REDACTED] from the [REDACTED], and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and bank balances of RMB277.0 million, RMB596.0 million and RMB599.3 million as of December 31, 2020, 2021 and 2022, respectively.

Cash Flow Analysis

The following table sets forth our cash flows for the years indicated:

	For the year ended December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Operating cash flows before movement in working capital	38,741	61,293	20,286
Changes in working capital	22,083	(31,399)	(35,156)
Interest received	1,469	4,845	10,379
Income tax (paid)/refund	(6,093)	2,612	(9,551)
Net cash generated from (used in) operating activities	56,200	37,351	(14,042)
Net cash generated/(used in) from investing activities	31,414	(2,034)	(2,133)
Net cash generated/(used in) from financing activities	93,091	285,556	(7,516)
Net increase/(decrease) in cash and cash equivalents	180,705	320,873	(23,691)
Cash and cash equivalents at the beginning of the year	96,393	276,972	596,002
Effect of foreign exchange rate changes, net	(126)	(1,843)	26,955
Cash and cash equivalent at end of the year	**276,972**	**596,002**	**599,266**

Net Cash Generated from/(Used in) Operating Activities

Net cash used in operating activities for the year ended December 31, 2022 was RMB14.0 million, which consisted primarily of loss before income tax expenses of RMB96.3 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) fair value losses on convertible redeemable preferred shares of RMB109.4 million, (ii) interest income of RMB10.4 million, (iii) depreciation of right-of-use assets of RMB7.2 million, (iv) equity-settled share-based payments of RMB6.3 million and (v) impairment of contract assets of RMB2.4 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in contract assets of RMB16.4 million, (ii) an increase in trade receivables of RMB8.2 million, (iii) a decrease in other payables and accruals of RMB5.6 million and (iv) an increase in prepayments, deposits and other receivables of RMB5.4 million in 2022. Although we recorded net cash outflow from operating activities of RMB14.0 million for the year ended December 31, 2022, we believe such cash outflow was attributable to cash payment made as a result of [REDACTED] incurred in connection with the [REDACTED] and temporary measures implemented in Shanghai due to COVID-19 that prevented us from timely issuing invoices and settling outstanding contract assets and receiving prepayments from our customers. With the lift of temporary measures in June 2022 as well as the end of "zero-COVID" policy in December 2022, we expect our cash generated from operating activities to further improve. Furthermore, we have adopted the following measures to manage our contract assets and trade receivables to improve our financial position: (i) centrally managing all our contracts on the project management system; (ii) commencing projects only after effective and explicit confirmation from our customers; (iii) regularly following up with customers for projects that we consider as bearing a higher risk; (iv) timely sending invoices upon reaching settlement terms or milestones detailed in payment schedules; and (v) designating employees responsible for contract assets and trade receivables management for each project and implementing a bonus mechanism incentivizing such employees to abide by our internal guide on contract assets and trade receivables management.

Net cash generated from operating activities for the year ended December 31, 2021 was RMB37.4 million, which consisted primarily of loss before income tax expenses of RMB147.1 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) fair value losses on convertible redeemable preferred shares of RMB190.6 million, (ii) equity-settled share-based payments of RMB8.2 million, (iii) depreciation of right-of-use assets of RMB7.5 million and (iv) impairment of contract assets of RMB5.8 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in contract assets of RMB34.6 million, (ii) an increase in other payables and accruals of RMB20.1 million and (iii) an increase in trade receivables of RMB12.8 million. We recognized an income tax refund of RMB2.6 million in 2021 because we prepaid tax in the amount of RMB2.8 million for the nine months ended September 30, 2020 in 2020 pursuant to local regulations. However, during its review of the tax filing in 2021, the relevant government agencies determined that the amount of tax that should be paid for 2020 was RMB0.1 million after considering the deductions resulting from research and development to which we were entitled. As such, we received an income tax refund of RMB2.6 million representing the

difference between the tax prepaid and the tax that we should pay for 2020. We subsequently determined that the income tax refund should be filed and paid to relevant government agencies due to adjustments made pursuant to the adoption of the input method under IFRS.

Net cash generated from operating activities for the year ended December 31, 2020 was RMB56.2 million, which consisted primarily of profit before income tax expenses of RMB33.2 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) depreciation of right-of-use assets of RMB6.3 million, (ii) interest income of RMB1.5 million and (iii) fair value gain of RMB1.0 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in contract assets of RMB10.8 million and (ii) an increase in other payables and accruals of RMB35.2 million.

Net Cash (Used in)/Generated from Investing Activities

Net cash used in investing activities for the year ended December 31, 2022 was RMB2.1 million, which consisted of payments for (i) purchase of intangible assets of RMB1.6 million and (ii) purchase of property, plant and equipment of RMB0.5 million.

Net cash used in investing activities for the year ended December 31, 2021 was RMB2.0 million, which consisted primarily of (i) payments for purchase of property, plant and equipment of RMB0.9 million, and (ii) gains on disposal of subsidiaries of RMB1.1 million.

Net cash from investing activities for the year ended December 31, 2020 was RMB31.4 million, which consisted primarily of proceeds from disposal of financial assets of RMB31.5 million, due to the disposal of our wealth management products, partially offset by payments for purchase of property, plant and equipment of RMB1.1 million.

Net Cash (Used in)/Generated from Financing Activities

Net cash used in financing activities for the year ended December 31, 2022 was RMB7.5 million, primarily attributable to lease payment of RMB7.6 million and partially offset by capital contribution of RMB0.1 million.

Net cash from financing activities for the year ended December 31, 2021 was RMB285.6 million, primarily attributable to issue of convertible redeemable preferred shares of RMB297.1 million and partially offset by (i) lease payment of RMB7.7 million, and (ii) capital withdrawn of RMB3.9 million.

Net cash from financing activities for the year ended December 31, 2020 was RMB93.1 million, primarily attributable to capital injection of RMB100.0 million in series B financing and partially offset by lease payment of RMB6.9 million.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of February 28,
	2020	2021	2022	2023
				(unaudited)
	(RMB in thousands)			
Banking borrowings or other interest-bearing borrowings	—	—	—	—
Lease liabilities	9,263	4,000	9,594	8,394
Convertible redeemable preferred shares	—	603,067	720,907	720,907
Contingent liabilities	—	—	—	—

Banking Facilities

As of the Latest Practicable Date, we did not have any banking borrowings or other interest-bearing borrowings.

Lease Liabilities

For details of our lease liabilities, see "— Discussion of Certain Key Balance Sheet Items — Lease Liabilities."

Preferred Shares

Our Company has historically issued several series of convertible preferred shares to investors. Upon the completion of the [REDACTED] and the [REDACTED], all of such convertible preferred shares will be automatically converted into ordinary shares.

The redemption of the preferred shares, if triggered, could have a negative impact on our cash and liquidity position and financial condition. See "Risk Factors — Fair value losses in convertible redeemable preferred shares issued to [REDACTED] investors and related valuation uncertainty may materially affect our financial condition and results of operations."

Contingent Liabilities

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities.

During the Track Record Period and as of February 28, 2023, being the latest practicable date for our indebtedness statement, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there is no material change in our indebtedness since February 28, 2023 and up to the Latest Practicable Date.

Furthermore, none of our guarantee, indebtedness or other contingent liabilities include any material covenant or undertaking that inhibits us from undertaking additional debt or equity financing.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated:

	For the year ended/As of December 31,		
	2020	**2021**	**2022**
Revenue growth	30.5%	37.9%	17.2%
Gross profit margin	54.2%	63.8%	59.1%
Net profit margin[(1)]	13.4%	(50.7%)	(28.6%)
Current ratio[(2)]	213.3%	396.7%	436.4%
Quick ratio[(3)]	213.3%	396.7%	436.4%

Notes:

(1) Net profit margin is negative in 2021 and 2022 primarily attributable to fair value losses on convertible redeemable preferred shares of RMB190.6 million in 2021 and RMB109.4 million in 2022.

(2) Current ratio is calculated by dividing current assets by current liabilities.

(3) Quick ratio is calculated by dividing current assets less inventories by current liabilities.

Our current ratio and quick ratio increased during the Track Record Period, primarily attributable to an increase in cash and bank balances as well as increases in contract assets and trade receivables. See "— Discussion of Certain Key Balance Sheet Items" for more details.

CAPITAL EXPENDITURES

Our historical capital expenditures primarily included purchase of property and equipment. The following table sets forth our capital expenditures for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Payments for property, plant and equipment	1,111	889	519

Our capital expenditure relating to property, plant and equipment primarily represented computers and other office appliances we procured during the Track Record Period.

CONTRACTUAL OBLIGATIONS

Capital Commitment

We did not have any significant capital commitments as of December 31, 2020, 2021 and 2022.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. We recorded due from related parties of RMB0.3 million, RMB0.3 million and RMB0.3 million as of December 31, 2020, 2021 and 2022, respectively. The RMB0.3 million due from related parties as of December 31, 2020, 2021 and 2022 was non-trade in nature and represented loans to Shanghai Meiyue, one of our former employee equity incentive platforms. Such an amount will be settled prior to the [REDACTED]. Our Directors are of the view that each of the related party transactions set out in Note 29 to the Accountants' Report included in Appendix I to this Document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become nonreflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as Shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks: credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Risk management is carried out under policies approved by our Board. The management identifies and evaluates financial risks in close cooperation with our operating units.

Credit Risk

We are exposed to credit risk primarily in relation to our trade receivables and contract assets. The carrying amounts of each class of financial assets represent our maximum exposure to credit risk in relation to such financial assets. We do not provide any guarantees which would expose us to credit risk.

We have policies in place to ensure that trade receivables with credit terms are made to counterparties with an appropriate credit history and our management performs ongoing credit evaluations of the counterparties. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The main exposure to credit risk at each of the reporting dates is the carrying value of our trade receivables.

The movements of expected credit losses are presented in Note 33(b) to the Accountants' Report included in Appendix I to this Document.

Liquidity Risk

We aim to maintain sufficient cash and bank balances. As of December 31, 2020, 2021 and 2022, our net current assets amounted to RMB171.4 million, RMB512.6 million and RMB551.1 million, respectively. In the management of liquidity risk, we regularly monitor our liquidity requirements and our compliance with lending covenants, to ensure that we maintain sufficient reserves of cash, readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and longer term. Historically, we have relied principally on both operational sources of cash and non-operational sources of equity financing to fund our operations and business development. The following table sets forth our financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of the financial liabilities.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
			(RMB in thousands)		
As of December 31, 2020					
Trade payables	2,388	—	—	—	2,388
Financial liabilities included in other payables and accruals	941	—	—	—	941
Lease liabilities	—	1,234	5,354	3,010	9,598
	3,329	1,234	5,354	3,010	12,927
As of December 31, 2021					
Trade payables	1,587	—	—	—	1,587
Financial liabilities included in other payables and accruals	866	—	—	—	866
Convertible redeemable preferred shares	—	—	—	621,530	621,530
Lease liabilities	—	1,604	1,863	604	4,071
	2,453	1,604	1,863	622,134	628,054
As of December 31, 2022					
Trade payables	1,967	—	—	—	1,967
Financial liabilities included in other payables and accruals	18,679	—	—	—	18,679
Convertible redeemable preferred shares	—	—	—	640,505	640,505
Lease liabilities	—	1,331	4,444	4,162	9,937
	20,646	1,331	4,444	644,667	671,088

Our management believes that adequate sources of liquidity exist to fund our working capital and future capital expenditures requirements, and other liabilities and commitments as they become due.

Foreign Currency Risk

We have transactional currency exposures. Such exposures arise from currencies other than the units' functional currencies. For the sensitivity analysis, see Note 33(a) to the Accountants' Report set forth in Appendix I to this Document.

Fair Value Measurement

Fair values are categorized into the three-level fair value hierarchy as defined in IFRS 13, *Fair Value Measurement*. All assets and liabilities for which fair value is measured or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measured based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly; and
- Level 3: Fair value measured based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

We measure our wealth management products and convertible redeemable preferred shares at fair value at the end of each of the Track Record Period.

We have estimated the fair value of wealth management products purchased by us by using a discounted cash flow valuation model based on the expected interest rate per annum of instruments with similar terms and risks. The fair value of wealth management products is determined using a valuation model for which not all inputs are observable and is within Level 3 of the fair value hierarchy.

The fair values of convertible redeemable preferred shares are determined by using the valuation techniques, including the discounted cash flow method and the option-pricing method. Such valuation is based on key parameters about discounts for lack of marketability and volatility, which are subject to uncertainty and might materially differ from the actual results. For details, see Note 3 to the Accountants' Report set forth in Appendix I to this Document.

We have implemented internal policies to ensure the reasonableness of fair value measurement on the level 3 financial assets. Our Directors are aware of the "Guidance note on directors' duties in the context of valuations in corporate transactions" issued by the SFC on May 15, 2017. In this regard, our Directors confirmed that (i) they had exercised due care, skill and diligence and supervised their responsible employees when making the investment decisions; and (ii) they had complied with the standard exercised by a reasonably diligent person with the knowledge, skill and experience that may be reasonably expected of a director carrying out the functions of the directors in relation to the company. Moreover, our Directors have adopted the following internal policies and procedures in relation to the reasonableness of fair value measurement on our wealth management products and valuation of convertible redeemable preferred shares:

- Designating a finance team to be responsible for (i) determining the policies and procedures for the fair value measurement of financial instrument, (ii) analyzing the movements in the values of financial instruments and (iii) reporting directly to our Directors regularly on the fair value measurement of financial instruments;
- Reviewing the relevant contract terms of the investment agreements entered into;
- Engaging an independent qualified professional valuer;
- Providing necessary financial and non-financial information to the valuer so as to enable them to perform their valuation procedures;
- Considering all inputs to the valuation which require management judgments and estimations; and
- Reviewing the valuation working papers and results prepared by the valuer, discussing with the valuer on relevant assumptions and bases where necessary

Based on the above, our Directors are of the view that the fair value measurement of our financial instruments is fair and reasonable.

Details of the fair value measurement of financial instruments, particularly the fair value hierarchy, the valuation techniques, significant unobservable input and sensitivity of fair value to the input are disclosed in Note 2.4, Note 3 and Note 32 to the Accountants' Report set forth in Appendix I to this Document which was issued by the Reporting Accountants in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 200 "Accountants' Report on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. The Reporting Accountants' opinion on the historical financial information, as a whole, of us for the Track Record Period is set out on page I-2 in Appendix I to this Document. Our Directors are satisfied with the valuation work for financial instruments categorized within Level 3 of fair value measurement in our historical financial information for the purpose of the preparation of the Accountants' Report as referred to in Appendix I to this Document.

The Joint Sponsors have conducted relevant due diligence work, including but not limited to, (i) reviewed relevant disclosures and notes in the Accountants' Report as contained in Appendix I; (ii) obtained and reviewed the terms of the relevant agreements and documents regarding the financial instruments; (iii) obtained and reviewed relevant valuation report with respect to the convertible redeemable preferred shares; and (iv) understood from the Company, the Reporting Accountants and the valuer (in the case of convertible redeemable preferred shares) about the key bases, assumptions and methodologies for the valuation of the financial instruments. Having considered the work done by the Directors and Reporting Accountants and the relevant due diligence done as stated above, nothing has come to the Joint Sponsors' attention that would cause the Joint Sponsors to question the valuation analysis performed by the valuers on the financial assets and liabilities.

DIVIDENDS

As advised by our Cayman Islands legal adviser, under Cayman Islands law, a position of accumulated losses does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this appears to the Board to be justified by the financial conditions and the profits of the Company and would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business immediately following the date on which the dividend is proposed to be paid.

As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board. Throughout the Track Record Period, we did not pay or declare any dividend. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the estimated net [REDACTED] from the [REDACTED], the expected cash generated from operating activities and other future equity or debt financing opportunities, we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

Our net cash generated from operating activities was RMB56.2 million and RMB37.4 million, respectively, in 2020 and 2021, and our net cash used in operating activities was RMB14.0 million in 2022. Our Directors confirm that we had no material defaults in payment of trade payables during the Track Record Period.

DISTRIBUTABLE RESERVES

As of December 31, 2022, the Company did not have any distributable reserves.

[REDACTED]

Our [REDACTED] mainly include [REDACTED] and professional fees paid to legal, accounting and other advisors for their services rendered in relation to the [REDACTED] and the [REDACTED]. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] (based on the midpoint of the [REDACTED] Range and assuming that the [REDACTED] is not exercised and all discretionary incentive fees in the [REDACTED] are paid in full) for the [REDACTED] are approximately HK$[REDACTED], accounting for approximately of [REDACTED] of our gross [REDACTED]. An estimated amount of HK$[REDACTED] for our [REDACTED], accounting for approximately [REDACTED] of our gross [REDACTED], is expected to be expensed through the statement of profit or loss, and the remaining amount of HK$[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. Our Directors do not expect such [REDACTED] to have a material and adverse impact on our financial results for the year ending December 31, 2022.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2022, the end date of our latest audited financial statements, and there has been no event since December 31, 2022 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

[REDACTED]

FINANCIAL INFORMATION

[REDACTED]

FINANCIAL INFORMATION

[REDACTED]

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, (i) Dr. Li (the spouse of Dr. Zhang, through Microhealth Limited), (ii) Dr. Zhang (the spouse of Dr. Li, through Dtx Health Limited) and (iii) Meilong Limited (held as to approximately 44.67% by Dr. Zhang (including approximately 2.58% held through Dtx Health Limited) and a close associate of Dr. Zhang) hold approximately 32.93%, 26.21% and 4.48% of the total issued shares of our Company, respectively. Accordingly, Dr. Li, Dr. Zhang, Microhealth Limited, Dtx Health Limited and Meilong Limited control in aggregate approximately 63.62% of the issued shares of our Company and are deemed to be a group of Controlling Shareholders ("**Controlling Shareholders Group**") of our Company.

Immediately following the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised), Dr. Li (through Microhealth Limited), Dr. Zhang (through Dtx Health Limited) and Meilong Limited will hold approximately [REDACTED], [REDACTED] and [REDACTED] of our total issued Shares, respectively. As a result, Dr. Li, Dr. Zhang, Microhealth Limited, Dtx Health Limited and Meilong Limited will in aggregate control approximately [REDACTED] of the issued shares of our Company and will remain as a group of Controlling Shareholders of our Company. See "History, Reorganization and Corporate Structure — Our Corporate and Shareholding Structure" for our shareholding structure immediately before and after the completion of the [REDACTED] and the [REDACTED].

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders Group after [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of nine Directors comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. See "Directors and Senior Management" for details.

Our Directors consider that our Board and senior management will function independently of our Controlling Shareholders Group because:

(i) each Director is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(iii) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(iv) all two non-executive Directors and three independent non-executive Directors are independent of our Controlling Shareholders Group and decisions of the Board require the approval of a majority vote from the Board;

(v) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) is (are) required to abstain from voting and shall not be counted towards the quorum for the voting; and

(vi) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders Group which would support our independent management. Please see "— Corporate Governance Measures" in this section for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role independently from our Controlling Shareholders Group.

Operational Independence

Our Group is not operationally dependent on our Controlling Shareholders Group. Our Group holds all material licenses and owns all relevant intellectual properties and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders Group. We also have independent access to our customers and an independent management team to operate our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders Group.

Financial Independence

Our Group has its own independent financial, internal control and accounting systems. We make financial decisions and determine our use of funds according to our own business needs. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders Group. We have made tax filings and paid tax independently of our Controlling Shareholders Group pursuant to applicable laws and regulations. We also have an independent finance department responsible for discharging the treasury function, and an audit committee comprising solely independent non-executive Directors to oversee our accounting and financial reporting processes. We have adequate internal resources to support our daily operation and are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders Group. We do not expect to rely on our Controlling Shareholders Group or any of its close

associates for financing after the [REDACTED] as we expect that our working capital will be funded by the [REDACTED] Investors' investments as well as the [REDACTED] from the [REDACTED].

As of the Latest Practicable Date, there was no outstanding loan extended by our Controlling Shareholders Group or its close associates to us and there have been no guarantees provided by our Controlling Shareholders Group or its close associates for our benefit.

In view of our internal resources, our undrawn banking facilities, our net cash generated from operating activities and the estimated net [REDACTED] from the [REDACTED], our Directors confirm that we will not rely on our Controlling Shareholders Group for financing support after the [REDACTED]. Our Directors also believe that, upon [REDACTED], the sustainability of our business as demonstrated by our results of operation and financial position during the Track Record Period will enhance our ability to obtain or renew the loans and borrowings from banks independently without the support of our Controlling Shareholders Group and its close associates.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders Group and its close associates after [REDACTED].

COMPETITION

Our Controlling Shareholders Group confirms that as of the Latest Practicable Date, it did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman, the chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and communications with shareholders, details of which are set out in "Directors and Senior Management — Corporate Governance" and "Directors and Senior Management — Corporate Governance Code" in this Document.

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders Group:

(i) where a transaction or arrangement of the Company is subject to Shareholders' approval under the Listing Rules, if the Controlling Shareholders Group has a material interest in the transaction or arrangement, the Controlling Shareholders Group shall abstain from voting on the resolutions approving the transaction or

arrangement at the general meeting and any votes cast by or on behalf of the Controlling Shareholders Group in contravention of such requirement shall not be counted in the quorum in the voting;

(ii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders Group or any of its associates, our Company will comply with the applicable Listing Rules;

(iii) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders Group and provide impartial and professional advice to protect the interests of our minority Shareholders;

(iv) our Controlling Shareholders Group will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(v) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(vi) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense;

(vii) we have appointed TC Capital International Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(viii) we have established our Audit Committee, Remuneration Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix 14 to the Listing Rules; all of the members of our Audit Committee, including the chairman, are independent non-executive Directors.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders Group, and to protect our minority Shareholders' interests after [REDACTED].

CONNECTED TRANSACTIONS

OVERVIEW

We have entered into certain continuing agreements and arrangements with our connected persons in our ordinary and usual course of business. Upon the [REDACTED] of the Shares on the Stock Exchange, the transactions disclosed in this section will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

Following the [REDACTED], the following parties, which have entered into certain written agreements with our Group, will be connected persons of our Group:

Name	Connected Relationship
Dr. Li	Dr. Li is an executive Director, the chief executive officer and one of our Controlling Shareholders, and therefore a connected person of our Company under Rule 14A.07(1) of the Listing Rules.
Dr. Zhang	Dr. Zhang is an executive Director, chairman of the Board and one of our Controlling Shareholders, and therefore a connected person of our Company under Rule 14A.07(1) of the Listing Rules.
Mr. Yang	Mr. Yang is a director of Shanghai MedSci, and therefore a connected person of our Company under Rule 14A.07(1) of the Listing Rules.
Qiming Ronghe	Qiming Ronghe holds 10.72% equity interests in Shanghai MedSci and is therefore a connected person of our Company under 14A.07(1) of the Listing Rules.
Shanghai MedSci	Shanghai MedSci is held as to 36.11% by Dr. Li, and therefore a connected person of our Company under Rule 14A.07(4) of the Listing Rules.
Hefei Kang'en	Hefei Kang'en is held as to 99% by Dr. Zhang, and therefore a connected person of our Company under Rule 14A.07(4) of the Listing Rules.
Hangzhou Yilan, Shanghai Chungu and Yika Internet Hospital	Hangzhou Yilan, Shanghai Chungu and Yika Internet Hospital are directly and indirectly wholly owned by Shanghai MedSci, and therefore connected persons of our Company under Rule 14A.07(4) of the Listing Rules.

CONNECTED TRANSACTIONS

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Transactions	Applicable Listing Rules	Waiver Sought	Proposed annual cap (in RMB) for the year ending December 31, 2023	2024	2025
	Fully-exempt continuing connected transaction					
1	Trademark License Agreement	14A.76(1)(a)	N/A	N/A	N/A	N/A
	Non-exempt continuing connected transactions					
2	Contractual Arrangements	14A.35, 14A.36, 14A.46, 14A.52, 14A.53 and 14A.105	Requirements as to announcement, circular, independent shareholders' approval, annual cap, and terms not more than three years	N/A	N/A	N/A

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Trademark License Agreement

Principal Terms

The Company entered into a trademark license agreement (the "**Trademark License Agreement**") with Shanghai MedSci on April 21, 2022, pursuant to which Shanghai MedSci agreed to grant a non-exclusive and irrevocable right to our Company to use a number of trademarks (the "**Licensed Trademarks**") owned by Shanghai MedSci and to sublicense the Licensed Trademarks, for a consideration of HK$1, during the period from the date of the agreement to the expiry of the validity period of the Licensed Trademarks or as agreed otherwise by the parties.

Listing Rules Implications

Dr. Li is an executive Director, the chief executive officer and one of the Controlling Shareholders of our Company, and holds 36.11% equity interests in Shanghai MedSci as of the Latest Practicable Date. As such, Shanghai MedSci is an associate of Dr. Li, and a connected person of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) is less than 0.1%, the transaction under the Trademark License Agreement is exempt from reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As required by Rule 14A.52 of the Listing Rules, the period for the agreement for the continuing connected transactions must not exceed three years, except in cases where the nature of the transaction requires the agreement to be of a duration longer than three years. The Directors are of the view that the Trademark License Agreement was entered into on normal commercial terms and can secure long-term trademark use rights for us, thus avoiding unnecessary business disruptions and help ensure stable business relationship with our major customers and continuity of our market recognition, and it is normal business practice for trademark license agreement of similar type to be entered into for such duration. The Joint Sponsors concur with the Company's reasons for requiring a longer term for the Trademark License Agreement, and are of the view that entering into such agreement with a term of over three years is in line with normal business practice.

Reasons for and Benefits of the Transaction

We have been using the Licensed Trademarks for our business operations during the Track Record Period, and the Licensed Trademarks reflect our corporate identity and represent our industry expertise and high-quality service. Using the Licensed Trademarks will enable us to continue leveraging on our brand recognition and reputation. Our Directors (including the independent non-executive Directors) are of the view that the Trademark License Agreement and the transaction contemplated thereunder have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Historical Amount

The Company made no payment to Shanghai MedSci in relation to the Licensed Trademarks granted by Shanghai MedSci for the three years ended December 31, 2020, 2021 and 2022.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Contractual Arrangements

Background

As disclosed in "Contractual Arrangements — PRC Laws and Regulations Relating to Foreign Ownership Restrictions", the PRC laws and regulations currently restrict foreign investment in value-added telecommunications services and prohibit foreign investment in the production of radio and television video and programs. Due to such regulatory restrictions on foreign ownership in the PRC, we are restricted from holding direct interests in our Consolidated Affiliated Entities. As a result, (i) the WFOE, our PRC Affiliated Entities and Shanghai MedSci Registered Shareholders have entered into the Shanghai MedSci Contractual Arrangements, and (ii) the WFOE, Hefei Kang'en and the Hefei Kang'en Registered Shareholders have entered into the Hefei Kang'en Contractual Arrangements, such that we can conduct our business operations in the PRC through our Consolidated Affiliated Entities while complying with applicable PRC law and regulations.

The Contractual Arrangements, as a whole, are designed to provide our Group with effective control over the financial and operational policies of our Consolidated Affiliated Entities, to the extent permitted by PRC law and regulations, the exclusive option to acquire all or part of the equity interests in and/or the assets of our Consolidated Affiliated Entities after the [REDACTED] through the WFOE. As we operate our business through our Consolidated Affiliated Entities and we do not hold any direct equity interests in any of them, the Contractual Arrangements were entered into on November 5, 2021, as further amended by supplemental agreements dated April 17, 2022, pursuant to which all material business activities of our Consolidated Affiliated Entities are instructed and supervised by our Group through the WFOE, and all economic benefits arising from such business of our Consolidated Affiliated Entities are transferred to our Group.

Principal Terms

The Contractual Arrangements consist of a series of agreements, including the Exclusive Business Cooperation Agreements, the Exclusive Technical Service and Management Consultancy Agreements, the Exclusive Call Option Agreements, the Equity Pledge Agreements, the Shareholders' Rights Entrustment Agreement, Shareholders' Power of Attorney and the Spouse Undertakings, each of which is an integral part of the Contractual Arrangements. See "Contractual Arrangements" in this Document for details of these agreements.

Listing Rules Implications

For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", both Shanghai MedSci and Hefei Kang'en will be treated as our Company's subsidiaries, and their directors, chief executives or substantial shareholders (as defined in the Listing Rules) and their respective associates will be treated as our Company's connected persons. Each of Dr. Zhang and Dr. Li is an executive Director and a Controlling Shareholder of our Company, and Mr. Yang is a director of Shanghai MedSci. Dr. Li holds 36.11% equity interests in Shanghai MedSci as of the Latest Practicable Date. Dr. Zhang holds 99% equity interests in Hefei Kang'en as of the Latest Practicable Date. As such, under Chapter 14A of the Listing Rules, Shanghai MedSci is an associate of Dr. Li, and Hefei Kang'en is an associate of Dr. Zhang. Hangzhou Yilan, Shanghai Chungu and Yika Internet Hospital are wholly owned by Shanghai MedSci, and as such under Chapter 14A of the Listing Rules, each of them is an associate of Dr. Li. Qiming Ronghe holds 10.72% equity interests in Shanghai MedSci. Therefore, each of Dr. Zhang, Dr. Li, Mr. Yang, Qiming Ronghe, Shanghai MedSci, Hefei Kang'en, Hangzhou Yilan, Shanghai Chungu and Yika Internet Hospital is a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon [REDACTED].

Reasons for the Transaction and the Waiver Application

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to our Group's legal structure and business operations, that such transactions have been and shall be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors also believe that our structure, whereby the financial results of the Consolidated Affiliated Entities are consolidated into our financial statements as if they are our Company's subsidiaries, and all the economic benefits of their businesses flow to our Group, places our Group in a special position in relation to the connected transaction rules. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing agreements to be entered into between any of our Consolidated Affiliated Entities and any member of our Group (the "**New Intergroup Agreements**") technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that (i) the Contractual Arrangements and the New Intergroup Agreements are no different to transactions conducted between a subsidiary that we wholly own its entire equity interests and the rest of the Group, and (ii) given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among others, the announcement and independent shareholders' approval requirements.

Application for Waiver

In view of the Contractual Arrangements and the New Intergroup Agreements, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are [REDACTED] on the Stock Exchange subject, however, to the following conditions:

(a) No change without independent non-executive Directors' approval

No change to the Contractual Arrangements will be made without the approval of the independent non-executive Directors.

(b) No change without independent Shareholders' approval

Save as described in paragraph (d) below, no change to the agreements governing the Contractual Arrangements will be made without the approval of our Company's independent shareholders.

Once independent shareholders' approval of any change has been obtained, no further announcement or approval of the independent shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company (as set out in paragraph (e) below) will however continue to be applicable.

(c) Economic benefits flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by our Consolidated Affiliated Entities through (i) our Group's option, to the extent permitted under PRC laws and regulations, to acquire all or part of the interests held by the Registered Shareholders in our Consolidated Affiliated Entities at the lowest possible amount permissible under the applicable PRC laws and regulations, (ii) the business structure under which the net profit generated by our Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to the WFOE by our Consolidated Affiliated Entities under the Exclusive Technical Service and Management Consultancy Agreements, and (iii) our Group's right to control the management and operation of, as well as, in substance, all of the voting rights of our Consolidated Affiliated Entities.

(d) Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on one hand, our Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements. The directors, chief executives or substantial shareholders of any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish will, upon renewal and/or reproduction of the Contractual Arrangements, however, be treated as connected persons of our Company and transactions between these connected persons and our Company other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals.

(e) Ongoing reporting and approvals

Our Group will disclose details relating to the Contractual Arrangements on an ongoing basis as follows:

- The Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report in accordance with relevant provisions of the Listing Rules.

- Our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report for the relevant year that (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, and have been operated so that the profit generated by our Consolidated Affiliated Entities has been substantially retained by our Group, (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to their shareholders which are not otherwise subsequently assigned or transferred to our Group, and (iii) the Contractual Arrangements and if any, any new contracts entered into, renewed or reproduced between our Group and our Consolidated Affiliated Entities during the relevant financial period are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of our Shareholders as a whole.

- Our Company's auditors will carry out procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange, confirming that the transactions have received the approval of our Directors, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to their shareholders which are not otherwise subsequently assigned or transferred to our Group.

- For the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", each of our Consolidated Affiliated Entities will be treated as our Company's wholly-owned subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of each of our Consolidated Affiliated Entities and their respective associates will be treated as connected persons of our Company, and transactions between these connected persons and our Group, other than those under the Contractual Arrangements, will be subject to the requirements under Chapter 14A of the Listing Rules.

- Each of our Consolidated Affiliated Entities undertakes that, for so long as our Shares are [REDACTED] on the Stock Exchange, each of them will provide our Group's management and our Company's auditors full access to its relevant records for the purpose of our Company's auditors' review of the continuing connected transactions.

New Intergroup Agreements

Given that the financial results of our Consolidated Affiliated Entities will be consolidated into our financial results and the relationship between our Consolidated Affiliated Entities and our Company under the Contractual Arrangements, the New Intergroup Agreements other than the Contractual Arrangements that may be entered into between each of our Consolidated Affiliated Entities and our Company in the future will also be exempted from the "continuing connected transactions" provisions of the Listing Rules.

Views of the Directors and the Joint Sponsors

Our Directors (including the independent non-executive Directors) are of the view that (i) the non-exempt continuing connected transactions as set out above have been and will be entered into in the ordinary and usual course of business of our Group, are fundamental to our Group's legal structure and business operations, are on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and the Shareholders as a whole, and (ii) it is normal business practice for the Contractual Arrangements to be of a term greater than three years.

The Joint Sponsors have (i) reviewed the relevant documents and information provided by the Company in relation to the above non-exempt continuing connected transactions; (ii) obtained necessary representations and confirmations from the Company and the Directors; and (iii) participated in the due diligence and discussions with the management of the Group. Based on the above, the Joint Sponsors are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to our Group's legal structure and business operations, and the aforesaid non-exempt continuing connected transactions, for which waivers have been sought, have been entered into in the ordinary and usual course of our business of the Group, on normal commercial terms or better, and that the terms are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

With respect to the term of the relevant agreements underlying the Contractual Arrangements which is of a duration longer than three years, the Joint Sponsors are of the view that it is a justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure that (i) the financials and operation of the Consolidated Affiliated Entities can be effectively controlled by the WFOE; (ii) the WFOE can obtain the economic benefits derived from our Consolidated Affiliated Entities; and (iii) any possible leakages of assets and values of our Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company immediately prior to and immediately following the completion of the [REDACTED] and the [REDACTED].

As of the Latest Practicable Date, our authorized share capital was US$[50,000] divided into [500,000,000] shares of a par value of US$0.0001 each, and consisted of: (i) [388,000,000] Ordinary Shares; (ii) 6,000,000 Series A Preferred Shares; (iii) 6,000,000 Series B Preferred Shares; and (iv) 100,000,000 Series C Preferred Shares.

As of the Latest Practicable Date, our issued share capital consisted of: (i) 7,988,403 Ordinary Shares; (ii) 1,411,761 Series A Preferred Shares; (iii) 653,460 Series B Preferred Shares; and (iv) 754,015 Series C Preferred Shares.

Each of the Preferred Shares will be converted into one Share on a one-to-one basis immediately prior to the completion of the [REDACTED] and the [REDACTED].

Assuming the [REDACTED] is not exercised, the share capital of our Company immediately after the [REDACTED] and the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate aggregate nominal value of Shares	Approximate percentage of issued share capital
Shares in issue as of the Latest Practicable Date (including the Shares upon conversion of the Preferred Shares)	10,807,639	US$1,080.76	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shares in issue immediately following the [REDACTED] and the [REDACTED]	**[REDACTED]**	**[REDACTED]**	**100%**

SHARE CAPITAL

Assuming the [REDACTED] is exercised in full, the share capital of our Company immediately after the [REDACTED] and the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate aggregate nominal value of Shares	Approximate percentage of issued share capital
Shares in issue (including the Shares upon conversion of the Preferred Shares)	10,807,639	US$1,080.76	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**[REDACTED]**	**[REDACTED]**	**100%**

ASSUMPTIONS

The above tables assume that the [REDACTED] becomes unconditional, the Shares are issued pursuant to the [REDACTED], and that each of ordinary shares and the Preferred Shares are converted into Shares on a one-to-one basis. The above tables do not take into account any Shares that may be issued or repurchased by our Company under the general mandates granted to our Directors referred to below.

RANKING

The [REDACTED] are shares in the share capital of our Company and rank equally with all [REDACTED] currently in issue or to be issued (including all Preferred Shares converted into Shares immediately prior to the completion of the [REDACTED] and the [REDACTED]), and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this Document.

[REDACTED]

Pursuant to the written resolutions of our Shareholders passed on [•] and subject to the share premium account of our Company being credited as a result of the issue of [REDACTED] pursuant to the [REDACTED], our Directors are authorized to allot and issue a total of [REDACTED] Shares credited as fully paid at par on [REDACTED] to the holders of Shares whose names appear on the register of members of our Company in the Cayman Islands at the close of business on the business day preceding the [REDACTED], in proportion to their then-existing respective shareholdings (on the basis that each Preferred Share is converted into one Share and that no holder of Shares shall be entitled to be allotted or issued any fraction of a Share) by way of the [REDACTED] of the sum of

US$[REDACTED] standing to the credit of the share premium account of our Company. The Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued Shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Memorandum and the Articles, our Company may from time to time by ordinary resolution of Shareholders (i) increase its capital; (ii) consolidate and divide its capital into shares of larger amount; (iii) subdivide its shares into shares of smaller amount; (iv) divide its shares into several classes; (v) cancel any shares which have not been taken; (vi) make provision for the issue and allotment of shares which do not carry any voting rights; (vii) change the currency of denomination of its share capital; and (viii) reduce its share premium account in any manner authorized and subject to any conditions prescribed by law. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce its share capital or capital redemption reserve fund by special resolution of Shareholders. See "Appendix III — Summary of the Constitution of the Company and Cayman Islands Companies Act" for details.

EQUITY INCENTIVE PLAN

Our Company has adopted the Equity Incentive Plan. See "Appendix IV — Statutory and General Information — D. Equity Incentive Plan" for details.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted general unconditional mandates to issue and repurchase our Shares.

For further details of these general mandates, see "Appendix IV — Statutory and General Information — A. Further Information about our Company and our Subsidiaries — 5. Resolutions of the Shareholders of our Company dated [•]".

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and the [REDACTED] assuming that the [REDACTED] is not exercised, the following parties will have interests and/or short positions in our Shares or our underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group:

Substantial Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares as of the Latest Practicable Date[(1)]	Approximate percentage of shareholding in our Company as of the Latest Practicable Date	Number of Shares/ underlying Shares upon the completion of the [REDACTED] and the [REDACTED][(7)]	Approximate percentage of shareholding in our Company upon the completion of the [REDACTED] and the [REDACTED][(7)]
Dr. Li	Interest in a controlled corporation	3,558,595(L)[(2)]	32.93%	[REDACTED](L)[(2)]	[REDACTED]
	Interest of spouse	3,316,585(L)[(2)]	30.69%	[REDACTED](L)[(2)]	[REDACTED]
Microhealth Limited	Beneficial interest	3,558,595(L)[(2)]	32.93%	[REDACTED](L)[(2)]	[REDACTED]
Dr. Zhang	Interest in a controlled corporation	2,832,254(L)[(3)]	26.21%	[REDACTED](L)[(3)]	[REDACTED]
	Interest in a controlled corporation	484,331(L)[(3)]	4.48%	[REDACTED](L)[(3)]	[REDACTED]
	Interest of spouse	3,558,595(L)[(3)]	32.93%	[REDACTED](L)[(3)]	[REDACTED]
Dtx Health Limited	Beneficial interest	2,832,254(L)[(3)]	26.21%	[REDACTED](L)[(3)]	[REDACTED]
Mr. Hu Xubo (胡旭波)	Interest in a controlled corporation	1,319,668(L)[(4)]	12.21%	[REDACTED](L)[(4)]	[REDACTED]
Ms. Yu Jia (于佳)	Interest in a controlled corporation	1,319,668(L)[(4)]	12.21%	[REDACTED](L)[(4)]	[REDACTED]
Dragon Step Ventures Limited	Beneficial interest	1,077,315(L)[(4)]	9.97%	[REDACTED](L)[(4)]	[REDACTED]
Meiyue Limited	Beneficial interest	836,978(L)[(5)]	7.74%	[REDACTED](L)[(5)]	[REDACTED]
Tencent Holdings Limited	Interest in a controlled corporation	754,015(L)[(6)]	6.98%	[REDACTED](L)[(6)]	[REDACTED]
Image Frame Investment (HK) Limited	Beneficial interest	754,015(L)[(6)]	6.98%	[REDACTED](L)[(6)]	[REDACTED]

Notes:

(1) The number of Shares held assuming that all of the Preferred Shares have been converted into the Shares on a one-to-one basis, and the letter "L" denotes the person's long position in the Shares.

(2) Microhealth Limited is wholly owned by Dr. Li and will beneficially hold [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. By virtue of the SFO, Dr. Li is deemed to be interested in the Shares held by Microhealth Limited. As Dr. Zhang is the spouse of Dr. Li, Dr. Li is deemed to be interested in the Shares in which Dr. Zhang is interested by virtue of the SFO, being [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED].

(3) Dtx Health Limited is wholly owned by Dr. Zhang and will beneficially hold [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. By virtue of the SFO, Dr. Zhang is deemed to be interested in the Shares held by Dtx Health Limited. As Dr. Li is the spouse of Dr. Zhang, Dr. Zhang is deemed to be interested in the Shares in which Dr. Li is interested by virtue of the SFO, being [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. Meilong Limited is one of our Employee Equity Incentive Platforms which is held as to approximately 44.67% by Dr. Zhang (including approximately 2.58% held through Dtx Health Limited) as of the Latest Practicable Date, and will beneficially hold [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. By virtue of the SFO, Dr. Zhang is deemed to be interested in the Shares held by Meilong Limited.

(4) Dragon Step Ventures Limited is 100% held by Qiming Ronghe. Qiming Ronghe is controlled by Suzhou Qicheng, which is in turn controlled by Shanghai Qichang, a company held as to 50% and 50% by Mr. Hu Xubo and Ms. Yu Jia, respectively. Gleaming Global Investments Limited is 100% held by Suzhou Qisi. Suzhou Qisi is controlled by Beijing Qiyao, which is in turn controlled by Suzhou Qiman, a company held as to 50% and 50% by Mr. Hu Xubo and Ms. Yu Jia, respectively. Therefore, Mr. Hu Xubo and Ms. Yu Jia are deemed to be interested in the Shares held by Dragon Step Ventures Limited and Gleaming Global Investments Limited by virtue of the SFO.

(5) Meiyue Limited is one of our Employee Equity Incentive Platforms and will beneficially hold [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. Each of the shareholders of Meiyue Limited, being an employee of the Group, will hold less than 20% equity interests in Meiyue Limited upon the completion of the [REDACTED] and the [REDACTED].

(6) Image Frame Investment (HK) Limited is ultimately controlled by Tencent Holdings Limited, a company listed on the Stock Exchange (stock code: 700), and will beneficially hold [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. By virtue of the SFO, Tencent Holdings Limited is deemed to be interested in the Shares held by Image Frame Investment (HK) Limited.

(7) Calculated on the basis of [REDACTED] Shares in issue immediately following completion of the [REDACTED] and the [REDACTED]. The table above assumes that: (i) the [REDACTED] is not exercised; and (ii) each of the Ordinary Shares and Preferred Shares will be converted into Shares on a one-to-one basis immediately before the completion of the [REDACTED] and the [REDACTED].

Other than as disclosed herein, the Directors are not aware of any person who will, immediately following the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised), have any interest and/or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Group.

BOARD OF DIRECTORS

As of the date of this Document, our Board of Directors comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our executive Directors, non-executive Directors and independent non-executive Directors will be subject to rotation and re-election at the annual general meetings of our Company in accordance with the Articles of Association.

The table below sets forth certain information in respect of the members of the Board of Directors of our Company:

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as Director
Dr. Zhang Fabao (張發寶)*(Note)*	46	Executive Director and Chairman of the Board	Overall strategic development, corporate governance and management of our Group	November 2012	November 2021
Dr. Li Xinmei (李欣梅)*(Note)*	47	Executive Director and Chief Executive Officer	Overall strategic planning, organizational development and overseeing the business operations of our Group	November 2012	June 2021
Mr. Fan Jie (樊傑)	51	Executive Director and Co-Chief Executive Officer	Business management of the Group with a focus on digital marketing and real-world research business lines	March 2022	April 2022
Mr. Wang Shuai (王帥)	42	Executive Director and Vice President	Overall strategic planning and general management and execution of the business operations of our Group	June 2016	November 2021
Mr. Hu Xubo (胡旭波)	47	Non-executive Director	Providing professional strategic advice to the Board	December 2015	November 2021

Note:

Dr. Li is the spouse of Dr. Zhang.

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as Director
Mr. Yan Shengfeng (閆盛楓)	31	Non-executive Director	Providing professional strategic advice to the Board	November 2021	November 2021
Ms. Liu Tao (劉濤)	58	Independent non-executive Director	Supervising and providing independent opinion and judgment to the Board	Date of this Document	Date of this Document
Mr. Yu Mingyang (余明陽)	58	Independent non-executive Director	Supervising and providing independent opinion and judgment to the Board	Date of this Document	Date of this Document
Mr. Lau Yiu Kwan Stanley (劉耀坤)	68	Independent non-executive Director	Supervising and providing independent opinion and judgment to the Board	Date of this Document	Date of this Document

EXECUTIVE DIRECTORS

Dr. Zhang Fabao (張發寶), aged 46, a founder of our Group, was appointed as our Director in November 2021, and re-designated as our executive Director in April 2022. Dr. Zhang has also been chairman of the Board since November 2021. Dr. Zhang is responsible for the overall strategic development, corporate governance and management of our Group. Concurrently, Dr. Zhang holds various directorships and management positions in our subsidiaries and Consolidated Affiliated Entities, details of which are set out in the table below:

Name of our Subsidiary or Consolidated Affiliated Entity	Directorship and/or Management Position	Date of Appointment
Shanghai MedSci	Director and chairman of the board of directors	April 2015
Shanghai Chungu	Executive director and chairman of the board of directors	January 2013

Previously, Dr. Zhang also served as a co-general manager of Shanghai MedSci from November 2012 to April 2015. Dr. Zhang has served as an associate professor of Anhui University of Chinese Medicine (安徽中醫藥大學) since October 2009 and as a standing director of World Federation of Chinese Medicine Societies since May 2021. Dr. Zhang has also served as a member of the Clinical Trial Contract Research Organization Branch of China Quality Association for Pharmaceuticals (中國醫藥質量管理協會) since October 2017.

Dr. Zhang obtained a bachelor's degree in acupuncture and a master's degree in integrated Chinese and western medicines from Anhui College of Traditional Chinese Medicine (安徽中醫學院, currently known as Anhui University of Chinese Medicine (安徽中醫藥大學)) in the PRC in July 1999 and July 2002, respectively. Dr. Zhang also obtained a doctor's degree in natural science from University of Chinese Academy of Sciences (中國科學院大學) in the PRC in March 2006.

Dr. Zhang is the spouse of Dr. Li Xinmei, our executive Director and chief executive officer.

Dr. Li Xinmei (李欣梅), aged 47, a founder of our Group, was appointed as our Director in June 2021 and re-designated as our executive Director in April 2022. Dr. Li has also been our chief executive officer since June 2021. Dr. Li is responsible for the overall strategic planning, organizational development and overseeing the business operations of our Group. Dr. Li has been a director and the general manager at Shanghai MedSci since November 2012, and was re-designated as the co-chief executive officer at Shanghai MedSci since March 2022.

Prior to founding our Group, Dr. Li served as a postdoctoral researcher at Florida State University, and at University of Texas Southwestern Medical Center, respectively. Subsequently, Dr. Li has served as an associate professor at Anhui University of Chinese Medicine (安徽中醫藥大學) since October 2009.

Dr. Li obtained a bachelor's degree in Chinese medicine and a master's degree in integrated Chinese and Western medicine from Anhui College of Traditional Chinese Medicine (安徽中醫學院, currently known as Anhui University of Chinese Medicine (安徽中醫藥大學)) in the PRC in July 2000 and July 2003, respectively. Dr. Li also obtained a doctor's degree in biophysics from University of Science and Technology of China (中國科學技術大學) in the PRC in May 2006.

Dr. Li is the spouse of Dr. Zhang Fabao, our executive Director and chairman of the Board.

Mr. Fan Jie (樊傑), aged 51, is our executive Director and co-chief executive officer and joined our Group in March 2022. Mr. Fan is primarily responsible for the business management of the Group with a focus on digital marketing and real-world research business lines. Concurrently, Mr. Fan has served as the co-chief executive officer of Shanghai MedSci since March 2022.

Mr. Fan has over 25 years' experience in pharmaceutical marketing and sales. Prior to joining our Group, Mr. Fan worked at Xi'an Janssen Pharmaceutical Co., Ltd. (西安楊森製藥有限公司) from January 1997 to February 2022, where he served various positions and his last position was head of excellence business department of pulmonary hypertension and channel value.

Mr. Fan obtained a bachelor's degree in business administration (online education) and an EMBA degree from South China University of Technology (華南理工大學) in the PRC in January 2012 and June 2014, respectively.

Mr. Wang Shuai (王帥), aged 42, was appointed as our Director in November 2021, and re-designated as our executive Director in April 2022. Mr. Wang has also been our vice president since December 2021. He is responsible for the overall strategic planning and general management and execution of the business operations of our Group. Mr. Wang has also been serving as a vice president and director of Shanghai MedSci since June 2016 and September 2020, respectively.

Prior to joining the Group, Mr. Wang worked at Beijing Xunbo Hengtai Technology Development Co., Ltd. (北京訊博恒泰科技發展有限公司), a company primarily engaged in medical advertisement, from November 2007 to August 2011, mainly responsible for providing medical consulting services to pharmaceutical companies. Subsequently, Mr. Wang worked at Beijing KINGYEE Technology Co., Ltd. (北京金葉天盛科技有限公司), an Internet physician platform company primarily engaged in providing digital marketing solutions for pharmaceutical companies from December 2011 to October 2013, and served as the sales director of KINGYEE (Beijing) Co., Ltd. (金葉天成(北京)科技有限公司) from November 2013 to December 2015, responsible for the sales and sales management. Mr. Wang also served as the general manager at Beijing Chaokanglian Information Technology Co., Ltd. (北京朝康聯信息科技有限公司), a company primarily engaged in medical advertisement, from January 2016 to June 2016, responsible for operation management.

Mr. Wang obtained a bachelor's degree in clinical medicine from China Medical University (中國醫科大學) in the PRC in July 2003.

NON-EXECUTIVE DIRECTORS

Mr. Hu Xubo (胡旭波), aged 47, was appointed as our Director in November 2021 and re-designated as our non-executive Director in April 2022. Mr. Hu has been a director of Shanghai MedSci since December 2015.

Mr. Hu has over 15 years of experience in investment management, strategic consulting and operations management in the biomedicine industry. He joined Qiming Venture Partners in October 2006 and is currently a managing partner of the firm. Mr. Hu has been a director of Shanghai Sanyou Medical Co. Ltd. (上海三友醫療器械股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688085), since May 2014, and of APT Medical Inc. (深圳惠泰醫療器械股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688617), since May 2014. Mr. Hu has also served as a non-executive director of MicroTech Medical (Hangzhou) Co., Ltd. (微泰醫療器械(杭州)股份有限公司), a company listed on the Stock Exchange (stock code: 2235), since November 2016. From January 2014 to April 2018, Mr. Hu also served as a non-executive director of BBI Life Sciences Corporation (BBI生命科學有限公司) (previously listed on the Stock Exchange (stock code: 1035.HK), delisted by way of privatization in June 2020). Since December 2021, Mr. Hu has been a director and indirect minority shareholder of Jiaxing Clinflash Computer Technology Co., Ltd. (嘉興易迪希計算機技術有限公司) ("**Clinflash**"), a company engaged in the development of information system for clinical trials, which differs from our principal business. See "Business" for details. In addition, taking no executive roles, Mr. Hu was not involved in the daily management or operation of our Company or Clinflash. As such, the directorship and shareholding held by Mr. Hu in Clinflash would not give rise to any material competition issue under Rule 8.10 of the Listing Rules.

Previously, Mr. Hu also served as a director of Amoy Diagnostics Co., Ltd. (廈門艾德生物醫藥科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300685), from June 2015 to August 2021; and as a non-executive director of Antengene Corporation Limited (德琪醫藥有限公司), a company listed on the Stock Exchange (stock code: 06996), from November 2018 to March 2021.

Mr. Hu obtained a bachelor's degree in preventive medicine from Shanghai Medical University (上海醫科大學) (currently known as Shanghai Medical College of Fudan University (復旦大學上海醫學院)) in the PRC in July 1998, and a master's degree in business administration from Ecole Nationale des Ponts et Chaussees (Tongji campus) in the PRC in October 2004.

Mr. Yan Shengfeng (閆盛楓), aged 31, was appointed as our Director in November 2021 and re-designated as our non-executive Director in April 2022.

Prior to joining our Group, Mr. Yan served as a consultant at Roland Berger from December 2013 to May 2017, responsible for providing consultancy services for enterprise management. Concurrently, Mr. Yan has subsequently served as an investment associate and the investment director since June 2017 at Tencent Technology (Beijing) Co., Ltd. (騰訊科技(北京)有限公司), a fellow subsidiary of Image Frame Investment (HK) Limited which is a shareholder of the Company, responsible for equity investment and related work.

Mr. Yan obtained a bachelor's degree in civil engineering and a bachelor's degree in economic management from Tsinghua University (清華大學) in the PRC in July 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Liu Tao (劉濤), aged 58, was appointed as our independent non-executive Director with effect from the date of this Document.

Prior to joining our Group, Ms. Liu served as an independent director of Shanghai No. 1 Pharmacy Co., Ltd. (上海第一醫藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600833), from June 2017 to June 2019; as an independent non-executive director of Zhejiang Songyuan Automotive Safety Systems. Co., Ltd. (浙江松原汽車安全系統股份有限公司) from June 2017 to December 2019; and as an independent director of Shanghai Jielong Industry Group Co., Ltd. (上海界龍實業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600836), from May 2018 to September 2020.

Concurrently, Ms. Liu has served as an associate professor of Antai College of Economics & Management (安泰經濟與管理學院) at Shanghai Jiao Tong University (上海交通大學) since August 2001; as an independent non-executive director and the chairwoman of the audit committee of Glorious Property Holdings Ltd. (恆盛地產控股有限公司), a company listed on the Stock Exchange (stock code: 00845), since September 2015; and as an independent director and the chairwoman of the audit committee of Shanghai SafBon Water Service (Holding) Inc. (上海巴安水務股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300262), since May 2016. In addition, Ms. Liu has also served as an independent director and a member of the audit committee of Changjiang Investment Industrial Co., Ltd. (長江投資實業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600119), since February 2018; and as an independent non-executive director and the chairwoman of the audit committee of Shanghai Gench Education Group Limited (上海建橋教育集團有限公司), a company listed on the Stock Exchange (stock code: 1525), since December 2018. The Board is of the view that Ms. Liu has the appropriate accounting or related financial management experience for the purpose of Rule 3.10(2) of the Listing Rules.

Ms. Liu graduated from Shaanxi Institute of Finance (陝西財經學院), currently known as School of Economics and Finance of Xi'an Jiaotong University (西安交通大學經濟與金融學院), in the PRC with a bachelor's degree in finance (財政學) in July 1986, and a master's degree in economics in July 1989.

Mr. Yu Mingyang (余明陽), aged 58, was appointed as our independent non-executive Director with effect from the date of this Document.

Mr. Yu has extensive experience in branding strategy and management. Prior to joining our Group, Mr. Yu served as an independent non-executive director of Noble Jewelry Holdings Limited (億鑽珠寶控股有限公司), a company listed on the Stock Exchange (stock code: 00475) and currently known as Central Development Holdings Limited (中發展控股有限公司), from January 1994 to January 2002; and as an independent director of Zoneco Group Co., Ltd. (獐子島集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002069), from June 2007 to June 2010. Mr. Yu also served as an independent director of Shandong Homey Aquatic Development Co., Ltd. (山東好當家海洋發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600467), from March 2011 to May 2015; and as an independent non-executive director of Carpenter Tan Holdings Limited (譚木匠控股有限公司), a company listed on the Stock Exchange (stock code: 837), from September 2007 to January 2016.

Currently, Mr. Yu has served as a professor at Shanghai Jiao Tong University (上海交通大學) since September 2005; as an independent director of Shanghai Xujiahui Commercial Co., Ltd. (上海徐家匯商城股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002561), since March 2018; and as an independent director of Golden Home Living Co., Ltd. (金牌厨櫃家居科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603180), since September 2019.

Mr. Yu obtained his bachelor's degree in philosophy from Hangzhou University (杭州大學) in the PRC in July 1983. Mr. Yu obtained a master's degree and a doctor's degree in management from Fudan University (復旦大學) in the PRC in July 1993 and July 1996, respectively.

Mr. Lau Yiu Kwan Stanley (劉耀坤), aged 68, was appointed as our independent non-executive Director with effect from the date of this Document.

Prior to joining the Group, Mr. Lau served as the general manager at Baxter (China) Investments Co., Ltd from July 2002 to April 2009; as the president of China Biologic Products, Inc. from December 2010 to March 2012; as the chief operating officer at Eddingpharm Investment Co. Ltd. from March 2012 to February 2013; and as the chief executive officer at Amsino Medical Group from March 2013 to November 2014. Subsequently, Mr. Lau founded Shenzhen Tailai Biotechnology Co., Ltd. (深圳泰萊生物科技有限公司) in July 2018 and has been the chairman of the board of directors since April 2020.

Concurrently, Mr. Lau has served as an independent non-executive director of Solasia Pharma K.K., a company listed on the Tokyo Stock Exchange (securities code: 45970), since December 2014; and as chairman of the board of directors and an independent director of Gland Pharma Ltd, a company listed on the BSE Limited (stock code: 543245) and the National Stock Exchange of India Limited (symbol: GLAND), since June 2019.

Mr. Lau obtained a bachelor's degree in pharmaceutics from University of London in the United Kingdom.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The table below shows certain information in respect of the senior management of our Company:

Name	Age	Position	Date of joining our Group	Date of appointment as the senior management of the Company	Roles and responsibilities
Dr. Li Xinmei (李欣梅)	47	Executive Director and Chief Executive Officer	November 2012	June 2021	Overall strategic planning, organizational development and overseeing the business operations of our Group
Mr. Fan Jie (樊傑)	51	Executive Director and Co-Chief Executive Officer	March 2022	March 2022	Business management of the Group with a focus on digital marketing and real-world research business lines
Mr. Wang Shuai (王帥)	42	Executive Director and Vice President	June 2016	November 2021	Overall strategic planning and general management and execution of the business operations of our Group
Mr. Yang Chun (楊春)	44	Vice President	November 2012	November 2021	Overall strategic planning and general management and execution of the business operations of our Group
Mr. Yuan Xiaohui (袁曉暉)	39	Finance Controller	March 2021	March 2021	Overall management of finance, investment and financing activities of our Group
Mr. Wang Tianpei (王天培)	43	Vice President of R&D	February 2022	February 2022	Overall technology strategy and research and development activities of our Group
Ms. Huang Mingai (黃明愛)	48	Vice President of Medicine	April 2012	November 2021	Overseeing the professionalism of our medical content and medical team management

Dr. Li Xinmei (李欣梅), aged 47, is our executive Director and chief executive officer. Please see her biography in "— Executive Directors" above.

Mr. Fan Jie (樊傑), aged 51, is our executive Director and co-chief executive officer. Please see his biography in "— Executive Directors" above.

Mr. Yang Chun (楊春), aged 44, was appointed as our vice president in November 2021. He is responsible for the overall strategic planning and general management and execution of the business operations of our Group. Mr. Yang has been a vice president and a director at Shanghai MedSci since November 2012 and April 2015, respectively. Previously, Mr. Yang also served as our Director from November 2021 to April 2022.

Prior to joining the Group, Mr. Yang served as the product director of Shanghai Keduan Biological Technology Co., Ltd. (上海科端生物科技有限公司), a company primarily engaged in the trade and development of general devices and reagents, from October 2003 to September 2006, responsible for product development; and as the general manager at Shanghai BIOON Info-tech Co., Ltd. (上海北岸信息技術有限公司), a company primarily engaged in the provision of life science related information, responsible for general business operation. Since September 2010, Mr. Yang has also served as an executive director of Shanghai March International Trading Co., Ltd. (上海瑪趣國際貿易有限公司), a company primarily engaged in trade of general devices and reagents and an Independent Third Party.

Mr. Yang obtained a bachelor's degree in plant protection and a master's degree in molecular phytopathology from Nanjing Agricultural University (南京農業大學) in the PRC in June 1999 and December 2003, respectively.

Mr. Wang Shuai (王帥), aged 42, is our executive Director and vice president. Please see his biography in "— Executive Directors" above.

Mr. Yuan Xiaohui (袁曉暉), aged 39, is our finance controller and joined our Group in March 2021. Mr. Yuan is primarily responsible for the overall management of finance, investment and financing activities of our Group. Concurrently, Mr. Yuan has served as the finance controller of Shanghai MedSci since March 2021.

Mr. Yuan has extensive experience in accounting and finance. Prior to joining our Group, Mr. Yuan served as an audit assistant at Shanghai Zhonghua Huyin CPA (上海眾華滬銀會計師事務所) from October 2006 to December 2010; and as senior auditor, manager and senior manager at Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) from December 2010 to March 2021. Mr. Yuan has been a certified member of the Chinese Institute of Certified Public Accountants and the American Institute of Certified Public Accountants since January 2013 and June 2018, respectively.

Mr. Yuan obtained a bachelor's degree in statistics from Hunan University (湖南大學) in the PRC in June 2005.

Mr. Wang Tianpei (王天培), aged 43, is our vice president of R&D and joined our Group in February 2022. Mr. Wang is primarily responsible for the overall technology strategy and research and development activities of our Group. Concurrently, Mr. Wang has served as the vice president of R&D of Shanghai MedSci since February 2022.

Prior to joining our Group, Mr. Wang worked at Shanghai HEWLETT-PACKARD Co., Ltd. (上海惠與有限公司) from July 2005 to June 2014; and served as a secondary project manager at Wuxi Wensi Haihui Information Technology Co., Ltd. (Shanghai Branch) (無錫文思海輝信息技術有限公司上海分公司) from August 2014 to January 2016, responsible for the project delivery and management. Subsequently, Mr. Wang served as the principal consultant at Veeva Systems Software (Shanghai) Co., Ltd. (維我軟件(上海)有限公司) from February 2016 to May 2018, responsible for product R&D, pre-sales and project delivery; and as a senior consultant at Ims Market Research Consulting (Shanghai) Co., Ltd. (艾昆緯企業管理諮詢(上海)有限公司) from May 2018 to May 2019, responsible for the product R&D and delivery. Mr. Wang also worked at Crediteyes Co., Ltd. (上海倍通企業信用徵信有限公司) from June 2019 to February 2020 and successively as customer service director and IT project director at Pharmeyes Co., Ltd. (上海倍通醫藥科技諮詢有限公司) from March 2020 to February 2021, responsible for product R&D, sales and project delivery; and as the senior industry general manager in the sales department at Beijing Renkehudong Network Technology Co., Ltd. (北京仁科互動網絡技術有限公司) from February 2021 to February 2022, responsible for the strategy formulation, overall operation, product R&D, pre-sales, delivery, operation and maintenance, as well as staff management.

Mr. Wang obtained a bachelor's degree in mechanical design and manufacturing and a master's degree in software engineering from Tongji University (同濟大學) in the PRC in July 2003 and November 2005, respectively.

Ms. Huang Mingai (黃明愛), aged 48, has served as our vice president of medicine since November 2021. Ms. Huang joined our Group in April 2012. Ms. Huang is primarily responsible for overseeing the professionalism of our medical content and medical team management. Concurrently, Ms. Huang has served as the vice president of medicine of Shanghai MedSci since February 2022.

Ms. Huang has held various positions at Shanghai MedSci since she joined our Group, including academic editor from April 2012 to January 2015, responsible for academic business; academic manager from February 2015 to June 2016, responsible for providing academic guidance; senior academic manager from July 2016 to July 2017, responsible for the business-to-customer clinical academic business line; academic director from August 2017 to May 2020 and senior academic director from June 2020 to March 2021, responsible for both business-to-business and business-to-customer clinical academic business lines; and academic deputy general manager since April 2021, responsible for the management of the business-to-business division of medical science.

Ms. Huang obtained a bachelor's degree in clinical medicine and a master's degree in hygiene toxicology from Yanbian University (延邊大學) in the PRC in July 1997 and June 2005, respectively. Ms. Huang also obtained a doctor's degree in preventive medicine from Central University of Korea in Korea in August 2009.

Save as disclosed above, none of our Directors or senior management members has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

Save as disclosed above, to our Directors' best knowledge, information and belief, having made all reasonable enquiries, there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders, and there is no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules as of the Latest Practicable Date.

As of the Latest Practicable Date, save for the interests in the shares of our Company held by our executive Directors, which are disclosed in "Appendix IV — Statutory and General Information — C. Further Information about Our Directors", none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

As of the Latest Practicable Date, save as disclosed above, none of our Directors or members of our senior management are related to other Directors or members of the senior management of our Company.

JOINT COMPANY SECRETARIES

Mr. Yang Chun (楊春) is our vice president. He was appointed as one of our joint company secretaries in April 2022. Please see his biography in "— Senior Management" above.

Ms. Kwan Sau In (關秀妍) is a manager of corporate services of Tricor Services Limited. She has over nine years of experience in corporate secretarial and compliance matters for Hong Kong-listed companies as well as multinational, private and offshore companies. Ms. Kwan is an associate member of each of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She obtained a bachelor's degree of business administration in corporate administration from Hong Kong Metropolitan University (formerly known as the Open University of Hong Kong) in August 2013 and a master's degree in laws (Chinese Law) from The University of Hong Kong in November 2022.

Our Company [has been granted] a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Yang may be appointed as a joint company secretary of our Company. However, the waiver can be revoked if there are material breaches of the Listing Rules by our Company. See "Waivers from Strict Compliance with the Listing Rules" for details.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive compensation in the form of salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and other share-based compensation. We determine the compensation of our Directors based on each Director's responsibilities, qualification, position and seniority. Each of the independent non-executive Directors has entered into an appointment letter with our Company effective upon the date of this Document. For additional information, see "Appendix IV — Statutory and General Information — C. Further Information about Our Directors — 1. Particulars of Directors' service contracts and appointment letters".

The aggregate amount of remuneration of our Directors (including salaries, allowances, benefits in kind, contribution to the pension scheme and other share-based compensation) for the years ended December 31, 2020, 2021 and 2022 were approximately RMB2.17 million, RMB2.61 million and RMB3.65 million, respectively.

It is estimated that remuneration and benefits in kind (excluding any discretionary bonus which may be paid to any Directors) equivalent to approximately RMB5.1 million in aggregate will be paid to our Directors by us in respect of the financial year ending December 31, 2023 under arrangements in force at the date of this Document.

For each of the years ended December 31, 2020, 2021 and 2022, there were two, one and one Director(s) among the five highest paid individuals. The total remuneration for the remaining individuals among the five highest paid individuals for the years ended December 31, 2020, 2021 and 2022 was approximately RMB1.89 million, RMB8.65 million and RMB8.03 million, respectively.

During the Track Record Period, no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors, past Directors or the five highest paid individuals for the Track Record Period for the loss of office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

For additional information on Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please see Notes 8 and 9 of the Accountants' Report set out in Appendix I to this Document. For details of the Shares underlying the awards granted to our Directors and senior management, see "Appendix IV — Statutory and General Information — D. Equity Incentive Plan".

Save as disclosed above in this section and "Financial Information", "Appendix I — Accountants' Report" and "Appendix IV — Statutory and General Information", no other payments have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

EQUITY INCENTIVE PLAN

We have approved and adopted the Equity Incentive Plan, the principal terms of which are summarized in "Appendix IV — Statutory and General Information — D. Equity Incentive Plan".

CORPORATE GOVERNANCE

We have adopted certain corporate governance measures in compliance with the Corporate Governance Code. We aim to achieve a high standard of corporate governance, which is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code (other than as disclosed in "Corporate Governance Code" below) after the [REDACTED]. We have established the following committees in our Board of Directors: an Audit Committee, a Remuneration Committee and a Nomination Committee. The committees operate in accordance with terms of reference established by our Board of Directors.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely, Ms. Liu Tao, Mr. Yu Mingyang and Mr. Lau Yiu Kwan Stanley. Ms. Liu Tao is the chairwoman of the Audit Committee and has the related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, without limitation, assisting our Board by providing an independent view of the effectiveness of the financial controls, internal control and risk management systems of our Group and overseeing the audit process.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The Remuneration Committee consists of one executive Director, namely Dr. Li Xinmei, and two independent non-executive Directors, namely, Ms. Liu Tao and Mr. Yu Mingyang. Mr. Yu Mingyang is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee include, without limitation, the following: (i) making recommendations to the Board on our Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) determining the delegated responsibility and the remuneration packages of individual executive Directors and senior management, or alternatively, making recommendations to the Board on such remuneration packages; and (iii) ensuring that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive Directors and are designed to align their interests with those of Shareholders and to give our Directors incentives to perform at the highest levels.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The Nomination Committee consists of one executive Director, namely Dr. Zhang Fabao, and two independent non-executive Directors, namely, Mr. Yu Mingyang and Mr. Lau Yiu Kwan Stanley. Dr. Zhang Fabao is the chairman of the Nomination Committee. The primary duties of the Nomination Committee include, without limitation, reviewing the structure, size and composition of the Board, assessing the independence of independent non-executive Directors and making recommendations to the Board of Directors on matters relating to the appointment of Directors.

DIVERSITY

We are committed to promoting the culture of diversity in our Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to age, race, gender, language, cultural background, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge, skills and experience in the areas of information technology, finance, accounting, investment and healthcare. The ages of our Directors range from 30 to 58 years old.

Our Board currently consists of two female Directors and seven male Directors with a balanced mix of knowledge and skills, including but not limited to overall management and strategic development, finance, accounting and risk management, as well as professional experiences in investment industry. The Board of Directors is of the view that our Board satisfies our board diversity policy.

We are also committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

Our Nomination Committee is delegated by our Board to be responsible for compliance with relevant codes governing board diversity under the Corporate Governance Code. Based on our existing business model, business needs and the background of our Directors, our Directors believe that our current Board composition satisfies the principles under the board diversity policy. Nevertheless, after the [REDACTED], our Nomination Committee will continue to review the board diversity policy from time to time to ensure its continued effectiveness, and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis. In recognizing the particular importance of gender diversity, our Nomination Committee will use its best endeavors to actively identify and recommend additional suitably qualified female candidates to be nominated as members of the Board upon

[REDACTED] (keeping in mind the importance of management continuity and the timeline for retirement and reappointment of Directors under the Articles) in order to further enhance our Board's gender diversity in the long run. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff.

CORPORATE GOVERNANCE CODE

Our Directors consider that upon [REDACTED], we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

COMPLIANCE ADVISOR

We have appointed TC Capital International Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in certain circumstances, including: (a) before the publication of any regulatory announcement, circular, or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases; (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this Document; and (d) where the Stock Exchange makes an inquiry to our Company under Rule 13.10 of the Listing Rules.

The term of appointment of our Compliance Advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

From time to time our non-executive Directors may serve on the boards of both private and public companies within the healthcare industry. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which they may hold directorships from time to time.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See "Business — Strategies" in this document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the [REDACTED] Range of between HK$[REDACTED] and HK$[REDACTED] per Share), we estimate that we will receive net [REDACTED] of approximately HK$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated [REDACTED] paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised.

As China's overall healthcare market is expected to grow in the future, the demand for physician platform services, digital healthcare marketing services and RWS services are also expected to grow. See "Industry Overview" for more details. As such, we believe the demand for our business service offerings will grow in the future. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

Major Categories	Sub-Categories	Specific Plans	% of Total [REDACTED]	Expected Timeframe
Approximately [REDACTED]% of the net [REDACTED], or approximately HK$[REDACTED], is expected to be used for business expansion.	Approximately [REDACTED]%, or approximately HK$[REDACTED], for developing and upgrading our content and service offerings of physician platform solutions and expanding our user base by attracting more registered physician users to make our *MedSci* platform the platform of choice for pharmaceutical and medical device companies in launching marketing campaigns	Recruiting and retaining 25 full-time medical experts and editors with extensive professional experience to enhance our academic medical knowledge and clinical study assistance capabilities with a salary range of RMB20,000 to RMB40,000 per month	[REDACTED]%	before December, 2025
		Increasing investment in content contributors to incentivize them to share their professional opinions and copyright owners to obtain licensed guidelines, papers and medical tools to diversify the knowledge library of our *MedSci* platform, creating more products that address the needs of our customers	[REDACTED]%	before December, 2024
		Attracting more registered physician users and driving up subscriptions by offering more premium contents on our *MedSci* platform	[REDACTED]%	before December, 2024

Major Categories	Sub-Categories	Specific Plans	% of Total [REDACTED]	Expected Timeframe
		Extending the service portfolio to address physicians' career development needs, such as personal intellectual property shaping that assists physicians and hospitals in opening up accounts on our platform to generate user-generated contents and various other academic medical contents and recruiting	[REDACTED]%	before December, 2024
	Approximately [REDACTED]%, or approximately HK$[REDACTED], for expanding our RWS solutions and precision omni-channel marketing solutions through retaining existing and attracting new pharmaceutical and medical device companies	Recruiting and retaining a total of 25 full-time content creation talents to support medical content creation services, pharmacoeconomics specialists to enhance value delivered to pharmaceutical and medical device companies, industry veterans with medical background, clinical study operation and management experience to enhance our daily operations with a salary range of RMB15,000 to RMB35,000 per month	[REDACTED]%	before December, 2025
		Improving our training programs to equip our employees with the latest medical, industry and regulatory knowledge	[REDACTED]%	before December, 2024
		Expanding customer network of pharmaceutical and medical device companies through continuous sales and marketing efforts	[REDACTED]%	before December, 2024
Approximately [REDACTED]% of the net [REDACTED], or approximately HK$[REDACTED], is expected to be used for further technology development.	Approximately [REDACTED]% of the net [REDACTED], or approximately HK$[REDACTED], for expert recruitment and collaboration	Recruiting and retaining 10 well-known scientists, researchers and engineers full-time in the fields of AI, big data and VR with a salary range of RMB40,000 to RMB80,000 per month as well as 5 seasoned specialists with a minimum of two-years experience in the field of data analytics, natural language processing, deep learning and medical study full-time with a salary range of RMB30,000 to RMB80,000 per month	[REDACTED]%	before December, 2025

Major Categories	Sub-Categories	Specific Plans	% of Total [REDACTED]	Expected Timeframe
		Exploring collaboration opportunities with universities renowned in the field of AI and big data to jointly develop digital therapy and diagnosis products	[REDACTED]%	after January 2023 and before December, 2024
	Approximately [REDACTED]% of the net [REDACTED], or approximately HK$[REDACTED] million, for enhancing our technological capabilities to promote our existing solutions offerings	Upgrading our RWS solutions through improving current research assistance modules on data management, project management, smart data collection and statistical analysis and through integrating AI, block chain and wearable technology and other latest technology into our service offering	[REDACTED]%	before December, 2024
		Upgrading our precision omni-channel marketing solutions by enriching the service offerings and introducing new marketing solutions such as, among others, an enhanced precision detailing platform, a smart user profiling system and other new marketing models	[REDACTED]%	before December, 2024
	Approximately [REDACTED]% of the net [REDACTED], or approximately HK$[REDACTED], for product innovation and development	Digital therapy programs covering more diseases	[REDACTED]%	before December, 2025
		VR diagnosis products with more clinical cases and better user interface	[REDACTED]%	before December, 2025
		Patient management tools	[REDACTED]%	before December, 2025
		Other digital tools that can empower hospitals to build their online research and development management system	[REDACTED]%	before December, 2025

Major Categories	Sub-Categories	Specific Plans	% of Total [REDACTED]	Expected Timeframe
	Approximately [REDACTED]% of the net [REDACTED], or approximately HK$[REDACTED], for enhancing our AI infrastructure	Purchasing a professional security system such as firewalls or other anti-hacking systems to safeguard our data and AI infrastructure	[REDACTED]%	before December, 2024
		Increasing spending on cloud-based computing by renting servers with data storage, emergency backup, big data and cloud-computing capabilities to support our platform and AI infrastructure and to build a better cloud system with useful clinical study assistance tools	[REDACTED]%	before December, 2024
		Recruiting and retaining 5 full-time research and development personnel with experience in data storage, server operation and maintenance with a salary range of RMB15,000 to RMB80,000 per month	[REDACTED]%	before December, 2025

FUTURE PLANS AND USE OF [REDACTED]

Major Categories	Sub-Categories	Specific Plans	% of Total [REDACTED]	Expected Timeframe
Approximately [REDACTED]% of the net [REDACTED], or approximately HK$[REDACTED], is expected to be used for our potential investments and acquisitions or strategic alliances with companies that can generate synergies with our businesses. According to Frost & Sullivan, there are approximately 50 companies that fit our criteria in China. As of the Latest Practicable Date, we have not identified any target for potential acquisition.	Planning to explore opportunities to invest in, or to acquire the equity interests of a) companies that operate platform solutions for medical professionals. We primarily focus on platform providers that cover at least 40% of the total medical professionals in any respective field, have a sufficient grassroots physician user base, or rank top three in their fields of operation, b) companies that can generate synergies with our RWS solutions that have a broad customer base and technology capabilities, c) companies that can generate synergies with our precision omni-channel marketing solutions with a relatively mature business operation team and products and d) companies that have a stable customer base and generate revenue in the most recent fiscal year with leading technology in the field of AI and diagnosis technology		[REDACTED]%	after January 2023 and before December, 2025
	Seek strategic cooperation opportunities with CROs focusing on serving medical products before the commercialization stage to generate synergies and with insurance companies in the field of commercial insurance and pharmacy catalog design and research		[REDACTED]%	after January 2023 and before December, 2025
Approximately [REDACTED]% of the net [REDACTED], or approximately HK$[REDACTED], is expected to be used for working capital and general corporate purposes			[REDACTED]%	before December, 2024

FUTURE PLANS AND USE OF [REDACTED]

In the event that the [REDACTED] is set at the Maximum [REDACTED] or the Minimum [REDACTED] of the indicative [REDACTED] range, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK$[REDACTED], respectively. If we make an Upward or Downward [REDACTED] Adjustment to set the final [REDACTED] to be above or below the mid-point of the [REDACTED] Range, we will increase or decrease the allocation of the net [REDACTED] to the above purposes on a pro rata basis.

The additional net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be (i) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per Share, being the Maximum [REDACTED]), (ii) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the [REDACTED] Range) and (iii) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per Share, being the Minimum [REDACTED]).

To the extent that the net [REDACTED] from the [REDACTED] (including the net [REDACTED] from the exercise of the [REDACTED]) are either more or less than expected, we may adjust our allocation of the net [REDACTED] for the above purposes on a pro rata basis.

We will only deposit the net [REDACTED] which are not immediately applied into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance, and the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits.

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The following is the text of a report on MedSci Healthcare Holdings Limited, prepared for the purpose of incorporation in this document received from the reporting accountants of our Company, Ernst & Young, Certified Public Accountants, Hong Kong.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF MEDSCI HEALTHCARE HOLDINGS LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND MACQUARIE CAPITAL LIMITED

Introduction

We report on the historical financial information of MedSci Healthcare Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-83, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2020, 2021 and 2022 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group as at 31 December 2020, 2021 and 2022, and the statements of financial position of the Company as at 31 December 2021 and 2022, and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-83 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with the initial [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2020, 2021 and 2022 and the Company as at 31 December 2021 and 2022, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

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

[•]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by HKICPA (the "**Underlying Financial Statements**").

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2020	2021	2022
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
REVENUE	5	215,854	297,731	348,950
Cost of sales		(98,822)	(107,921)	(142,629)
GROSS PROFIT		117,032	189,810	206,321
Other income and gains	5	4,411	7,918	13,792
Selling and distribution expenses		(46,587)	(83,217)	(94,901)
Administrative expenses		(22,318)	(39,619)	(73,392)
Research and development expenses	6	(18,078)	(24,412)	(35,013)
Impairment losses on financial and contract assets		(507)	(6,504)	(2,534)
Fair value losses on convertible redeemable preferred shares	23	—	(190,630)	(109,350)
Other expenses		(359)	(133)	(858)
Finance costs	7	(421)	(271)	(357)
PROFIT/(LOSS) BEFORE TAX	6	33,173	(147,058)	(96,292)
Income tax expense	10	(4,259)	(3,972)	(3,589)
PROFIT/(LOSS) FOR THE YEAR		28,914	(151,030)	(99,881)
Attributable to:				
Owners of the parent		28,914	(151,030)	(99,881)
OTHER COMPREHENSIVE (LOSS)/INCOME				
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:				
Translation difference of the Company's financial statements into presentation currency		—	(438)	18,280
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of the foreign operations		(126)	(61)	185
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX		(126)	(499)	18,465
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		28,788	(151,529)	(81,416)
Attributable to:				
Owners of the parent		28,788	(151,529)	(81,416)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	3.03	(17.64)	(12.86)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At as 31 December		
		2020	2021	2022
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	13	18,114	18,020	17,363
Right-of-use assets	14(a)	10,039	4,599	10,229
Intangible assets	15	—	—	1,567
Deposits	19	—	—	1,196
Deferred tax assets	16	65	1,199	1,306
Total non-current assets		28,218	23,818	31,661
CURRENT ASSETS				
Trade receivables	17	17,537	29,693	37,720
Contract assets	18	22,088	50,942	64,927
Due from a related party	29(b)	250	250	250
Prepayments, deposits and other receivables	19	5,875	8,508	12,691
Cash and bank balances	20	276,972	596,002	599,266
Total current assets		322,722	685,395	714,854
CURRENT LIABILITIES				
Trade payables	21	2,388	1,587	1,967
Other payables and accruals	22	142,277	159,756	154,148
Lease liabilities	14(b)	6,353	3,404	5,526
Tax payable		300	8,018	2,163
Total current liabilities		151,318	172,765	163,804
NET CURRENT ASSETS		171,404	512,630	551,050
TOTAL ASSETS LESS CURRENT LIABILITIES		199,622	536,448	582,711
NON-CURRENT LIABILITIES				
Convertible redeemable preferred shares	23	—	603,067	720,907
Lease liabilities	14(b)	2,910	596	4,068
Total non-current liabilities		2,910	603,663	724,975
NET ASSETS/(LIABILITIES)		196,712	(67,215)	(142,264)
EQUITY				
Equity attributable to owners of the parent				
Share capital	24	—	5	5
Treasury shares	24	—	—*	—*
Convertible preferred shares	23	—	53,417	53,417
Reserves	26	196,712	(120,637)	(195,686)
TOTAL EQUITY/(DEFICIENCY IN ASSETS)		196,712	(67,215)	(142,264)

* *Amount less than RMB1,000.*

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						
	Issued capital	Capital reserve*	Merger reserve*	Exchange fluctuation reserve*	Share-based payment reserve*	Accumulated losses*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 24	*Note 26*	*Note 26*		*Note 25*		
At 1 January 2020	—	68,588	9,694	84	86,962	(97,404)	67,924
Profit for the year	—	—	—	—	—	28,914	28,914
Other comprehensive loss for the year							
Exchange differences on translation of foreign operations	—	—	—	(126)	—	—	(126)
Total comprehensive income/(loss) for the year	—	—	—	(126)	—	28,914	28,788
Capital contribution from the then equity holders of a subsidiary	—	99,515	485	—	—	—	100,000
At 31 December 2020	—	168,103	10,179	(42)	86,962	(68,490)	196,712

	Attributable to owners of the parent								
	Issued capital	Treasury Shares	Convertible preferred shares	Capital reserve*	Merger reserve*	Exchange fluctuation reserve*	Share-based payment reserve*	Accumulated losses*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 24	*Note 24*	*Note 23*	*Note 26*	*Note 26*		*Note 25*		
At 31 December 2020 and 1 January 2021	—	—	—	168,103	10,179	(42)	86,962	(68,490)	196,712
Loss for the year	—	—	—	—	—	—	—	(151,030)	(151,030)
Other comprehensive loss for the year:									
Exchange differences on translation of the Company's financial statements	—	—	—	—	—	(438)	—	—	(438)
Exchange differences on translation of foreign operations	—	—	—	—	—	(61)	—	—	(61)
Total comprehensive loss for the year	—	—	—	—	—	(499)	—	(151,030)	(151,529)
Capital reduction of the then holding company	—	—	—	—	(125)	—	—	(3,750)	(3,875)
Reacquired and held shares by the Company for share award scheme *(note 25)*	—	—**	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	—	—	8,151	—	8,151
Issue of the ordinary shares of the Company	5	—	—	—	—	—	—	—	5
Conversion into convertible preferred shares from ordinary shares of a subsidiary	—	—	53,417	(53,417)	—	—	—	—	—
Conversion into convertible redeemable preferred shares from ordinary shares of a subsidiary *(note 23)*	—	—	—	(116,679)	—	—	—	—	(116,679)
At 31 December 2021	5	—**	53,417	(1,993)	10,054	(541)	95,113	(223,270)	(67,215)

	Attributable to owners of the parent								
	Issued capital	Treasury Shares	Convertible preferred shares	Capital reserve*	Merger reserve*	Exchange fluctuation reserve*	Share-based payment reserve*	Accumulated losses*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 24	*Note 24*	*Note 23*	*Note 26*	*Note 26*		*Note 25*		
At 31 December 2021 and 1 January 2022	5	—**	53,417	(1,993)	10,054	(541)	95,113	(223,270)	(67,215)
Loss for the year	—	—	—	—	—	—	—	(99,881)	(99,881)
Other comprehensive income for the year:									
Exchange differences on translation of the Company's financial statements	—	—	—	—	—	18,280	—	—	18,280
Exchange differences on translation of foreign operations	—	—	—	—	—	185	—	—	185
Total comprehensive income/(loss) for the year	—	—	—	—	—	18,465	—	(99,881)	(81,416)
Capital contribution from the then equity holders of a subsidiary	—	—	—	—	100	—	—	—	100
Share-based payments	—	—	—	—	—	—	6,267	—	6,267
Conversion into convertible redeemable preferred shares from ordinary shares of a subsidiary *(note 23)*	—**	—	—	—	—	—	—	—	—**
At 31 December 2022	5	—**	53,417	(1,993)	10,154	17,924	101,380	(323,151)	(142,264)

* *These reserve accounts comprise the consolidated reserves of RMB196,712,000, RMB(120,637,000) and RMB(195,686,000) in the consolidated statements of financial position as at 31 December 2020, 2021 and 2022, respectively.*

** *Amount less than RMB1,000.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
		2020	2021	2022
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax		33,173	(147,058)	(96,292)
Adjustments for:				
Interest income	5	(1,469)	(4,845)	(10,379)
Impairment of trade receivable	6, 17	174	673	160
Impairment of contract assets	6, 18	333	5,750	2,379
Impairment/(reversal of impairment) of other receivables	6, 19	—	81	(5)
Depreciation of property, plant and equipment	6, 13	770	983	1,145
Depreciation of right-of-use assets	6, 14	6,335	7,493	7,155
Amortisation of intangible assets	6, 15	—	—	78
Gain on disposal of subsidiaries	5, 27	—	(836)	—
Loss on deregistration of a subsidiary	6, 27	—	—	71
Fair value losses on convertible redeemable preferred shares	6, 23	—	190,630	109,350
Fair value gain of financial assets at fair value through profit or loss	5, 6	(996)	—	—
Finance costs	7	421	271	357
Equity-settled share-based payments	6, 25	—	8,151	6,267
		38,741	61,293	20,286
Increase in trade receivables		(1,434)	(12,829)	(8,187)
Increase in contract assets		(10,822)	(34,604)	(16,364)
Increase in prepayments, deposits and other receivables		(994)	(3,234)	(5,377)
Increase/(decrease) in trade payables		124	(795)	380
Increase/(decrease) in other payables and accruals		35,209	20,063	(5,608)
Cash generated from/(used in) operations		60,824	29,894	(14,870)
Interest received		1,469	4,845	10,379
Income tax (paid)/refund		(6,093)	2,612	(9,551)
Net cash flows from/(used in) operating activities		56,200	37,351	(14,042)

	Notes	Year ended 31 December 2020 RMB'000	2021 RMB'000	2022 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment	13	(1,111)	(889)	(519)
Purchases of items of intangible assets	15	—	—	(1,645)
Proceeds from disposal of financial assets at fair value through profit and loss		31,475	—	—
Disposal of items of property, plant and equipment	13	—	—	31
Disposal of subsidiaries	27	—	(1,145)	—
Advance to a related party		(250)	—	—
Repayment from a director		1,300	—	—
Net cash flows (used in)/from investing activities		**31,414**	**(2,034)**	**(2,133)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease payments (including related interests)		(6,909)	(7,671)	(7,616)
Capital contribution from the then equity holders of a subsidiary		100,000	—	100
Issue of convertible redeemable preferred shares		—	297,102	—
Deemed distribution to the then equity holders of a subsidiary		—	(3,875)	—
Net cash flows from/(used in) financing activities		93,091	285,556	(7,516)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		180,705	320,873	(23,691)
Cash and cash equivalents at beginning of year		96,393	276,972	596,002
Effect of foreign exchange rate changes, net		(126)	(1,843)	26,955
CASH AND CASH EQUIVALENTS AT END OF YEAR		276,972	596,002	599,266
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	20	276,972	596,002	599,266

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2021 RMB'000	As at 31 December 2022 RMB'000
NON-CURRENT ASSETS			
Investment in a subsidiary, at cost	26(d)	—*	14,418
Total non-current assets		—*	14,418
CURRENT ASSETS			
Other receivables		5	481
Cash and bank balances	20	296,055	304,306
Total current assets		296,060	304,787
NON-CURRENT LIABILITIES			
Convertible redeemable preferred shares	23	603,067	720,907
Total non-current liabilities		603,067	720,907
NET LIABILITIES		(307,007)	(401,702)
EQUITY			
Share capital	24	5	5
Treasury shares	24	—*	—*
Convertible preferred shares	23	53,417	53,417
Reserves	26	(360,429)	(455,124)
DEFICIENCY IN ASSETS		(307,007)	(401,702)

* *Amount less than RMB1,000.*

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

MedSci Healthcare Holdings Limited (the "**Company**") is incorporated in Cayman Islands on 22 June 2021 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office address of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The principal place of business of the Group is at Floor 3, Lane 425, Yishan Road, Xuhui District, Shanghai, China.

The Company is an investment holding company. During the Relevant Periods, the principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are provision of physician platform solutions, precision omni-channel marketing solutions, and real-world study solutions (collectively the "**[REDACTED] Business**") in the People's Republic of China (the "**PRC**").

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Document. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	*Notes*	Place and date of incorporation/ establishment and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Directly held:					
MedSci Healthcare Holdings (BVI) Limited ("**Medsci Healthcare BVI**")	(1)	British Virgin Islands ("**BVI**") 24 June 2021	United States Dollar ("**USD**") 1	100%	Investment holding
Indirectly held:					
MedSci Healthcare Holdings (Hong Kong) Limited ("**Medsci Healthcare HK**"). .	(1)	Hong Kong 6 August 2021	Hong Kong Dollar ("**HKD**") 1	100%	Investment holding
Medsci Inc. ("**Medsci INC**") . .	(1)	the United States 18 April 2018	USD200,000	100%	Medical big data, medical education and training
Shanghai Meiyi Hehong Technology Co., Ltd. 上海梅益合宏科技有限公司 ("**Shanghai Meiyi Hehong**")*	(1)	PRC/Mainland China 9 October 2021	RMB10,000,000	100%	Investment holding
Shanghai MedSci MedTech Co., Ltd. 上海梅斯醫藥科技有限公司 ("**Shanghai MedSci**") . . .	(2),(3)	PRC/Mainland China 6 November 2012	RMB10,053,624	100%	Investigator initiated clinical research, investigator initiated trials post-marketing clinical research, and precision omni-channel marketing

Name	*Notes*	Place and date of incorporation/ establishment and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Shanghai Chungu Bio Medical Technology Co., Ltd. 上海春谷生物醫藥科技有限公司 ("**Shanghai Chungu**") . . .	(1),(3)	PRC/Mainland China 21 January 2013	RMB10,000,000	100%	Precision omni-channel marketing
Beijing Jianyiyun Medical Technology Co., Ltd. 北京簡醫雲醫藥科技有限公司 ("**Beijing Jianyiyun**")	(1),(3),(4)	PRC/Mainland China 28 January 2019	RMB1,000,000	100%	Precision omni-channel marketing
Hangzhou Yilan Information Technology Co., Ltd. 杭州醫覽信息科技有限公司 ("**Hangzhou Yilan**")	(1),(3)	PRC/Mainland China 31 October 2018	RMB10,000,000	100%	Internet data services
Medical Internet Hospital (Guangzhou) Co., Ltd. 醫咖互聯網醫院(廣州)有限公司 ("**Yika Internet**").	(1),(3)	PRC/Mainland China 3 September 2018	RMB1,000,000	100%	Precision omni-channel marketing
Hangzhou Yika Technology Co., Ltd. 杭州醫咖科技有限公司 ("**Hangzhou Yika**")	(1),(3),(4)	PRC/Mainland China 31 October 2018	RMB1,000,000	100%	Precision omni-channel marketing
Anhui Yixunda Technology Co., Ltd. 安徽醫訊達科技有限公司 ("**Anhui Yixunda**").	(1),(3),(4)	PRC/Mainland China 29 March 2019	RMB5,000,000	100%	Precision omni-channel marketing
Shanghai Yicheng Information Technology Co., Ltd. 上海醫呈信息技術有限公司 ("**Shanghai Yicheng**")	(1),(3)	PRC/Mainland China 19 August 2021	RMB1,000,000	100%	Precision omni-channel marketing
Hefei Kangen Information Technology Co., Ltd. 合肥康恩信息技術有限公司 ("Hefei Kangen")	(1),(3)	PRC/Mainland China 8 June 2021	RMB1,000,000	100%	Precision omni-channel marketing

* *Shanghai Meiyi Hehong is registered as a wholly-foreign-owned enterprise under PRC law.*

(1) No audited financial statements have been prepared for these entities for the years ended 31 December 2020, 2021 and 2022 as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation or establishment.

(2) The statutory financial statements of the entity for the year ended 31 December 2020 prepared in accordance with PRC generally accepted accounting principles ("**PRC GAAP**") and regulations were audited by Zhonglei Certified Public Accountants (中磊會計師事務所), a certified public accounting firm registered in the PRC. The statutory financial statements of the entity for the year ended 31 December 2021 prepared in accordance with PRC GAAP and regulations were audited by Chengyu Certified Public Accountants (澄宇會計師事務所), a certified public accounting firm registered in the PRC.

(3) During the Relevant Periods, the [REDACTED] Business was carried out by Shanghai MedSci and its subsidiaries in the Mainland China as listed in the above table (collectively the "**PRC Operating Entities**").

(4) Hangzhou Yika and Beijing Jianyiyun were deregistered on 15 December 2021 and 8 February 2022, respectively. In addition, Anhui Yixunda and Hefei Ruilekang Pharmacy Co., Ltd. have been disposed of in November 2021 (note 27).

The Group's subsidiaries registered in the PRC are all limited liability companies.

The English names of the subsidiaries registered in the PRC represent the best efforts of management of the Company in directly translating the Chinese names of these subsidiaries as no official English names have been registered.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation as more fully explained in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Document, the Company became the holding company of the companies now comprising the Group on 25 April 2022. The insertion of new holding companies and the contractual arrangements ("**the Contractual Arrangements**") did not result in any change of economic substance and no real alteration to the composition or ownership of the PRC Operating Entities. Accordingly, the consolidated financial statements of the Company reflect the continuation of Shanghai MedSci and its subsidiaries.

The [REDACTED] Business was carried out by the PRC Operating Entities. As part of the Reorganisations, the wholly-owned subsidiary of the Company, Shanghai Meiyi Hehong, has entered into the Contractual Arrangements with, among others, the PRC Operating Entities and their respective legal equity holders (referred to as "**Registered Shareholders**"). The Contractual Arrangements enable Shanghai Meiyi Hehong to exercise effective control over the PRC Operating Entities and obtain substantially all economic benefits and assume substantially all the risk of the PRC Operating Entities.

Accordingly, the Company regards the PRC Operating Entities as indirect subsidiaries for the purposes of the Historical Financial Information and they are consolidated in the Historical Financial Information continuously. Details of the Contractual Arrangements are disclosed in the section headed "Contractual Arrangements" in the Document.

The consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods include the results and cash flows of all companies now comprising the Group from the earliest date presented. The consolidated statements of financial position of the Group as at 31 December 2020, 2021 and 2022 have been prepared to present the assets and liabilities of the subsidiaries using the existing book values. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

All intra-group transactions and balances have been eliminated on consolidation in full.

As at 31 December 2022, the Group recorded deficiency in assets of approximately RMB142.3 million, mainly resulting from convertible redeemable preferred shares with an aggregate carrying amount of approximately RMB720.9 million. The directors of the Company are of the opinion that the Group will have sufficient working capital from its operation to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next 12 months from 31 December 2022 after taking into account, *inter alia*, the historical operating performance of the Group and the expectation that the Company's convertible redeemable preferred shares are not required to be settled in the next 12 months. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRSs effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets measured at fair value through profit or loss and the convertible redeemable preferred shares (classified as financial liabilities) which have been measured at fair value at the end of each of the Relevant Periods.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Historical Financial Information

Amendments to IFRS 10 and IAS28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
IFRS 17	*Insurance Contracts*[2]
Amendments to IFRS 17	*Insurance Contracts*[2, 3]
Amendment to IFRS 17	*Initial Application of IFRS17 and IFRS9 – Comparative Information*[4]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[5]
Amendments to IAS 1	*Non-current Liabilities with Covenants*[5]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to IAS 8	*Definition of Accounting Estimates*[2]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[5]

1 No mandatory effective date yet determined but available for adoption

2 Effective for annual periods beginning on or after 1 January 2023

3 As a consequence of the amendments to IFRS 17 issued in 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

4 The IASB amends IFRS17 to permit a classification overlay for financial assets presented in comparative periods on initial application of IFRS17

5 Effective for annual periods beginning on or after 1 January 2024

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in certain accounting policies and are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control.

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investments retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Investment in a subsidiary

In the Company's statements of financial statements, an investment in a subsidiary is stated at cost less any impairment losses unless the investment is classified as held for sale (or included in a disposal group) and accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Dividends from a subsidiary are recognized in the Company's profit or loss when the Company's right to receive the dividends is established.

Fair value measurement

The Group measures its wealth management products and convertible redeemable preferred shares at fair value at the end of each Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or

the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	—	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, contract assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises (only if there are revalued assets in the Historical Financial Information), unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is controlled or jointly controlled by a person identified in (a);

(vi) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(vii) the entity, or any member of a group of which it is a part, provides key management personnel services to Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.09%
Furniture and facilities	19.00%
Devices and equipment	19.00%–31.67%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of ten years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leased office buildings	24 to 72 months

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of employee's apartment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Investment and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value though profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each of the Relevant Periods. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals and lease liabilities as well as convertible redeemable preferred shares.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade payables, other payables and accruals)

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Convertible preferred shares

The Series A-1, A-2, B and C of convertible preferred shares (collectively, the "**Preferred Shares**") issued by the Company are classified, on the basis of their component parts, as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The preferred shares issued are classified as equity if they are non-redeemable by the Company or redeemable only at the Company's option, and any dividends are discretionary. Dividends on preferred shares capital classified as equity are recognised as distributions within equity. The preferred shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of the preferred shares (including options that are only exercisable in case of triggering events having occurred).

The Series A-1 preferred shares issued by the Company are non-redeemable and meet the definition of an equity instrument in accordance with IAS 32.16 since the Company does not have contractual obligation to make any payment. The Series A-2, B and C preferred shares issued by the Company are redeemable upon occurrence of certain future events which are outside the control of the Company and meet the definition of financial liabilities. These instruments can also be converted into ordinary shares of the Company at any time at the option of the holders, or automatically upon occurrence of an [REDACTED] of the Company, or other conditions as detailed in note 23 to the Historical Financial Information.

The Group designated the Series A-2, B and C preferred shares as financial liabilities at fair value through profit or loss. They are initially recognised at fair value. Any directly attributable transaction costs are recognised as finance costs in profit or loss as incurred. The component of fair value changes relating to the Company's own credit risk is recognised in other comprehensive income. Amounts recorded in other comprehensive income related to credit risk are not subject to subsequent recycling in profit or loss, but are transferred to retained earnings when realised. Fair value changes relating to market risk are recognised in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss or other comprehensive income for the purchase, sale, issue or cancellation of the Company's own equity instruments.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and bank balances comprise cash on hand and at banks, including time deposits, and assets similar in nature to cash, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised on a systematic basis over the periods as deduction from the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group transfers control of goods or services over time and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

The Group derives revenue from rendering of services of physician platform solutions, precision omni-channel marketing solutions, real-world study solutions and sales of goods.

(a) Physician platform solutions

Physician platform solutions provide medical knowledge and clinical study assistance services to physicians, addressing physicians' lifelong research and learning needs. Medical knowledge services involve provision of professional medical information to physicians, covering the lifelong learning needs of physicians and the needs of other healthcare industry professionals. Clinical study assistance services involve provision of initiate clinical study, or investigator initiated trials ("**IITs**"), which are complex with the purpose of exploring the origins, development and treatment of diseases to enhance overall healthcare quality.

Revenue from medical knowledge service is recognised over the expected usage periods because the customer simultaneously receives and consumes the benefits provided by the Group.

For clinical study assistance services, the customer simultaneously receives and consumes the benefits provided by the Group and the Group has an enforceable right to payment from the customer for its performance completed to date according to the contracts. As a result, revenue from clinical study assistance service is recognised over time.

Input method is used to measure progress towards complete satisfaction of the service. The input method recognised revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the service.

(b) Precision omni-channel marketing solutions

Precision omni-channel marketing solutions enable pharmaceutical and medical device companies to efficiently reach target physicians and effectively convey information about medical products. Contracts include a single performance obligation as delivery of integrated services over a period of time. Revenue is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Group.

For contracts with contract price based on and linked to the volume of the customers' sales of pharmaceuticals, they are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled. The Group uses an output method to measure progress towards complete satisfaction of the service.

For contracts not linked to sales of products which are generally at fixed price and are settled according to progress specified in the contracts, the Group uses an input method to measure progress towards complete satisfaction of the service.

(c) Real-world study solutions

Real-world study solutions involve provision of a comprehensive package of highly interdependent and interrelated services, including protocol design, data collection and assessment, project operation, statistical analysis and publication plan, to support pharmaceutical and medical device companies' real-world evidence-based research.

For the real-world study solutions, the Group considers that the series of ingredient activities undertaken are substantially the same and have the same pattern of transfer to the customers, and therefore accounts for them as one performance obligation. The Group recognises revenue for the real-world study solutions ratably during the service period as the customers simultaneously receive and consume the benefits.

(d) Others

The Group sells medical products in offline pharmacies. Revenue from the sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of goods. For sales of goods, the Group acts as principal and is primarily responsible for selling goods to the customers, the Group recognises the fee received or receivable from customers as its revenue and all related goods costs as its cost of sales.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Group operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a discounted cash flow model, further details of which are given in note 25 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders of the Company in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the financial periods.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currency of the Company is HKD and certain subsidiaries' functional currencies are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of the Company and these foreign operations are translated into presentation currency of RMB at the exchange rates prevailing at the end of the reporting periods and their profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions for each of the Relevant Periods. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Contractual Arrangements

As disclosed in note 2.1, the Group exercises control over the PRC Operating Entities and enjoys substantially all economic benefits and is exposed to risk of the PRC Operating Entities through the Contractual Arrangements.

The Company does not have any direct equity interests in the PRC Operating Entities. However, as a result of the Contractual Arrangements, the Company has power over the PRC Operating Entities, has rights to variable returns from its involvement with the PRC Operating Entities and has the ability to affect those returns through its power over the PRC Operating Entities. Consequently, the Company regards the PRC Operating Entities as indirect subsidiaries and has consolidated the financial position and results of the PRC Operating Entities in the Historical Financial Information throughout the Relevant Periods.

Revenue from contracts with customers

The Group applied judgement in determining the method to estimate the variable consideration and assessing the constraint for rendering the precision omni-channel marketing solutions linked to sales of products that significantly affect the determination of the amount of revenue from contracts with customers.

Certain contracts entered into during the year ended 31 December 2022 for the rendering of services of precision omni-channel marketing solutions include variable consideration that are based on volume milestones. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

In estimating the variable consideration for the rendering of services of precision omni-channel marketing solutions with volume milestones, the Group determined that using the expected value method is appropriate. The selected method that better predicts the amount of variable consideration related to volume milestones is primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are constrained based on its historical experience, business forecast and the current economic conditions for the year ended 31 December 2022. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The provision of contract assets is made based on assessment of their recoverability and ageing as well as other quantitative and qualitative information and on management's judgment and assessment of the forward-looking information.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in notes 17 and 18 to the Historical Financial Information, respectively.

Fair value of convertible redeemable preferred shares

The fair value of the convertible redeemable preferred shares is determined using the valuation techniques, including the discounted cash flow method and the option-pricing method. Such valuation is based on key parameters about discounts for lack of marketability and volatility, which are subject to uncertainty and might materially differ from the actual results. The fair value of convertible redeemable preferred shares at 31 December 2021 and 2022 were RMB603,067,000 and RMB720,907,000, respectively. Further details are included in notes 23 and 31 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

As explained in note 1 to the Historical Financial Information, the Group is principally engaged in the provision of physician platform solutions, precision omni-channel marketing solutions and real-world study solutions in the PRC.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of the resource allocation and assessment of performance does not contain discrete operating segment financial information and directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Mainland China	215,847	297,731	348,950
United States of America	7	—	—
	215,854	297,731	348,950

The revenue information above is based on the locations of the customers.

(b) Non-current assets

Almost all of the Group's non-current assets as at the end of each of the Relevant Periods were located in Mainland China. Accordingly, no geographical information of segment assets is presented.

Information about major customers

No revenue from sales to a single customer accounted for 10% or more of the Group's revenue for each of the Relevant Periods. The revenue from sales to a group of customers under common control accounted for 10% or more of the Group's revenue during each of the Relevant Periods is set out below:

	Year ended 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Customer group A	23,361	NA*	NA*
Customer group B	NA*	31,293	NA*
Customer group C	NA*	NA*	39,010

* *The corresponding revenue is not disclosed as the revenue amount did not account for 10% or more of the Group's revenue for each of the Relevant Periods.*

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Revenue			
Revenue from contracts with customers	215,854	297,731	348,950

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2020

	Physician platform solutions *RMB'000*	Precision omni-channel marketing solutions *RMB'000*	Real-world study solutions *RMB'000*	Others *RMB'000*	Total *RMB'000*
Types of goods or services					
Sale of goods	—	—	—	907	907
Provision of services	72,602	130,608	11,737	—	214,947
Total revenue from contracts with customers	72,602	130,608	11,737	907	215,854
Geographical markets					
Mainland China	72,602	130,601	11,737	907	215,847
Overseas	—	7	—	—	7
Total revenue from contracts with customers	72,602	130,608	11,737	907	215,854
Timing of revenue recognition					
At a point in time	—	—	—	907	907
Over time	72,602	130,608	11,737	—	214,947
Total revenue from contracts with customers	72,602	130,608	11,737	907	215,854

For the year ended 31 December 2021

	Physician platform solutions *RMB'000*	Precision omni-channel marketing solutions *RMB'000*	Real-world study solutions *RMB'000*	Others *RMB'000*	Total *RMB'000*
Types of goods or services					
Sale of goods	—	—	—	625	625
Provision of services	76,446	184,070	36,590	—	297,106
Total revenue from contracts with customers	76,446	184,070	36,590	625	297,731
Geographical markets					
Mainland China	76,446	184,070	36,590	625	297,731
Timing of revenue recognition					
At a point in time	—	—	—	625	625
Over time	76,446	184,070	36,590	—	297,106
Total revenue from contracts with customers	76,446	184,070	36,590	625	297,731

For the year ended 31 December 2022

	Physician platform solutions *RMB'000*	Precision omni-channel marketing solutions *RMB'000*	Real-world study solutions *RMB'000*	Others *RMB'000*	Total *RMB'000*
Types of goods or services					
Provision of services	89,136	198,508	61,306	—	348,950
Geographical markets					
Mainland China	89,136	198,508	61,306	—	348,950
Timing of revenue recognition					
Over time	89,136	198,508	61,306	—	348,950
Total revenue from contracts with customers	89,136	198,508	61,306	—	348,950

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of year	86,927	118,970	124,341

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Physician platform solutions

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Precision omni-channel marketing solutions and real-world study solutions

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 180 days from the date of billing. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Others

The performance obligation is satisfied upon delivery of goods and payment is generally due on receipt of goods. There was no unsatisfied performance obligation at the end of each of the Relevant Periods.

		Year ended 31 December		
		2020	2021	2022
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Other income				
Bank interest income		1,469	4,845	10,379
Tax linked incentives by local authorities		1,667	1,624	1,918
Government grants*		—	—	600
Value-added tax		266	521	744
Others		13	92	151
		3,415	7,082	13,792
Gains				
Fair value gain of financial assets at fair value through profit or loss		996	—	—
Gain on disposal of subsidiaries	27	—	836	—
		996	836	—
		4,411	7,918	13,792

* *Various government grants have been received for operation within Shanghai, Mainland China, to reward business performance and support operational development of enterprises in that area. There are no unfulfilled conditions or contingencies relating to these grants.*

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

		Year ended 31 December		
		2020	2021	2022
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Cost of services provided		66,202	59,243	90,770
Cost of goods sold		595	428	—
Depreciation of property, plant and equipment	13	770	983	1,145
Depreciation of right-of-use assets	14	6,335	7,493	7,155
Amortisation of intangible assets	15	—	—	78
Research and development expenses*		18,078	24,412	35,013
Impairment/(reversal of Impairment) of financial assets, net:				
— Trade receivables	17	174	673	160
— Contract assets	18	333	5,750	2,379
— Other receivables	19	—	81	(5)
Lease payment not included in the measurement of lease liabilities	14(c)	104	175	80
Bank interest income	5	(1,469)	(4,845)	(10,379)
Tax incentives	5	(1,933)	(2,145)	(2,662)
Fair value losses on convertible redeemable preferred shares	23	—	190,630	109,350
Fair value gain of financial assets at fair value through profit or loss	5	(996)	—	—
Gain on disposal of subsidiaries	27	—	(836)	—
Loss on deregistration of a subsidiary	27	—	—	71
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expenses (including directors' and chief executive's remuneration *(note 8)*):				
Salaries, bonus and other allowances		88,962	125,627	136,042
Pension scheme contributions and social welfare		10,749	32,030	34,651
Equity-settled share-based payments	25	—	8,151	6,267
		99,711	165,808	176,960

* *The amounts disclosed for research and development expenses included direct employee costs and overhead costs (e.g., depreciation of the related equipment) and represent current year's expenditures.*

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	421	271	357

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Certain of the directors received remunerations from entities now comprising the Group prior to their appointment as the directors of the Company. Details of the remuneration received or receivable by the directors from the Group entities and included in the Historical Financial Information are as follows:

	Year ended 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Fees	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind	1,778	1,963	2,777
Performance-related bonuses*	194	253	347
Pension scheme contributions and social welfare	195	394	526
Total	2,167	2,610	3,650

(a) Independent non-executive directors

Ms. Liu Tao, Mr. Yu Mingyang and Mr. Lau Yiu Kwan Stanley were appointed as independent non-executive directors of the Company on 21 April 2022.

There was no emolument paid or payable to the independent non-executive directors of the Company during the Relevant Periods.

(b) Executive directors and non-executive directors

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors before 22 June 2021, the date of incorporation of the Company.

Dr. Zhang Fabao and Mr. Wang Shuai were appointed as executive directors of the Company in November 2021.

Dr. Li Xinmei was appointed as the Company's chief executive officer in November 2021 and an executive director of the Company in June 2021.

Mr. Fan Jie was appointed as an executive director and co-chief executive officer of the Company in April 2022.

Mr. Hu Xubo and Mr. Yan Shengfeng were appointed as non-executive directors of the Company in November 2021.

Year ended 31 December 2020

	Salaries, allowances and benefits in kind	**Performance related bonuses***	**Pension scheme contributions and social welfare**	**Total remuneration**
		RMB'000	*RMB'000*	*RMB'000*
Executive directors:				
— Dr. Zhang Fabao	700	50	68	818
— Dr. Li Xinmei	342	—	69	411
— Mr. Wang Shuai.	736	144	58	938
— Mr. Fan Jie	—	—	—	—
Non-executive directors:				
— Mr. Hu Xubo.	—	—	—	—
— Mr. Yan Shengfeng . . .	—	—	—	—
	1,778	194	195	2,167

Year ended 31 December 2021

	Salaries, allowances and benefits in kind	**Performance related bonuses***	**Pension scheme contributions and social welfare**	**Total remuneration**
		RMB'000	*RMB'000*	*RMB'000*
Executive directors:				
— Dr. Zhang Fabao	733	48	136	917
— Dr. Li Xinmei	399	30	139	568
— Mr. Wang Shuai.	831	175	119	1,125
— Mr. Fan Jie	—	—	—	—
Non-executive directors:				
— Mr. Hu Xubo.	—	—	—	—
— Mr. Yan Shengfeng . . .	—	—	—	—
	1,963	253	394	2,610

Year ended 31 December 2022

	Salaries, allowances and benefits in kind	Performance related bonuses*	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
— Dr. Zhang Fabao	857	48	141	1,046
— Dr. Li Xinmei	368	30	153	551
— Mr. Wang Shuai	861	252	120	1,233
— Mr. Fan Jie	691	17	112	820
Non-executive directors:				
— Mr. Hu Xubo	—	—	—	—
— Mr. Yan Shengfeng	—	—	—	—
	2,777	347	526	3,650

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the operating profit after tax which excluded the non-recurring items of the Group.

During the Relevant Periods, no remuneration was paid or payable by the Group to the directors and the chief executive as an inducement to join or upon joining the Group or as compensation for the loss of office.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2020, 2021 and 2022 included 2 directors, 1 director and 1 director, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the years ended 31 December 2020, 2021 and 2022 of the remaining 3, 4 and 4 highest paid employees who are neither a director nor chief executive of the Company, respectively, are as follows:

	Year ended 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,556	2,081	2,536
Performance-related bonuses*	204	615	756
Pension scheme contributions and social welfare	130	336	399
Equity-settled share-based payments	—	5,620	4,342
Total	1,890	8,652	8,033

* *Certain employees of the Company are entitled to bonus payments which are determined as a percentage of the operating profit after tax which excluded the non-recurring items of the Group.*

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2020	2021	2022
HK$500,001 to HK$1,000,000	3	—	—
HK$1,000,001 to HK$1,500,000	—	1	3
HK$1,500,001 to HK$2,000,000	—	2	—
HK$4,500,001 to HK$5,000,000	—	—	1
HK$5,500,001 to HK$6,000,000	—	1	—

During the Relevant Periods, no remuneration was paid or payable by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for the loss of office.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and the Group's subsidiary incorporated in the British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong and the United States were not liable for income tax as the subsidiary in Hong Kong did not have any assessable profits arising in Hong Kong and the subsidiary in the United States has tax losses during the Relevant Periods.

The provision for current income tax in Mainland China is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, except for Shanghai MedSci, a subsidiary of the Group. Shanghai MedSci was accredited as a high and new technology enterprise ("**HNTE**") in 2017 and reapplied the certification in 2020, as the certification was valid for three years. For each of the Relevant Periods, Shanghai MedSci was entitled to a preferential PRC Corporate Income tax rate of 15%. Certain of the Group's subsidiaries enjoy the preferential income tax treatment for Small and Micro Enterprise with a preferential income tax rate of 20% from year 2020 to year 2022. In addition, for the annual taxable income amount below RMB1 million, the final taxable income will be reduced by 25% for 2020 and by 12.5% for the two years from 2021 to 2022. For the annual taxable income amount between RMB1 million to RMB3 million, the final taxable income will be reduced by 50% for the three years from 2020 to 2022.

Corporate income tax of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in Mainland China during the Relevant Periods. The major components of income tax expense of the Group are as follows:

	Year ended 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Current — Mainland China:			
Charge for the year	4,393	5,106	3,696
Deferred tax *(note 16)*	(134)	(1,134)	(107)
Total tax charge for the year	4,259	3,972	3,589

A reconciliation of tax expense applicable to profit/(loss) before tax at the statutory rate for the jurisdictions in which the majority of the Company's subsidiaries are domiciled to the income tax expense at the effective tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before tax	33,173	(147,058)	(96,292)
Tax at the statutory tax rate of 25% in Mainland China	8,293	(36,765)	(24,073)
Preferential tax rates enacted by local authority	(4,072)	(3,400)	(2,804)
Fair value losses on convertible redeemable preferred shares not deductible for tax	—	47,658	27,337
Additional deductible allowance for qualified research and development expenses	(1,881)	(2,587)	(2,407)
Expenses not deductible for tax	35	1,110	5,659
Income not subject to tax	—	(1,677)	(232)
Tax losses utilised from previous years	(3)	(473)	—
Tax losses not recognised	1,887	106	109
Tax charge at the Group's effective tax rate	4,259	3,972	3,589

11. DIVIDENDS

No dividends have been paid or declared by the Company since its incorporation.

12. EARNINGS/LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/loss per share amounts are based on the profit/loss attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 9,551,501, 8,563,135 and 7,769,199 in issue during the years ended 31 December 2020, 2021 and 2022, respectively, which represented the adjusted number of ordinary shares taking into consideration of the share issuance and treasury shares (note 24).

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2020.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2021 and 2022 in respect of a dilution as the impact of the convertible redeemable preferred shares and the awarded interests/shares of the Company's/Shanghai MedSci's share incentive plan (note 25) had an antidilutive effect on the basic loss per share amounts presented.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture and facilities	Devices and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2020				
At 31 December 2019 and 1 January 2020:				
Cost	19,207	294	2,827	22,328
Accumulated depreciation	(1,976)	(220)	(2,359)	(4,555)
Net carrying amount	17,231	74	468	17,773
At 1 January 2020, net of accumulated depreciation	17,231	74	468	17,773
Additions	—	8	1,103	1,111
Depreciation provided during the year	(402)	(28)	(340)	(770)
At 31 December 2020, net of accumulated depreciation	16,829	54	1,231	18,114
At 31 December 2020:				
Cost	19,207	302	3,930	23,439
Accumulated depreciation	(2,378)	(248)	(2,699)	(5,325)
Net carrying amount	16,829	54	1,231	18,114

	Buildings	Furniture and facilities	Devices and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2021				
At 31 December 2020 and 1 January 2021:				
Cost	19,207	302	3,930	23,439
Accumulated depreciation	(2,378)	(248)	(2,699)	(5,325)
Net carrying amount	16,829	54	1,231	18,114
At 1 January 2021, net of accumulated depreciation	16,829	54	1,231	18,114
Additions	—	52	837	889
Depreciation provided during the year	(402)	(13)	(568)	(983)
At 31 December 2021, net of accumulated depreciation	16,427	93	1,500	18,020
At 31 December 2021:				
Cost	19,207	354	4,767	24,328
Accumulated depreciation	(2,780)	(261)	(3,267)	(6,308)
Net carrying amount	16,427	93	1,500	18,020
31 December 2022				
At 31 December 2021 and 1 January 2022:				
Cost	19,207	354	4,767	24,328
Accumulated depreciation	(2,780)	(261)	(3,267)	(6,308)
Net carrying amount	16,427	93	1,500	18,020
At 1 January 2022, net of accumulated depreciation	16,427	93	1,500	18,020
Additions	—	—	519	519
Disposals	—	—	(31)	(31)
Depreciation provided during the year	(402)	(11)	(732)	(1,145)
At 31 December 2022, net of accumulated depreciation	16,025	82	1,256	17,363
At 31 December 2022:				
Cost	19,207	348	4,645	24,200
Accumulated depreciation	(3,182)	(266)	(3,389)	(6,837)
Net carrying amount	16,025	82	1,256	17,363

14. LEASES

The Group as a lessee

The Group has lease contracts for office buildings used in its operations. Leases of office buildings generally have lease terms between 2 and 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	14,199	10,039	4,599
Additions	2,175	3,176	13,289
Reduction as a result of disposal of subsidiaries *(note 27)*	—	(1,123)	(504)
Deprecation charge	(6,335)	(7,493)	(7,155)
Carrying amount at 31 December	10,039	4,599	10,229

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	13,576	9,263	4,000
New leases	2,175	3,176	13,289
Reduction as a result of disposal of subsidiaries *(note 27)*	—	(1,039)	(436)
Accretion of interest recognised during the year	421	271	357
Payments	(6,909)	(7,671)	(7,616)
Carrying amount at 31 December	9,263	4,000	9,594
Analysed into:			
Current portion	6,353	3,404	5,526
Non-current portion	2,910	596	4,068

The maturity analysis of lease liabilities is disclosed in note 32 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	421	271	357
Expenses relating to short-term leases	104	175	80
Depreciation charge of right-of-use assets	6,335	7,493	7,155
Total amount recognised in profit or loss	6,860	7,939	7,592

(d) The total cash outflow for leases relating to leases are disclosed in note 28(c) to the Historical Financial Information

15. INTANGIBLE ASSETS

	Software
	RMB'000
31 December 2022	
At 1 January 2022:	
Cost and accumulated amortisation	—
Carrying amount at 1 January 2022	—
Additions	1,645
Amortisation provided during the year	(78)
Carrying amount at 31 December 2022	1,567
At 31 December 2022:	
Cost	1,645
Accumulated amortisation	(78)
Net carrying amount	1,567

16. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Fair value change through profit or loss *RMB'000*	**Right-of-use assets** *RMB'000*	**Total** *RMB'000*
Gross deferred tax liabilities at 31 December 2019 and 1 January 2020	72	1,046	1,118
Deferred tax credited to profit or loss during the year *(note 10)*	(72)	(267)	(339)
Gross deferred tax liabilities at 31 December 2020 and 1 January 2021	—	779	779
Deferred tax credited to profit or loss during the year *(note 10)*	—	(422)	(422)
Gross deferred tax liabilities at 31 December 2021 and 1 January 2022	—	357	357
Deferred tax charged to profit or loss during the year *(note 10)*	—	825	825
Gross deferred tax liabilities at 31 December 2022	—	1,182	1,182

Deferred tax assets

	Accrued expenses *RMB'000*	Impairment of financial and contract assets *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
Gross deferred tax assets at 31 December 2019 and 1 January 2020	—	50	999	1,049
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	—	76	(281)	(205)
Gross deferred tax assets at 31 December 2020 and 1 January 2021	—	126	718	844
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	139	987	(414)	712
Gross deferred tax assets at 31 December 2021 and 1 January 2022	139	1,113	304	1,556
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	(139)	256	815	932
Gross deferred tax assets at 31 December 2022	—	1,369	1,119	2,488

For presentation purposes, deferred tax assets and liabilities have been offset in the statements of financial position as at 31 December 2020, 2021 and 2022 as follows:

	At 31 December		
	2020 *RMB'000*	2021 *RMB'000*	2022 *RMB'000*
Net deferred tax liabilities recognised in the statements of financial position	—	—	—
Net deferred tax assets recognised in the statements of financial position	65	1,199	1,306

Deferred tax assets have not been recognised in respect of the following item:

	At 31 December		
	2020 *RMB'000*	2021 *RMB'000*	2022 *RMB'000*
Tax losses	22,598	14,996	12,442

The Group has tax losses arising in Mainland China of RMB20,260,000, RMB13,073,000 and RMB10,300,000 as at 31 December 2020, 2021 and 2022, respectively, that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. Deferred tax has not been recognised for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in Mainland China. In the opinion of the Company's directors, it is not probable that these subsidiaries will distribute these unremitted earnings in the foreseeable future.

17. TRADE RECEIVABLES

	At 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Trade Receivables	17,920	30,749	38,936
Impairment	(383)	(1,056)	(1,216)
	17,537	29,693	37,720

Trade receivable mainly arise from real-world study solutions and precision omni-channel marketing solutions.

The Group's trading terms with its customers are generally on credit, details of which are included in note 5 to the Historical Financial Information. The credit terms granted ranged up to 180 days, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	At 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	15,279	25,205	32,027
Over 6 months and within 1 year	1,724	3,886	4,778
1 to 2 years	512	546	881
2 to 3 years	22	56	34
	17,537	29,693	37,720

The movements in the loss allowance for impairment of trade receivables are as follows:

	At 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	209	383	1,056
Impairment losses, net *(note 6)*	174	673	160
At end of year	383	1,056	1,216

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates for past due balances are estimated taking into consideration of the ageing analysis of trade receivables based on invoice date. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

		Past due and with ageing			
	Current	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2020					
Expected credit loss rate	Note	2.1%	22.4%	80.7%	2.1%
Gross carrying amount	10,288	6,858	660	114	17,920
Expected credit losses	—	143	148	92	383
At 31 December 2021					
Expected credit loss rate	Note	4.3%	38.4%	85.6%	3.4%
Gross carrying amount	20,632	8,842	886	389	30,749
Expected credit losses	—	383	340	333	1,056
At 31 December 2022					
Expected credit loss rate	Note	4.9%	35.1%	88.0%	3.1%
Gross carrying amount	27,250	10,046	1,357	283	38,936
Expected credit losses	—	491	476	249	1,216

Note: During the Relevant Periods, the Group estimated the expected credit loss rate to be minimal on the current trade receivables.

18. CONTRACT ASSETS

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Contract assets arising from:			
Real-world study solutions	3,491	17,149	30,668
Precision omni-channel marketing solutions	19,079	40,025	42,120
	22,570	57,174	72,788
Impairment	(482)	(6,232)	(7,861)
	22,088	50,942	64,927

Contract assets are initially recognised in relation to revenue earned from the provision of real-world study solutions and precision omni-channel marketing solutions as the receipt of consideration is conditional on a successfully completion of milestones in the agreements. Upon the milestone completion and issuance of bills of services according to the agreements, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets during the Relevant Periods were the result of increase in the ongoing provision of services at the end of each of the Relevant Periods.

As at 31 December 2020, 2021 and 2022, RMB482,000, RMB6,232,000 and RMB7,861,000 were recognised as allowance for expected credit losses on contract assets, respectively. The Group's trading terms and credit policy with customers are disclosed in note 5 to the Historical Financial Information.

The expected timing of recovery or settlement for contract assets as at the end of each of the Relevant Periods is as follows:

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Within one year	22,088	50,942	64,927

The movements in the loss allowance for impairment of contract assets are as follows:

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	149	482	6,232
Impairment losses, net *(note 6)*	333	5,750	2,379
Write-off	—	—	(750)
At end of year	482	6,232	7,861

An impairment analysis is performed at the end of each of the Relevant Periods using vintage-based model, a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables and status of underlying projects related to the contract assets for groupings of various customer segments with similar loss pattern. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	At 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Expected credit loss rate	2.14%	10.9%	10.8%
Gross carrying amount	22,570	57,174	72,788
Expected credit losses	482	6,232	7,861

The increase of expected credit loss rate during the year ended 31 December 2021 was mainly due to the special impairment provision for contract assets aged over two years and that the proportion of contract assets with longer ages increased as compared to the contract assets with shorter ages in the previous year enlarges the expected credit loss rates as the provision matrix considers the probability that contract assets with shorter ages would carry forward to the contract assets with longer ages in the following year would increase.

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Prepayments to suppliers	3,989	3,544	4,380
Prepaid [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Advance to employees	140	66	17
Other current assets	430	97	—
Deposits	1,204	1,462	1,138
Other receivables	163	2,947	3,105
	5,926	8,640	12,818
Impairment loss allowance	(51)	(132)	(127)
	5,875	8,508	12,691
Non-current portion			
Deposits	—	—	1,196
	5,875	8,508	13,887

Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment.

The movements in the loss allowance for impairment of other receivables and deposits are as follows:

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	51	51	132
Impairment losses/(reversal of impairment losses)	—	81	(5)
At end of year	51	132	127

The following table provides information about the exposure to credit risk and ECLs for deposits and other receivables which are assessed collectively based on an estimated average credit loss rate as at 31 December 2020, 2021 and 2022.

	At 31 December 2020			At 31 December 2021			At 31 December 2022		
	Average loss rate	Gross carrying amount	Impairment loss allowance	Average loss rate	Gross carrying amount	Impairment loss allowance	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*
Deposits and other receivables	3.7%	1,367	51	3.0%	4,409	132	2.3%	5,439	127

20. CASH AND BANK BALANCES

Group

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	276,972	596,002	320,682
Time deposits	—	—	278,584
	276,972	596,002	599,266
Cash and bank balances:			
Denominated in RMB	276,150	298,570	294,468
Denominated in USD	822	297,432	26,149
Denominated in HKD	—	—	65
	276,972	596,002	320,682
Time deposits:			
Denominated in USD	—	—	278,584

Company

	At 31 December 2021	At 31 December 2022
	RMB'000	*RMB'000*
Cash and bank balances	296,055	25,722
Time deposits	—	278,584
	296,055	304,306
Cash and bank balances:		
Denominated in USD	296,055	25,650
Denominated in HKD	—	65
Denominated in RMB	—	7
	296,055	25,722
Time deposits:		
Denominated in USD	—	278,584

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The term of time deposit was 1 month from 28 December 2022, interest income will be obtained at maturity according to the bank's aligned deposit rate which is a variable rate. The interest rate applicable to the current period is 4.18% per annum.

21. TRADE PAYABLES

An ageing analysis of the trade payables based on the invoice date, is as follows:

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	2,388	1,587	1,967

The trade payables are non-interest-bearing and are normally settled on terms of three months.

22. OTHER PAYABLES AND ACCRUALS

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	118,970	124,341	107,234
Accrued salaries and other staff costs	14,825	22,223	18,202
Other tax payables (other than income tax)	6,981	12,326	10,033
Other payables and accruals	941	866	18,679
Deferred income (government grants)	560	—	—
	142,277	159,756	154,148

(a) Details of contract liabilities are as follows:

	At 31 December			
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers:				
Physician platform solutions	50,318	59,662	67,051	69,271
Precision omni-channel marketing solutions	29,780	49,729	47,974	33,288
Real-world study solutions	6,829	9,579	9,316	4,675
	86,927	118,970	124,341	107,234

Contract liabilities include short-term advances received to render services. The increase in contract liabilities during the year ended 31 December 2021 was mainly due to the increase in short-term advances received from customers in relation to the provision of services at the end of the year. The decrease during the year ended 31 December 2022 was mainly due to the decrease in advances received from customers and more services obligations were satisfied at end of 2022.

23. CONVERTIBLE PREFERRED SHARES

Background

The convertible preferred shares including Series A-1, A-2, B and C preferred shares (the "**Preferred Shares**") issued by the Company can be converted into ordinary shares of the Company at any time at the option of the holders, or automatically upon occurrence of an [REDACTED] of the Company's shares, or when agreed by the holders of ordinary shares and the holders of each class of the Preferred Shares.

Since the date of incorporation, the Company has completed several rounds of financing by issuing series of Preferred Shares.

In 2015, Shanghai MedSci, the then holding company of the PRC Operating Entities, issued 1,411,761 ordinary shares to series A-1 shareholder ("**Series A-1 Shareholder**") at a total cash consideration of RMB70 million. In 2020, Series A-1 Shareholder transferred 334,446 ordinary shares of Shanghai MedSci to series A-2 shareholders ("**Series A-2 Shareholders**"), and Shanghai MedSci issued 484,706 ordinary shares to series B shareholders ("**Series B Shareholders**") at a cash consideration of RMB100 million. Later in 2020, certain shareholders other than Series A-1, A-2 and B Shareholders transferred 96,941 ordinary shares of Shanghai MedSci to Series B Shareholders.

On 4 November 2021, the Company entered into a warrant subscription agreement ("**Warrant Subscription Agreement**") with Dr. Zhang Fabao, Dr. Li Xinmei, the Series A-1 Shareholder, Series A-2 Shareholders and Series B Shareholders ("**Warrantors**"), pursuant to which Series A-1 Shareholder was entitled to subscribe for 1,077,315 series A-1 Preferred Shares of the Company ("**Series A-1 Preferred Shares**"), Series A-2 Shareholders were entitled to subscribe for 334,446 series A-2 Preferred Shares of the Company ("**Series A-2 Preferred Shares**") and Series B Shareholders were entitled to subscribe for 581,647 series B Preferred Shares of the Company ("**Series B Preferred Shares**"), as a step of the Reorganisation to mirror the shareholding in Shanghai MedSci before the Reorganisation by the Company. The warrants is exercisable at USD0.0001 per Preferred Share. Upon completion of the Reorganisation, the ordinary shares of Shanghai Medsci held by the Series A-1, A-2 and B Shareholders will be replaced with the Preferred Shares of the Company. On 25 November 2021, the Company entered into a shareholders' agreement with all the then shareholders of the Company, including holders of Preferred Shares and ordinary shareholders, pursuant to which each of the Series A-1, A-2 and B Preferred Shareholders, prior to the exercise of the warrant under the Warrant Subscription Agreement, shall enjoy the same rights, powers and preferences of a holder of Preferred Shares as if each of them has exercised the warrant under the Warrant Subscription Agreement in full and has become a holder of Preferred Shares.

As at 31 December 2021, 339,294 Series B Preferred Shares have been subscribed by certain Series B Shareholders. Other Series A-1, A-2 and B Shareholders have not exercised warrants as they have not obtained all the regulatory approvals or completed the registrations required for outbound investment by domestic enterprises from the relevant PRC governmental authorities (the "**ODI Approvals**") in relation to the Preferred Shares. As at 31 May 2022, all the remaining Warrantees have exercised the warrants and successfully obtained the Preferred Shares of the Company.

In October 2021, the Company and series C shareholder ("**Series C Shareholder**") entered into a share subscription agreement for series C preferred shares whereby Series C Shareholder made a total investment of USD46,437,000 for 754,015 series C preferred shares of the Company ("**Series C Preferred Shares**"). On 25 November 2021, all 754,015 series C Preferred Shares were issued and the consideration of USD46,437,000 was fully paid, which is equivalent to RMB297,102,000 based on the exchange rate on that date.

On 6 May 2022, 71,813 ordinary shares of the Company with a par value of US$0.0001 each were transferred to Suzhou Lintai Enterprise Management Consulting Partnership (Limited Partnership) from Microhealth Limited at a cash consideration of RMB15 million, which were re-designated as 71,813 Series B Preferred Shares with a par value of US$0.0001 each on the same day.

Presentation and classification

The Group designated the Series A-2, B and C Preferred Shares as financial liabilities measured as fair value through profit or loss, presented as "Convertible redeemable preferred shares" in the consolidated statements of financial position. Subsequent to initial recognition, changes in fair value of convertible redeemable preferred shares were recorded in "Fair value losses on convertible redeemable preferred shares" in profit or loss. The directors of the Company considered that the fair value change of the convertible redeemable preferred shares attributable to changes of own credit risk is not significant.

The movements of the Company's convertible redeemable preferred shares (including the related warrants) are as follows:

	Number of Convertible redeemable Preferred shares	Amount *RMB'000*
At 1 January 2021	—	—
Issuance of Series C Preferred Shares	754,015	297,102
Conversion into convertible redeemable preferred shares from ordinary shares of Shanghai MedSci	916,093	116,679
Fair value losses on convertible redeemable preferred shares	—	190,630
Exchange differences	—	(1,344)
At 31 December 2021 and 1 January 2022	1,670,108	603,067
Conversion into convertible redeemable preferred shares from ordinary shares of the Company	71,813	—*
Fair value losses on convertible redeemable preferred shares	—	109,350
Exchange differences	—	8,490
At 31 December 2022	1,741,921	720,907

* *Amount less than RMB1,000*

The Group applied the discount cash flow method to determine the underlying share value of the Company and adopted option-pricing method to determine the fair value of the convertible redeemable preferred shares as at 31 December 2021 and 2022. Key valuation assumptions used to determine the fair value of the convertible redeemable preferred shares are set out in note 31 to the Historical Financial Information.

Series A-1 Preferred Shares are non-redeemable by the Company, accordingly the Company classified Series A-1 Preferred Shares as equity, presented as "Convertible preferred shares" in the statements of financial position.

The movements of the Company's convertible preferred shares are set out as below:

	Number of Series A-1 Preferred Shares	Amount *RMB'000*
At 1 January 2021	—	—
Conversion into convertible preferred shares from ordinary shares of Shanghai MedSci	1,077,315	53,417
At 31 December 2021 and 31 December 2022	1,077,315	53,417

Pursuant to the shareholders' agreement with all the then shareholders of the Company dated 25 November 2021, the instrument held by each of the Series A-1, A-2 and B Preferred Shareholders was warrant in legal form. Once these shareholders obtain the requisite ODI Approvals, the warrants granted can be exercised and converted into the Preferred Shares of the Company with no further consideration. Pursuant to the shareholders' agreement, each of the Series A-1, A-2 and B Preferred Shareholders shall enjoy the same rights, powers and preferences of a holder of the Preferred Shares as if each of them has exercised the warrant under the Warrant Subscription Agreement in full and has become a holder of the Preferred Shares. In substance, Series A-1, A-2 and B Preferred Shareholders enjoyed the same rights and benefits as if holders of the Preferred Shares before the warrants are exercised. As of 31 May 2022, these warranted were all exercised after the ODI Approvals had been obtained and the related administrative procedures had been completed to register the related shareholders as holders of the Preferred Shares.

The warrant held by each of the Series A-1, A-2 and B Preferred Shareholders is treated as Preferred Shares in accounting. The Series A-1 preferred shares issued by the Company are non-redeemable and the Company does not have contractual obligation to make any payment, therefore, the Series A-1 Preferred Shares are classified as equity instruments in the account namely convertible preferred shares when the warrants were issued. The Series A-2 and B preferred shares issued by the Company are redeemable at the option of the holders or upon occurrence of certain future events which are outside the control of the Company, therefore, the Series A-2 and B Preferred Shares are accounted for as financial liabilities in the account namely convertible redeemable preferred shares when the warrants were issued and were subsequently remeasured to fair value at the reporting date. No accounting entries were made when warrants were exercised.

Key terms of the Preferred Shares

All the Preferred Shares are denominated in USD and the key terms of the Preferred Shares are summarised as follows:

Conversion rights

Each holder of the Preferred Shares shall have the right to convert Preferred Shares into ordinary shares of the Company after the issuance date into such number of ordinary shares as determined by dividing the relevant issue price by the then-effective conversion price ("**Conversion Price**"). The initial Conversion Price is at the conversion ratio of 1:1, and shall be subject to adjustment from time to time, including but not limited to share splits and combinations, share dividends and distributions, reorganisation, consolidations or reclassifications, and adjustment upon issuance of new securities for a consideration per share less than the Conversion Price.

All outstanding Preferred Shares shall automatically be converted into ordinary shares at the applicable ratio upon the closing of an [REDACTED] ("**[REDACTED]**") implying a pre-[REDACTED] valuation of the Group that is no less than RMB[REDACTED] (the "**Qualified [REDACTED]**"), and the prior written approval of the holder of such Preferred Share.

Redemption features

For Series A-2, Series B, and Series C Preferred Shares, if any of the following redemption events ("**Redemption Events**") occurs, each of the holders of Preferred Shares shall be entitled to require the Company to repurchase all or part of the outstanding Preferred Shares at the price per share equal to the subscription price per share, which is adjusted for any share splits, share dividends, share combinations, recapitalisations or the like, plus a simple interest of 6% per annum calculated from the issuance date up to and the including the put completion date plus any dividends declared but unpaid for each put share held by such holders of Preferred Shares.

The holders of Series A-1 Preferred Shares have no right to call the Company for redemption.

Redemption Events:

i) any variable interest entity ("**VIE**") termination event or any material breach by the Warrantors of any provision in any transaction documents, and such breach is not remedied within 60 business days since the Series C Shareholder informs the Warrantors of such breach;

ii) that a Qualified [REDACTED] does not occur within 60 months upon Series C issuance date (i.e., 25 November 2021); or

iii) Dr. Zhang Fabao, Dr. Li Xinmei, Microhealth Limited and Dtx Health Limited (collectively the "**Founders**"), and Dighealth Limited (a holding company controlled by a shareholder of Shanghai MedSci) collectively hold less than fifty percent (50%) of issued shares, including ordinary shares and preference shares, held by all of them at the date of which Series C Shareholder has completed the subscription of Series C Preferred Shares.

Liquidation preferences

In the event of any liquidation, dissolution or winding up of the Company and/or all or substantially all of the business of the Company and its subsidiaries (taken as a group), either voluntary or involuntary, the assets and funds of the Company and its subsidiaries legally available for distribution shall be distributed among the holders of the outstanding shares in the following order:

(a) Series C Preferred Shares

(b) Series B Preferred Shares

(c) Series A-2 Preferred Shares

(d) Series A-1 Preferred Shares

If the assets and surplus funds distributable are insufficient to permit the payment for the full amount, equal to the subscription price per share (as adjusted for any share splits, share dividends, share combinations, recapitalisations or the like), plus all declared but unpaid dividends on each such Preferred Share (the "**Preference Amount**"), then the entire assets and surplus funds legally available for distribution to the Series C Preferred Shareholders shall be distributed ratably among such holders of the Series C Preferred Shares in proportion to the number of Series C Preferred Shares owned by each such holder;

If the assets and surplus funds distributable are insufficient to permit the payment for the full Series B Preference Amount, then the entire assets and surplus funds legally available for distribution to the holders of Series B Preferred Shares shall be distributed ratably among such holders of Series B Preferred Shares in proportion to the number of Series B Preferred Shares owned by each such holder;

If the assets and surplus funds distributable are insufficient to permit the payment for the full Series A-2 Preference Amount, then the entire assets and surplus funds legally available for distribution to the holders of Series A-2 Preferred Shares shall be distributed ratably among such holders of Series A-2 Preferred Shares in proportion to the number of Series A Preferred Shares owned by each such holder; and

If there are any assets or funds remaining after the Series C Preference Amount, Series B Preference Amount, and the Series A-2 Preference Amount have been distributed or paid in full to the holders of Series C Preferred Share, the holders of Series B Preferred Share, and the holders of Series A-2 Preferred Share above, then the entire assets and surplus funds legally available for distribution shall be distributed on a pro rata, *pari passu* basis among the holders of the Preferred Shares (on an as-converted basis), together with the holders of the Series A-1 Preferred Shares and the holders of the ordinary shares of the Company.

Voting rights

The holder of each Preferred Share shall be entitled to votes equal to the number of votes attaching to the number of ordinary shares of the Company to which such Preferred Shares hold by such holder could be converted. The holders of Preferred Shares shall vote with the holders of ordinary shares, and not as a separate class.

Dividends

The board of directors of the Company (the "**Board**") may on behalf of the Company declare and pay dividends (including interim dividends) at such times and in such amounts as it shall determine. The Board may fix as the record date for determination of shareholders entitled to a dividend a date prior to the declaration of the dividend.

24. SHARE CAPITAL

The Company was incorporated in the Cayman Islands with limited liability on 22 June 2021 with an authorised share capital of USD50,000 divided into 50,000 shares with a par value of USD1.00 each. Upon incorporation, the Company issued one share to Ogier Global Subscriber (Cayman) Limited, an independent third party. On 9 July 2021, the said one share was transferred to Microhealth Limited and was cancelled on 24 September 2021 for the purpose of the Reorganisation.

On 24 September 2021, the Company carried out a share subdivision, pursuant to which the ordinary share with a par value of US$1.00 was divided into 10,000 ordinary shares with a par value of US$0.0001 per share, and the authorized share capital of our Company became USD50,000 divided into 500,000,000 shares, including 388,000,000 ordinary shares and 112,000,000 Preferred Shares.

On the same date, the Company issued and allotted 3,630,408 shares, 2,832,254 shares, 276,245 shares, 836,978 shares and 484,331 shares at par value of USD0.0001 to Microhealth Limited, Dtx Health Limited, Dighealth Limited, Meiyue Limited and Meilong Limited, respectively. Microhealth Limited, Dtx Health Limited and Dighealth Limited were incorporated in the BVI on 16 June 2021 with limited liability and wholly-owned by Dr. Li Xinmei, Dr. Zhang Fabao and Mr. Yang Chun, respectively.

Both Meiyue Limited and Meilong Limited were incorporated in BVI with limited liability on 15 July 2021, and acted as the holding vehicle for the administration of the share award scheme (note 25) of the Company. As the Group had the power to govern the financial and operating policies of the share award scheme before the vesting conditions of the Award Interests or Award Shares (see definition in note 25) are met, the Group accounts for the ordinary shares issued and allotted to Meiyue Limited and Meilong Limited as treasury shares.

On 6 May 2022, 71,813 ordinary shares of the Company with a par value of US$0.0001 each were transferred to Suzhou Lintai Enterprise Management Consulting Partnership (Limited Partnership) from Microhealth Limited at a cash consideration of RMB15 million, which were re-designated as 71,813 Series B Preferred Shares with a par value of US$0.0001 each on the same day.

	At 31 December 2021		At 31 December 2022	
	Number of shares	Amount *RMB'000*	Number of shares	Amount *RMB'000*
Authorised:				
Ordinary shares of USD0.0001	388,000,000	248	388,000,000	248
Issued:				
Ordinary shares of USD0.0001	8,060,216	5	7,988,403	5
Treasury shares held	(1,321,309)	—*	(1,321,309)	—*

A summary of the movement in the Company's preferred shares is included in note 23 to the Historical Financial Information. A summary of movements in the Company's ordinary share capital is as follows:

	Number of ordinary shares	Amount *RMB'000*	Number of treasury shares	Amount *RMB'000*
At 22 June 2021 (date of incorporation)	—	—	—	—
Issue of ordinary shares	8,060,216	5	—	—
Issue of treasury shares	—	—	(1,321,309)	—*
At 31 December 2021 and 1 January 2022	8,060,216	5	(1,321,309)	—*
Conversion into convertible redeemable preferred shares	(71,813)	—*	—	—
At 31 December 2022	7,988,403	5	(1,321,309)	—*

* *Amount less than RMB1,000.*

25. SHARE-BASED PAYMENTS

The Company operates a share award scheme (the "**Scheme**") for certain personnel in order to recognise and reward the contribution of certain employees of the Group ("**Share Incentive Participants**") to the growth and development of the Group, and retain eligible employees for the continuous operation and development of the Group.

The 2021 Plan

A share incentive plan of Shanghai MedSci (the "**2021 Plan**") became effective in January 2021. Under the 2021 Plan, Shihezi Meilong Equity Investment Partnership (Limited Partnership) ("**Meilong Investment**") and Shanghai Meiyue Management Consulting Partnership (Limited Partnership) ("**Shanghai Meiyue**"), the legal shareholders of Shanghai MedSci, granted certain limited partners' equity interests of Meilong Investment and Shanghai Meiyue ("**Award Interests**") to certain employees of the PRC Operating Entities. As part of the Reorganisation of the Group, the New Plan (see definition below) was adopted to replace the 2021 Plan.

The New Plan

A new share incentive plan (the "**New Plan**") became effective on 20 April 2022 when the Board and the shareholders of the Company approved the New Plan, which has replaced the 2021 Plan. The Award Interests granted under the 2021 Plan were replaced and superseded by the ordinary shares of Meilong Limited and Meiyue Limited, respectively (the "**Award Shares**"). The vesting schedule and other key terms of the New Plan are the same as those of the 2021 Plan. As mentioned in note 24 to the Historical Financial Information, since 24 September 2021, Meiyue Limited and Meilong Limited hold 836,978 shares and 484,331 ordinary shares of the Company, respectively.

Award Interests

In January 2021, 9.1571% equity interests of Meilong Investment were granted to 19 selected employees for a total consideration of RMB566,000, and 19.90% equity interests of Shanghai Meiyue were granted to 13 selected employees for a total consideration of RMB2,122,000 under the 2021 Plan. These thirty-two employees are collectively referred to as "Share Incentive Participants".

All of the Award Interests (and the subsequent Award Shares) granted to the Share Incentive Participants shall be subject to both a [REDACTED] vesting condition (the "**[REDACTED] Condition**") and a service-based vesting condition (the "**Service Condition**"). The [REDACTED] Condition would be satisfied when the ordinary shares of the Company are successfully [REDACTED] on a recognised stock exchange. Subject to the satisfaction of the [REDACTED] Condition, the Service Condition would be satisfied over a 5-year lockup periods, in which the Award Interests or Award Shares held by Share Incentive Participants shall be unlocked in the proportion up to 20% of the total number of the Award Interests/Shares granted upon the expiry of each of 5-year lockup periods provided that the [REDACTED] Condition is met. Under this Service Condition, the Share Incentive Participants are required to provide services to the Group during the 5-year period.

The fair value of the Award Interests granted during the year ended 31 December 2021 was determined at RMB37,297,000, and the Group recognised share-based payment expenses of RMB8,151,000 and RMB6,267,000 in profit or loss for the years ended 31 December 2021 and 2022, respectively.

The fair value of the Award Interests granted is measured using a discounted cash flow model at the grant date. The key assumptions used in the model included the discount rate, terminal growth rate and discounts for lack of marketability ("**DLOM**") and are determined by the directors of the Company with best estimate as follows:

	Granted on 1 January 2021
Discount rate	14%
Terminal growth rate	3%
DLOM	8%

26. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Group.

(a) Capital reserve

The capital reserve of the Group represents the excess of the consideration received for ordinary shares subscription of Shanghai MedSci, the then holding company of the PRC Operating Entities over the par value of the ordinary shares subscribed.

(b) Merger reserve

The merger reserve of the Group represents the issued capital of the then holding company of the companies now comprising the Group.

(c) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the subsidiaries, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital, provided that the balance after such conversion is not less than 25% of the registered capital of the respective entities. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(d) Share-based payment reserve

The Group's share-based payment reserve represents the share-based compensation reserve due to equity-settled share award, details of the movements are set out in the consolidated statements of changes in equity.

The amounts of the Company's reserves and the movements therein for the Relevant Periods are as follows:

	At 31 December	
	2021	**2022**
	RMB'000	*RMB'000*
Capital reserve	(170,096)	(170,096)
Exchange fluctuation reserve	(438)	17,842
Share-based payment reserve*	—	14,418
Accumulated losses	(189,895)	(317,288)
	(360,429)	(455,124)

* *During the year ended 31 December 2022, as detailed in note 25 to the Historical Financial Information, the Company has approved a new share incentive plan to replace the plan previously implemented by Shanghai MedSci, the cost of the share incentive plan is recorded as part of the cost of investment in a subsidiary with a corresponding credit to the share-based payment reserve account in the Company's statement of financial position.*

	Capital reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Share-based payment reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
Loss for the year (from date of incorporation to 31 December 2021)	—	—	—	(189,895)	(189,895)
Other comprehensive loss for the year:					
Translation difference of the Company's financial statements into presentation currency	—	(438)	—	—	(438)
Total comprehensive loss for the year	—	(438)	—	(189,895)	(190,333)
Conversion into convertible preferred shares from ordinary shares of a subsidiary	(53,417)	—	—	—	(53,417)
Conversion into convertible redeemable preferred shares from ordinary shares of a subsidiary	(116,679)	—	—	—	(116,679)
At 31 December 2021 and 1 January 2022	(170,096)	(438)	—	(189,895)	(360,429)
Loss for the year	—	—	—	(127,393)	(127,393)
Other comprehensive income for the year:					
Translation difference of the Company's financial statements into presentation currency	—	18,280	—	—	18,280
Total comprehensive income/(loss) for the year	—	18,280	—	(127,393)	(109,113)
Share-based payments	—	—	14,418	—	14,418
Conversion into convertible redeemable preferred shares from ordinary shares of a subsidiary *(note 23)*	—*	—	—	—	—*
At 31 December 2022	(170,096)	17,842	14,418	(317,288)	(455,124)

* *Amount less than RMB1,000.*

27. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2021, the Group disposed Anhui Yixunda and Hefei Ruilekang Pharmacy Co., Ltd. ("**Hefei Ruilekang**") and deregistered Hangzhou Yika. The principal activities of Anhui Yixunda, Hefei Ruilekang and Hangzhou Yika are precision omni-channel marketing, sales of medical products and precision omni-channel marketing, respectively.

During the year ended 31 December 2022, the Group deregistered Beijing Jianyiyun whose principal activity is precision omni-channel marketing.

	Notes	31 December 2021 RMB'000	31 December 2022 RMB'000
Net assets disposed of:			
Right-of-use assets	14	1,123	504
Cash and bank balances		1,146	—
Prepayments, deposits and other receivables		525	3
Trade payables		(6)	—
Other payables and accruals		(2,584)	—
Lease liabilities	14	(1,039)	(436)
		(835)	71
Gain on disposal of subsidiaries/(loss on deregistration of a subsidiary)	5, 6	836	(71)
		1	—
Satisfied by			
Cash and bank balances		1	—

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	31 December 2021 RMB'000	31 December 2022 RMB'000
Cash consideration	1	—
Cash and bank balances disposed of	(1,146)	—
Net outflow of cash and cash equivalents in respect of the disposal included in cash flows used in investing activities	(1,145)	—

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOW

(a) During the years ended 31 December 2020, 2021 and 2022, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,175,000, RMB3,176,000 and RMB13,289,000, respectively, in respect of lease arrangements for office premises.

(b) Changes in liabilities arising from financing activities

	Lease liabilities *RMB'000*	**Convertible redeemable preferred shares** *RMB'000*	**Total** *RMB'000*
At 31 December 2019 and 1 January 2020	13,576	—	13,576
Cash flows used in financing activities	(6,909)	—	(6,909)
New leases	2,175	—	2,175
Interest expense	421	—	421
At 31 December 2020 and 1 January 2021	9,263	—	9,263
New leases	3,176	—	3,176
Converted from ordinary shares of Shanghai MedSci	—	116,679	116,679
Reduction as a result of disposal of subsidiaries	(1,039)	—	(1,039)
Cash flows (used in)/from financing activities	(7,671)	297,102	289,431
Exchange differences	—	(1,344)	(1,344)
Interest expense	271	—	271
Fair value losses	—	190,630	190,630
At 31 December 2021 and 1 January 2022	4,000	603,067	607,067
New leases	13,289	—	13,289
Conversion from ordinary shares	—	—*	—*
Reduction as a result of deregistration of a subsidiary	(436)	—	(436)
Cash flows used in financing activities	(7,616)	—	(7,616)
Exchange differences	—	8,490	8,490
Interest expense	357	—	357
Fair value losses	—	109,350	109,350
At 31 December 2022	9,594	720,907	730,501

* *Amount less than RMB1,000.*

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	104	175	80
Within financing activities	6,909	7,671	7,616
	7,013	7,846	7,696

29. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related party	Relationship with the Group
Shanghai Meiyue	A legal shareholder of the Shanghai MedSci (holding 7.74% shares of Shanghai MedSci)

(b) Outstanding balances with related parties

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Due from a related party:			
Non trade related			
Shanghai Meiyue	250	250	250

The amount due from a related party as at 31 December 2020 is aged within one year while the balances as at 31 December 2021 and 31 December 2022 are aged over one year.

The amounts due from related parties are unsecured, interest-free and repayable on demand. The maximum outstanding balance due by Mr. Wang Shuai, an executive director, during the year ended 31 December 2020 is amounted to RMB1,300,000 which has been settled during that year.

The Group has assessed the recoverability and ageing of the amount due from a related party, as well as other quantitative and qualitative information and on management's judgment and assessment of the forward-looking information. The Group assessed that the expected credit losses are immaterial.

The amount due from Shanghai Meiyue was non-trade in nature would be settled prior to the [REDACTED] of the Company's shares.

(c) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Short-term employee benefits	3,278	4,730	6,435
Pension scheme contributions	31	322	439
	3,309	5,052	6,874

Further details of directors' emoluments are included in note 8 to the Historical Financial Information.

30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

At 31 December 2020

Financial assets

	Financial assets at amortised cost
	RMB'000
Trade receivables *(note 17)*	17,537
Due from a related party *(note 29(b))*	250
Financial assets included in prepayments, deposits and other receivables *(note 19)*	1,316
Cash and bank balances *(note 20)*	276,972
	296,075

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables *(note 21)*	2,388
Financial liabilities included in other payables and accruals *(note 22)*	941
	3,329

At 31 December 2021

Financial assets

	Financial assets at amortised cost *RMB'000*
Trade receivables *(note 17)*	29,693
Due from a related party *(note 29(b))*	250
Financial assets included in prepayments, deposits and other receivables *(note 19)*	4,277
Cash and bank balances *(note 20)*	596,002
	630,222

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*	**Financial liabilities at fair value through profit or loss** *RMB'000*	**Total** *RMB'000*
Trade payables *(note 21)*	1,587	—	1,587
Financial liabilities included in other payables and accruals *(note 22)*	866	—	866
Convertible redeemable preferred shares *(note 23)*	—	603,067	603,067
	2,453	603,067	605,520

At 31 December 2022

Financial assets

	Financial assets at amortised cost *RMB'000*
Trade receivables *(note 17)*	37,720
Due from a related party *(note 29(b))*	250
Financial assets included in prepayments, deposits and other receivables *(note 19)*	5,312
Cash and bank balances *(note 20)*	599,266
	642,548

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*	Financial liabilities at fair value through profit or loss *RMB'000*	Total *RMB'000*
Trade payables *(note 21)*	1,967	—	1,967
Financial liabilities included in other payables and accruals *(note 22)*	18,679	—	18,679
Convertible redeemable preferred shares *(note 23)*	—	720,907	720,907
	20,646	720,907	741,553

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of trade receivables, due from a related party, financial assets included in prepayments, deposits and other receivables, cash and bank balances, trade payables and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the board of directors of the Company. At the end of each of the Relevant Periods, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of convertible redeemable preferred shares are determined by using the Option-Pricing Method using significant unobservable market inputs. Details of the method were disclosed in note 3 to the Historical Financial Information.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all required significant inputs to fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2020, 2021 and 2022:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Convertible redeemable preferred shares (as at 31 December 2021)	Option-pricing Method	Risk-free interest rate	2.2% to 2.8%	100 basic point increase/ decrease in risk-free interest rate would result in a decrease/increase in fair value by RMB5,864,000/ RMB6,272,000
		Volatility	55% to 60.0%	20% increase/decrease in volatility would result in decrease in fair value by RMB8,129,000/ RMB5,729,000
		DLOM	11.8% to 26.1%	5% increase/decrease in the DLOM would result in decrease/increase in fair value by RMB30,251,000/ RMB30,251,000.
Convertible redeemable preferred shares (as at 31 December 2022)	Option-pricing Method	Risk-free interest rate	2.9% to 3.5%	100 basic point increase/ decrease in risk-free interest rate would result in a decrease/increase in fair value by RMB3,955,000/ RMB3,775,000
		Volatility	65.0% to 75.0%	20% increase/decrease in volatility would result in decrease/increase in fair value by RMB17,024,000/ RMB6,237,000
		DLOM	9.1% to 23.0%	5% increase/decrease in the DLOM would result in decrease/increase in fair value by RMB41,818,000/ RMB41,818,000

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities measured at fair value:

As at 31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	—	—	603,067	603,067

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	—	—	720,907	720,907

The movements in fair value measurements within Level 3 during the year are as follows:

	31 December		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss			
At beginning of year	30,479	—	—
Purchases	—	—	—
Gains recognised in profit or loss	996	—	—
Disposals	(31,475)	—	—
At end of year	—	—	—
Convertible redeemable preferred shares			
At beginning of year	—	—	603,067
Issuance during the year	—	297,102	—
Conversion from ordinary shares	—	116,679	—*
Fair value losses recognised in profit or loss	—	190,630	109,350
Exchange differences	—	(1,344)	8,490
At end of year	—	603,067	720,907

* *Amount less than RMB1,000.*

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances and convertible redeemable preferred shares. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's profit before tax (arising from USD denominated financial instruments) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency	**Increase/ (decrease) in profit before tax**	**Increase/ (decrease) in equity**
	%	*RMB'000*	*RMB'000*
31 December 2020			
If RMB weakens against USD	5	—	41
If RMB strengthens against USD	(5)	—	(41)
31 December 2021			
If RMB weakens against USD	5	14,872	14,872
If RMB strengthens against USD	(5)	(14,872)	(14,872)
31 December 2022			
If RMB weakens against USD	5	22,116	22,116
If RMB strengthens against USD	(5)	(22,116)	(22,116)

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. There are no significant concentrations of credit risk for trade receivables from third parties as the customer bases of the Group are dispersed. In addition, receivable balances are monitored on an ongoing basis.

The tables below show the maximum exposure to credit risk and year-end staging classification at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2020					
Trade receivables	—	—	—	17,920	17,920
Contract assets	—	—	—	22,570	22,570
Due from a related party	250	—	—	—	250
Financial assets included in prepayments, deposits and other receivables	1,367	—	—	—	1,367
Cash and bank balances	276,972	—	—	—	276,972
	278,589	—	—	40,490	319,079
31 December 2021					
Trade receivables	—	—	—	30,749	30,749
Contract assets	—	—	—	57,174	57,174
Due from a related party	250	—	—	—	250
Financial assets included in prepayments, deposits and other receivables	4,409	—	—	—	4,409
Cash and bank balances	596,002	—	—	—	596,002
	600,661	—	—	87,923	688,584

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022					
Trade receivables	—	—	—	38,936	38,936
Contract assets	—	—	—	72,788	72,788
Due from a related party	250	—	—	—	250
Financial assets included in prepayments, deposits and other receivables	5,439	—	—	—	5,439
Cash and bank balances	599,266	—	—	—	599,266
	604,955	—	—	111,724	716,679

(c) Liquidity risk

The Group monitors and maintains a level of cash and bank balances deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the Relevant Periods, based on contractual undiscounted payments, is as follows:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2020					
Trade payables	2,388	—	—	—	2,388
Financial liabilities included in other payables and accruals *(note 22)*	941	—	—	—	941
Lease liabilities	—	1,234	5,354	3,010	9,598
	3,329	1,234	5,354	3,010	12,927

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2021					
Trade payables	1,587	—	—	—	1,587
Financial liabilities included in other payables and accruals *(note 22)*	866	—	—	—	866
Convertible redeemable preferred shares	—	—	—	621,530	621,530
Lease liabilities	—	1,604	1,863	604	4,071
	2,453	1,604	1,863	622,134	628,054

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022					
Trade payables	1,967	—	—	—	1,967
Financial liabilities included in other payables and accruals *(note 22)*	18,679	—	—	—	18,679
Convertible redeemable preferred shares	—	—	—	640,505	640,505
Lease liabilities	—	1,331	4,444	4,162	9,937
	20,646	1,331	4,444	644,667	671,088

(d) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a current ratio, which is total current assets divided by total current liabilities. The current ratios at the end of each of the Relevant Periods are as follows:

	At 31 December		
	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*
Total current assets	322,722	685,395	714,854
Total current liabilities	151,318	172,765	163,804
Current ratio	2.13	3.97	4.36

33. EVENTS AFTER THE END OF THE RELEVANT PERIODS

The Group has no significant events subsequent to the end of the Relevant Periods.

34. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the subsidiaries now comprising the Group in respect of any period subsequent to 31 December 2022.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of our Company and of certain aspects of the Cayman Companies Act.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 June 2021 under the Cayman Companies Act. Our Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, *inter alia*, that the liability of members of our Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which our Company is established are unrestricted (including acting as an investment company), and that our Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Cayman Companies Act and in view of the fact that our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.

(b) Our Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [•] with effect from the [REDACTED]. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of our Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Cayman Companies Act, if at any time the share capital of our Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the voting rights of the holders of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting shall be two persons holding or representing by

proxy holding not less than one-third of the issued shares of that class. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

Our Company may by ordinary resolution of its members:

(i) increase its share capital by the creation of new shares;

(ii) consolidate or divide all or any of its capital into shares of larger amount or smaller amount than its existing shares;

(iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as our Company in general meeting or as the directors may determine;

(iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum;

(v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so canceled;

(vi) make provision for the issue and allotment of shares which do not carry any voting rights;

(vii) change the currency of denomination of its share capital; and

(viii) reduce its share premium account in any manner authorized and subject to any conditions prescribed by law.

Our Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Stock Exchange or in such other form as the Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are [REDACTED] on the Stock Exchange, titles to such [REDACTED] shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such [REDACTED] shares. The register of members in respect of its [REDACTED] shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Cayman Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such [REDACTED] shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The Board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The Board may decline to recognize any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to our Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the Board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favor of our Company.

(v) Power of our Company to purchase its own shares

Our Company is empowered by the Cayman Companies Act and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of our Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where our Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by our Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

The Board may accept the surrender for no consideration of any fully paid share.

(vi) Power of any subsidiary of our Company to own shares in our Company

There are no provisions in the Articles relating to ownership of shares in our Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced our Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in our Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed to fill a casual vacancy shall hold office until the next first annual general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing Board shall hold office only until the next first annual general meeting of our Company after his appointment and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of our Company's shareholders before the expiration of his period of office (including a managing director or other executive director, but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and our Company) and members of our Company may by ordinary resolution appoint another in his place. Unless otherwise determined by our Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

(aa) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; or

(bb) he dies or is declared to be of unsound mind and the Board resolves that his office be vacated; or

(cc) without special leave, is absent from meetings of the Board for six (6) consecutive months, and the Board resolves that his office is vacated;

(dd) he is prohibited by law from acting as a director or he ceases to be a director by operation of law; or

(ee) he has been validly required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(ff) he resigns; or

(gg) he is removed from office by an Ordinary Resolution of the Company; or

(hh) he is removed from office by notice in writing served on him signed by not less than three-fourth in number (or if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

The Board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with our Company for such period and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so

formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Cayman Companies Act, the Listing Rules and the Memorandum and Articles and to any special rights conferred on the holders of any shares or attaching to any class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of our Company or the holder thereof, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or securities in the capital of our Company on such terms as it may determine.

Subject to the provisions of the Cayman Companies Act and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company are at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither our Company nor the Board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of our Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Cayman Companies Act to be exercised or done by our Company in general meeting.

(iv) Borrowing powers

The Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of our Company and, subject to the Cayman Companies Act, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by our Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all traveling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any Board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of our Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of our Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An Executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of our Company or companies with which it is associated in business) in establishing and making contributions out of our Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with our Company or any of its subsidiaries) and ex-employees of our Company and their dependants or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex- employees or their dependants are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by our Company in general meeting.

(vii) Loans and provision of security for loans to Directors

Our Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance as if our Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with our Company or any of its subsidiaries

A Director may hold any other office or place of profit with our Company (except that of the auditor of our Company) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with our Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company or the members for any remuneration, profit or other benefits realized by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Company must declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of our Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and our Company's name

The Articles may be rescinded, altered or amended by our Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of our Company.

(e) Meetings of members

(i) Special and ordinary resolutions

A special resolution of our Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Cayman Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognized clearing house (or its nominee(s)) is a member of our Company it may (subject to the Articles) appoint proxies authorize such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of our Company (including but not limited to any general meeting, creditors meeting or meeting of any class of members) provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognized clearing house (or its nominee(s)) as if such person was the registered holder of the shares of our Company held by that clearing house (or its nominee(s)) including the right to speak and vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

Shareholders must have the right to: (a) speak at general meetings of our Company; and (b) vote at a general meeting except where a shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration. Where our Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings and extraordinary general meeting

Other than the year of our Company's adoption of the Articles, in each year during the period commencing from the [REDACTED] and including the date immediately before the [REDACTED], our Company shall hold a general meeting as its annual general meeting within six months after the end of each financial year in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it.

Extraordinary general meetings may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of our Company having the right of voting at general meetings, on a one vote per share basis in the share capital of our Company and the foregoing shareholders shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by our Company.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by a notice in writing of not less than twenty one (21) days. All other general meetings must be called by notice of at least fourteen (14) days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of our Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from our Company, and also to, among others, the auditors for the time being of our Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of our Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by our Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers; and

(ee) the fixing of the remuneration of the directors and of the auditors.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued shares of that class.

(vi) Proxies

Any member of our Company entitled to attend and vote at a meeting of our Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting. A proxy need not be a member of our Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, every member being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of our Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorized officer and such a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. On a poll or a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

(f) Accounts and audit

The Board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of our Company and of all other matters required by the Cayman Companies Act or necessary to give a true and fair view of our Company's affairs and to explain its transactions.

The accounting records shall be kept at the head office or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of our Company except as conferred by law or authorized by the Board or our Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before our Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of our Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, our Company may send to such persons summarized financial statements derived from our Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarized financial statements, a complete printed copy of our Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall by ordinary resolution appoint an auditor to audit the accounts of our Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by ordinary resolution remove the auditors at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The appointment, removal and remuneration of the auditors must be approved by a majority of our Company's shareholders in a general meeting or by other body that is independent of the Board.

The financial statements of our Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

Our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

The Articles provide dividends may be declared and paid out of the profits of our Company, realized or unrealized, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Cayman Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to our Company on account of calls or otherwise.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared on the share capital of our Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Our Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of our Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by check or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of our Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such check or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to our Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection during business hours by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Cayman Companies Act or, upon a maximum payment of HK$1.00 or such lesser sum specified by the Board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of our Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix III.

(j) Procedures on liquidation

Our Company may at any time and from time to time be wound up voluntarily by a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if our Company is wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if our Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If our Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Companies Act divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Cayman Companies Act, if warrants to subscribe for shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANIES ACT

Our Company is incorporated in the Cayman Islands subject to the Cayman Companies Act and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of the Cayman Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Islands company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar (for the avoidance of doubt, special resolution used in the below summary shall have the meaning as set out in the Cayman Companies Act):

(a) Company operations

As an exempted company, our Company's operations must be conducted mainly outside the Cayman Islands. An exempted company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

(b) Share capital

The Cayman Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancelation of shares in any other company and issued at a premium.

The Cayman Companies Act provides that the share premium account may be applied by a company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Act); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "Court"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Cayman Companies Act expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorize the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorized by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as canceled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Companies Act.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Cayman Companies Act permits, subject to a solvency test and the provisions, if any, of a company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of a company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of a company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorizing civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or

(d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by a company's memorandum and articles of association.

(g) Disposal of assets

The Cayman Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Act of the Cayman Islands, our Company has obtained an undertaking:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to our Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of our Company.

The undertaking for our Company is for a period of thirty years from 24 March 2022.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Cayman Companies Act prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of a company have no general right under the Cayman Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Cayman Companies Act required or permitted to be kept. A company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Cayman Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

(o) Register of Directors and Officers

A company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands.

Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of a company are listed on the Stock Exchange, the company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorizing civil proceedings to be brought in the

name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorized by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) seventy-five per cent. (75%) in value of shareholders or class of shareholders or (ii) a majority in number representing seventy-five per cent. (75%) in value of creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no

rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act (2021 Revision) of the Cayman Islands ("ES Act") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Act. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is our Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as our Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

4. GENERAL

Ogier, our Company's legal counsel as to Cayman Islands law, have sent to our Company a letter of advice summarizing certain aspects of Cayman Companies Act. This letter, together with a copy of the Cayman Companies Act, is available for inspection as referred to in the section headed "Documents delivered to the Registrar of Companies and available on display — Documents available on display" in Appendix V to this document. Any person wishing to have a detailed summary of Cayman Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation of our Company

Our Company, MedSci Healthcare Holdings Limited, was incorporated as an exempted company with limited liability in the Cayman Islands on June 22, 2021. Our registered office address is at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009 Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles is set out in "Appendix III — Summary of the Constitution of the Company and Cayman Islands Companies Act".

Our principal place of business in Hong Kong is at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 31, 2022 with the Registrar of Companies in Hong Kong. Ms. Kwan Sau In (關秀妍) has been appointed as the authorized representative of our Company for the acceptance of service of process and any notices required to be served on the Company in Hong Kong. The address for service of process or notice is 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.

As at the date of this Document, our Company's head office is located at 18/F, Building 34, No. 258, Xinzhuan Road, Songjiang District, Shanghai, PRC.

2. Changes in the share capital of our Company

The following sets out the changes in the share capital of our Company during the two years immediately preceding the date of this Document:

(a) On June 22, 2021, our Company was incorporated as an exempted company with limited liability in the Cayman Islands with an authorized share capital of US$50,000 divided into 50,000 ordinary shares with a par value of US$1.00 each. On the same day, one ordinary share with a par value of US$1.00 was issued to Ogier Global Subscriber (Cayman) Limited.

(b) On July 9, 2021, the one ordinary share with a par value of US$1.00 was transferred to Microhealth Limited from Ogier Global Subscriber (Cayman) Limited.

(c) On September 24, 2021, our Company carried out a share subdivision, pursuant to which our one ordinary share with a par value of US$1.00 was divided into 10,000 Ordinary Shares with a par value of US$0.0001 per share, and the authorized share capital of our Company became US$50,000 divided into 500,000,000 Ordinary Shares. After completion of the aforesaid share subdivision above:

(i) our 6,000,000 authorized but unissued Ordinary Shares were canceled and re-designated as Series A Preferred Shares;

(ii) our 6,000,000 authorized but unissued Ordinary Shares were canceled and re-designated as Series B Preferred Shares;

(iii) our 100,000,000 authorized but unissued Ordinary Shares were canceled and re-designated as Series C Preferred Shares.

Following the re-designation above, the authorized share capital of the Company became US$50,000 divided into (i) 388,000,000 Ordinary Shares with a par value of US$0.0001 each, (ii) 6,000,000 Series A Preferred Shares with a par value of US$0.0001 each, (iii) 6,000,000 Series B Preferred Shares with a par value of US$0.0001 each, and (iv) 100,000,000 Series C Preferred Shares with a par value of US$0.0001 each.

On the same day, our Company allotted and issued shares in the following manner:

(i) 276,245 Ordinary Shares with a par value of US$0.0001 each to Dighealth Limited;

(ii) 2,832,254 Ordinary Shares with a par value of US$0.0001 each to Dtx Health Limited;

(iii) 484,331 Ordinary Shares with a par value of US$0.0001 each to Meilong Limited;

(iv) 836,978 Ordinary Shares with a par value of US$0.0001 each to Meiyue Limited;

(v) 3,620,408 Ordinary Shares with a par value of US$0.0001 each to Microhealth Limited;

(vi) 96,941 Series B Preferred Shares with a par value of US$0.0001 each to Microleap Limited; and

(vii) 242,353 Series B Preferred Shares with a par value of US$0.0001 each to Sinodigital Limited;

(d) On November 25, 2021, our Company issued 754,015 Series C Preferred Shares with a par value of US$0.0001 each to Image Frame Investment (HK) Limited;

(e) On April 25, 2022, our Company allotted and issued shares in the following manner:

(i) 1,077,315 Series A Preferred Shares with a par value of US$0.0001 each to Dragon Step Ventures Limited;

(ii) 242,353 Series B Preferred Shares with a par value of US$0.0001 each to Gleaming Global Investments Limited;

(iii) 111,482 Series A Preferred Shares with a par value of US$0.0001 each to YCHK Investments Ltd;

(iv) 111,482 Series A Preferred Shares with a par value of US$0.0001 each to Control Button Limited; and

(v) 111,482 Series A Preferred Shares with a par value of US$0.0001 each to Color Stone Investment Co., Ltd;

(f) On May 6, 2022, 71,813 Ordinary Shares with a par value of US$0.0001 each were transferred to Suzhou Lintai from Microhealth Limited, which were re-designated as 71,813 Series B Preferred Shares with a par value of US$0.0001 each on the same day; and

(g) On [•], the authorized share capital of the Company was increased from US$50,000 divided into 500,000,000 shares of US$0.0001 each, of which 388,000,000 were designated as Ordinary Shares, 6,000,000 were designated as Series A Preferred Shares, 6,000,000 were designated as Series B Preferred Shares and 100,000,000 were designated as Series C Preferred Shares with a par value of US$0.0001 each, to US$[REDACTED] divided into [REDACTED] shares of US$0.0001 each, of which [REDACTED] were designated as Ordinary Shares, [REDACTED] were designated as Series A Preferred Shares, [REDACTED] were designated as Series B Preferred Shares and [REDACTED] were designated as Series C Preferred Shares by creation of an additional of [REDACTED] Shares.

On the [REDACTED], each of the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares will be converted into one Ordinary Share immediately prior to the completion of the [REDACTED] and the [REDACTED], and the authorized share capital of the Company will become US$[REDACTED] divided into [REDACTED] Shares with a par value of US$0.0001 each.

Save as disclosed herein, there has been no alteration in our share capital and no redemption, repurchase or sale of any of our share capital since our incorporation.

3. Corporate Reorganization

The companies comprising our Group underwent the Reorganization in preparation for the [REDACTED] on the Stock Exchange. See "History, Reorganization and Corporate Structure" for information relating to the Reorganization.

4. Changes in the share capital of our subsidiaries

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

Save as disclosed below, there has been no alteration in the share capital of any of our subsidiaries or Consolidated Affiliated Entities within the two years immediately preceding the date of this Document.

Shanghai MedSci

(a) On September 27, 2020, the registered capital of Shanghai MedSci increased from RMB9,694,118 to RMB10,178,824.

(b) On April 19, 2021, the registered capital of Shanghai MedSci changed from RMB10,178,824 to RMB10,053,624.

Shanghai Chungu

On November 18, 2021, the registered capital of Shanghai Chungu increased from RMB1,000,000 to RMB10,000,000.

5. Resolutions of the Shareholders of our Company dated [•]

Written resolutions of our Shareholders were passed on [•], pursuant to which, among others:

(a) the authorized share capital of the Company was increased from US$50,000 divided into 500,000,000 shares of US$0.0001 each, of which 388,000,000 were designated as Ordinary Shares, 6,000,000 were designated as Series A Preferred Shares, 6,000,000 were designated as Series B Preferred Shares and 100,000,000 were designated as Series C Preferred Shares with a par value of US$0.0001 each, to US$[REDACTED] divided into [REDACTED] shares of US$0.0001 each, of which [REDACTED] were designated as Ordinary Shares, [REDACTED] were designated as Series A Preferred Shares, [REDACTED] were designated as Series B Preferred Shares and [REDACTED] were designated as Series C Preferred Shares by creation of an additional of [REDACTED] Shares;

(b) conditional upon [REDACTED], all of the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares (whether issued or unissued) will be converted and re-designated to Shares on a one-to-one basis, such that the authorized share capital of the Company upon the [REDACTED] will be US$[REDACTED] divided into [REDACTED] Shares;

(c) conditional on the conditions stated in the section headed "Structure of the [REDACTED]" in this Document being fulfilled or waived by the [REDACTED] and the [REDACTED] (on behalf of the [REDACTED] and the [REDACTED]):

(i) the [REDACTED] and the [REDACTED] (including the [REDACTED]) were approved, and the Directors were authorized to make or effect the same as it thinks fit, to allot, issue and approve the transfer of such number of Shares in connection with the [REDACTED] and any exercise of the [REDACTED], and to determine the [REDACTED];

(ii) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which might require Shares to be allotted, issued or dealt with, otherwise than pursuant to the [REDACTED] or pursuant to a rights issue or pursuant to the exercise of any subscription rights attaching to any warrants or any option scheme or similar arrangement which may be allotted and issued by the Company from time to time on a specific authority granted by the Shareholders in general meeting or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Memorandum and the Articles, not exceeding 20% of the number of the Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED], excluding any Shares to be issued pursuant to the exercise of the [REDACTED];

(iii) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase Shares on the Hong Kong Stock Exchange or on any other stock exchange on which the Shares may be [REDACTED] and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose, up to 10% of the number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED], excluding any Shares which may be issued pursuant to the exercise of the [REDACTED];

(iv) the general unconditional mandate as mentioned in paragraph (ii) above was extended by the addition to the aggregate number of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of the aggregate number of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (iii) above (up to 10% of the number of the Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED], excluding any Shares to be issued pursuant to the exercise of the [REDACTED]); and

(d) our Company conditionally approved and adopted the Memorandum and the Articles with effect from [REDACTED].

Each of the general mandates referred to in sub-paragraphs (a)(ii) and (a)(iii) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of the Shareholders in a general meeting either unconditionally or subject to condition;

- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; and

- the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

6. Repurchase of our own securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

Provision of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on [•], the Repurchase Mandate was given to our Directors authorizing them to exercise all the powers of our Company to repurchase Shares on the Hong Kong Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (excluding any Shares to be issued pursuant to the exercise of the [REDACTED]), with such mandate to expire at the earliest of (a) the conclusion of the next annual general meeting of our Company, (b) the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association and (c) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Source of funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles and the applicable laws of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of laws of the Cayman Islands, any purchases by our Company may be made out of profits or share premium account of our Company or out of the proceeds of a fresh issue of shares made for the purpose of the purchase or, if so authorized by the Articles of Association and subject to the Cayman Companies Act, out of capital. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or our share premium account before or at the time the shares are purchased, if so authorized by the Articles of Association and subject to the Cayman Companies Act, out of capital.

Trading restrictions

A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

Status of repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or otherwise) is automatically canceled and the relative certificates must be canceled and destroyed.

Suspension of repurchase

Pursuant to the Listing Rules, our Company may not make any repurchases of Shares after inside information has come to its knowledge until the information is made publicly available. In particular, under the requirements of the Listing Rules in force as of the date hereof, during the period of one month immediately preceding the earlier of:

(a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(b) the deadline for our Company to publish an announcement of our Company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and in each case ending on the date of the results announcement, our Company may not repurchase Shares on the Stock Exchange unless the circumstances are exceptional.

Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

Core connected persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules), and a core connected person shall not knowingly sell their securities to the company.

Reasons for repurchases

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

Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of the current financial position as disclosed in this Document and taking into account the current working capital position, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position disclosed in this Document. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of our Company which, in the opinion of the Directors, are from time to time appropriate for our Company.

General

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (but not taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]), could accordingly result in [REDACTED] Shares being repurchased by our Company during the period prior to the earliest occurrence of (a) the conclusion of the next annual general meeting of our Company; (b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of Hong Kong to be held; or (c) the revocation or variation of the purchase mandate by an ordinary resolution of the Shareholders in general meeting (the "**Relevant Period**").

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

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

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be granted other than in exceptional circumstances.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this Document and are or may be material:

(1) a share subscription agreement for Series C Preferred Shares in MedSci Healthcare Holdings Limited entered into among Zhang Fabao (張發寶), Li Xinmei (李欣梅), Microhealth Limited, Dtx Health Limited, Image Frame Investment (HK) Limited, MedSci Healthcare Holdings (BVI) Limited, MedSci Healthcare Holdings (Hong Kong) Limited, Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院

(廣州)有限公司) and MedSci Healthcare Holdings Limited dated October 29, 2021, pursuant to which MedSci Healthcare Holdings Limited issued and allotted 754,015 Series C Preferred Shares to Image Frame Investment (HK) Limited for consideration of RMB300 million;

(2) a warrants subscription agreement entered into among Zhang Fabao (張發寶), Li Xinmei (李欣梅), Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)), Beijing Qiming Rongxin Equity Investment Partnership (Limited Partnership) (北京啟明融新股權投資合夥企業(有限合夥)) and MedSci Healthcare Holdings Limited dated November 4, 2021, pursuant to which MedSci Healthcare Holdings Limited agreed to issue warrants at a price of US$0.0001 which entitled Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) and Beijing Qiming Rongxin Equity Investment Partnership (Limited Partnership) (北京啟明融新股權投資合夥企業(有限合夥)) to subscribe for the preferred shares of the Company;

(3) an exclusive business cooperation agreement (獨家業務合作協議) entered into among Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司), Zhang Fabao (張發寶) and Yang Chun (楊春) dated November 5, 2021, pursuant to which Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) agreed to provide technical, management, consultancy and other relevant services to Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司) for a service fee;

(4) an exclusive technical service and management consultancy agreement (獨家技術服務及管理咨詢協議) entered into between Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司) dated November 5, 2021, pursuant to which Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) agreed to provide exclusive technical, management and consultancy services to Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司) for a service fee;

(5) an exclusive call option agreement (獨家購買權協議) entered into among Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司), Zhang Fabao (張發寶) and Yang Chun (楊春) dated November 5, 2021, pursuant to which Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) or its designated purchaser was irrevocably granted the right to purchase all or part of the direct or indirect interests in Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司);

(6) a shareholders' rights entrustment agreement (股東權利委託協議) entered into among Zhang Fabao (張發寶), Yang Chun (楊春), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司) dated November 5, 2021, pursuant to which Zhang Fabao (張發寶) and Yang Chun (楊春) irrevocably authorized and entrusted Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) or its designated person to exercise all of the rights as shareholders of Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司);

(7) a shareholders' power of attorney (股東權利授權書) executed by Zhang Fabao (張發寶) and Yang Chun (楊春) on November 5, 2021 in favor of Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), pursuant to which Zhang Fabao (張發寶) and Yang Chun (楊春) authorized and appointed Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), as their agent to act on their behalf to exercise or delegate the exercise of all their rights as the shareholders of Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司);

(8) an equity pledge agreement (股權質押協議) entered into among Zhang Fabao (張發寶), Yang Chun (楊春), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司) dated November 5, 2021, pursuant to which each of Zhang Fabao (張發寶) and Yang Chun (楊春) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of their equity interests and rights in Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司), Zhang Fabao (張發寶) and Yang Chun (楊春) under the Hefei Kang'en Contractual Arrangements and the payment of the secured indebtedness;

(9) an exclusive business cooperation agreement (獨家業務合作協議) entered into among Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司), Li Xinmei (李欣梅), Zhang Fabao (張發寶), Yang Chun (楊春), Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業(有限合夥)), Shihezi Meilong Equity Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)), Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)), Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) and Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) dated November 5, 2021, pursuant to which Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) agreed to provide technical, management, consultancy and other relevant services to Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司) and Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) for a service fee;

(10) an exclusive technical service and management consultancy agreement (獨家技術服務及管理咨詢協議) entered into among Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司) and Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) dated November 5, 2021, pursuant to which Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) agreed to provide exclusive technical, management and consultancy services to Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司) and Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) for a service fee;

(11) an exclusive call option agreement (獨家購買權協議) entered into among Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司), Li Xinmei (李欣梅), Zhang Fabao (張發寶), Yang Chun (楊春), Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業(有限合夥)), Shihezi Meilong Equity Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)), Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)), Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) and Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) dated November 5, 2021, pursuant to which Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) or its designated purchaser was irrevocably granted the right to purchase all or part of the direct or indirect interests in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司) and Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司);

(12) a shareholders' rights entrustment agreement (股東權利委託協議) entered into among Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Li Xinmei (李欣梅), Zhang Fabao (張發寶), Yang Chun (楊春), Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業(有限合夥)), Shihezi Meilong Equity Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)), Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)), Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限

合夥)), Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) and Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) dated November 5, 2021, pursuant to which Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) or its designated person was irrevocably authorized and entrusted to exercise all of the rights as shareholders of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司);

(13) a shareholders' power of attorney (股東權利授權書) executed by Li Xinmei (李欣梅), Zhang Fabao (張發寶), Yang Chun (楊春), Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業(有限合夥)), Shihezi Meilong Equity Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)), Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)), Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) and Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) on November 5, 2021 in favor of Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), pursuant to which Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) was authorized and appointed as their agent to act on their behalf to exercise or delegate the exercise of all their rights as the shareholders of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司);

(14) an equity pledge agreement (股權質押協議) entered into among Li Xinmei (李欣梅), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Li Xinmei (李欣梅) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of her equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公

司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Li Xinmei (李欣梅) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(15) an equity pledge agreement (股權質押協議) entered into among Zhang Fabao (張發寶), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Zhang Fabao (張發寶) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of his equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Zhang Fabao (張發寶) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(16) an equity pledge agreement (股權質押協議) entered into among Yang Chun (楊春), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Yang Chun (楊春) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of his equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Yang Chun (楊春) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(17) an equity pledge agreement (股權質押協議) entered into among Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose

of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(18) an equity pledge agreement (股權質押協議) entered into among Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(19) an equity pledge agreement (股權質押協議) entered into among Shihezi Meilong Equity Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Shihezi Meilong Equity Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Shihezi Meilong Equity

Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(20) an equity pledge agreement (股權質押協議) entered into among Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(21) an equity pledge agreement (股權質押協議) entered into among Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(22) an equity pledge agreement (股權質押協議) entered into among Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(23) an equity pledge agreement (股權質押協議) entered into among Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(24) an equity pledge agreement (股權質押協議) entered into among Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(25) an equity pledge agreement (股權質押協議) entered into among Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)), Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) and Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) dated November 5, 2021, pursuant to which Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests and rights in Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司) to Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司) for the purpose of securing the performance of the contractual obligations of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) under the Shanghai MedSci Contractual Arrangements and the payment of the secured indebtedness;

(26) a spouse undertaking (配偶承諾函) dated November 5, 2021 executed by Zhang Fabao (張發寶), the spouse of Li Xinmei (李欣梅) who is a shareholder of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司);

(27) a spouse undertaking (配偶承諾函) dated November 5, 2021 executed by Li Xinmei (李欣梅), the spouse of Zhang Fabao (張發寶) who is a shareholder of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司);

(28) a spouse undertaking (配偶承諾函) dated November 5, 2021 executed by Shao Changyan (邵長燕), the spouse of Yang Chun (楊春) who is a shareholder of Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司);

(29) a spouse undertaking (配偶承諾函) dated November 5, 2021 executed by Li Xinmei (李欣梅), the spouse of Zhang Fabao (張發寶) who is a shareholder of Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司);

(30) a spouse undertaking (配偶承諾函) dated November 5, 2021 executed by Shao Changyan (邵長燕), the spouse of Yang Chun (楊春) who is a shareholder of Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司);

(31) a shareholders agreement entered into among Zhang Fabao (張發寶), Li Xinmei (李欣梅), Microhealth Limited, Dtx Health Limited, Dighealth Limited, Meiyue Limited, Meilong Limited, Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)), Sinodigital Limited, Beijing Qiming Rongxin Equity Investment Partnership (Limited Partnership) (北京啟明融新股權投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)), Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)), Microleap Limited, Shanghai Linsong Industrial Internet Start-up Investment Fund (Limited Partnership) (上海臨松工業互聯網創業投資基金合夥企業(有限合夥)), Image Frame Investment (HK) Limited, MedSci Healthcare Holdings (BVI) Limited, MedSci Healthcare Holdings (Hong Kong) Limited, Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司) and MedSci Healthcare Holdings Limited dated November 25, 2021, pursuant to which certain shareholder rights were agreed among the parties;

(32) a supplemental agreement to the contractual arrangements (合作系列協議之補充協議) entered into among Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Hefei Kang'en Information Technology Co., Ltd. (合肥康恩信息技術有限公司), Zhang Fabao (張發寶) and Yang Chun (楊春) dated April 17, 2022, pursuant to which certain restatements were made to an exclusive business cooperation agreement (獨家業務合作協議), an exclusive call option agreement (獨家購買權協議) and a shareholders' rights entrustment agreement (股東權利委託協議) among the parties dated November 5, 2021;

(33) a supplemental agreement to the contractual arrangements (合作系列協議之補充協議) entered into among Shanghai Meiyi Hehong Technology Co., Ltd. (上海梅益合宏科技有限公司), Shanghai MedSci MedTech Co., Ltd. (上海梅斯醫藥科技有限公司), Hangzhou Yilan Information Technology Co., Ltd. (杭州醫覽信息科技有限公司), Shanghai Chungu Bio Medicine Technology Co., Ltd. (上海春谷生物醫藥科技有限公司), Yika Internet Hospital (Guangzhou) Co., Ltd. (醫咖互聯網醫院(廣州)有限公司), Li Xinmei (李欣梅), Zhang Fabao (張發寶), Yang Chun (楊春), Suzhou Qiming Ronghe Venture Capital Investment Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)), Shanghai Meiyue Management Consulting Partnership (Limited Partnership) (上海梅躍管理諮詢合夥企業(有限合夥)), Shihezi Meilong Equity Investment Partnership (Limited Partnership) (石河子市梅隆股權投資合夥企業(有限合夥)), Shanghai Weita Enterprise Management Consulting Partnership (Limited Partnership) (上海魏獺企業管理諮詢合夥企業(有限合夥)), Suzhou Qisi Enterprise Management Consultancy Partnership (Limited Partnership) (蘇州啟斯企業管理諮詢合夥企業(有限合夥)), Beijing Kechuang Borui Investment Partnership (Limited Partnership) (北京科創博睿投資合夥企業(有限合夥)), Gongqingcheng Yachang Hongkai Equity Investment Partnership (Limited Partnership) (共青城亞昌宏愷股權投資合夥企業(有限合夥)), Huzhou Jingwo Investment Management Partnership (Limited Partnership) (湖州璟沃投資管理合夥企業(有限合夥)) and Shanghai Hongpan One Enterprise Management Center (Limited Partnership) (上海泓磐壹企業管理中心(有限合夥)) dated April 17, 2022, pursuant to which certain restatements were made to an exclusive business cooperation agreement (獨家業務合作協議), an exclusive call option agreement (獨家購買權協議) and a shareholders' rights entrustment agreement (股東權利委託協議) among the parties dated November 5, 2021; and

(34) the [REDACTED].

2. Intellectual property rights

(a) Trademarks

As of the Latest Practicable Date, our Group had registered the following trademarks, which we consider to be material to our Group's business:

No.	Trademark	Registered Owner	Place of Registration
1	MedSci	Shanghai MedSci	PRC
2	梅斯	Shanghai MedSci	PRC
3	梅斯健康	Shanghai MedSci	PRC
4	梅斯医生	Shanghai MedSci	PRC
5	梅斯医学	Shanghai MedSci	PRC
6	梅斯医药	Shanghai MedSci	PRC
7	医讯达	Shanghai MedSci	PRC
8		Shanghai MedSci	PRC
9	IMSL STATION	Shanghai MedSci	PRC
10	BIOON	Shanghai Chungu	PRC
11	生物谷	Shanghai Chungu	PRC
12		Shanghai MedSci	Hong Kong
13		Shanghai MedSci	Hong Kong
14	梅斯	Shanghai MedSci	Hong Kong
15	梅斯醫學	Shanghai MedSci	Hong Kong
16	梅斯健康	Shanghai MedSci	Hong Kong
17	MedSci 梅斯	Shanghai MedSci	Hong Kong

As of the Latest Practicable Date, our Group has made applications to register the following trademarks, which we consider to be material to our Group's business:

No.	Trademark	Applicant	Place of Application	Class	Application Date (dd/mm/yyyy)
1	绵羊睡眠	Shanghai MedSci	PRC	10、35	14/04/2021
2	BIOON	Shanghai Chungu	PRC	3、5、9	11/03/2021

(b) Patents

As of the Latest Practicable Date, our Group had registered the following patent, which we consider to be material to our Group' business:

No.	Title	Registered Owner	Place of Registration	Patent Number
1	A digital experience distribution technology and an audio-optical method to assist in the treatment of sleep-related disorders (數字體驗發佈技術以及用於輔助治療睡眠類疾病的聲光方法)	Shanghai MedSci	PRC	202111016852.6

As of the Latest Practicable Date, our Group had made applications for the following patents, which we consider to be material to our Group's business:

No.	Title	Registered Owner	Place of Registration
1	A reminder method, system, computer device for drug administration (一種用藥提醒方法、系統、計算機設備)	Shanghai MedSci	PRC
2	A recommended method, system, terminal device and storage medium for professional content information (專業內容信息的推薦方法、系統、終端設備和存儲介質)	Shanghai MedSci	PRC

No.	Title	Registered Owner	Place of Registration
3	A method, device, system and medium for self-verifying the publication and access of URLs (一種自身校驗發佈和訪問 URL 的方法、裝置、系統和介質)	Shanghai MedSci	PRC
4	A method and system for determining the correlation between adverse events and medication (一種不良事件和用藥關聯性判斷方法及系統)	Shanghai MedSci	PRC
5	A method, device, system and medium for desensitization and reduction of electronic medical records (一種用於電子病歷脱敏及還原的方法、裝置、系統和介質)	Shanghai MedSci	PRC
6	A name standardization and specification processing method, device, computer and storage medium (名稱標準化規範處理方法、裝置、計算機及存儲介質)	Shanghai MedSci	PRC
7	A data acquisition method, device, computer equipment and storage medium (數據獲取方法、裝置、計算機設備和存儲介質)	Shanghai MedSci	PRC
8	A method, system, device and medium for creating patient model based on virtual reality (基於虛擬現實的患者模型創建方法、系統、設備和介質)	Shanghai MedSci	PRC
9	A patient education system and method (一種患者宣教系統及方法)	Shanghai MedSci	PRC
10	A model training method, terminal device and storage medium (一種模型的訓練方法、終端設備和存儲介質)	Shanghai MedSci	PRC

No.	Title	Registered Owner	Place of Registration
11	A method, system, intelligent mobile device and storage medium for sleep management (一種睡眠管理方法、系統、智能移動設備和存儲介質)	Shanghai MedSci	PRC

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights, which we consider to be material to our Group's business:

No.	Copyright	Version	Registration Number	Registered Owner	Registration Date (dd/mm/yyyy)
1	Characteristics and implementation of real-world study (真實世界研究的特徵與實施)	1.0	滬作登字-2018-L-01084741	Shanghai MedSci	15/05/2018
2	Statistical planning, statistical strategies and statistical methods for clinical research (臨床研究的統計計劃、統計策略與統計方法)	1.0	滬作登字-2018-L-01241787	Shanghai MedSci	14/12/2018
3	Statistical analysis strategies for real-world study (真實世界研究的統計分析策略)	1.0	滬作登字-2018-L-01241786	Shanghai MedSci	14/12/2018
4	An idea of data mining in registration database (登記數據庫數據挖掘思路)	1.0	滬作登字-2018-L-01241785	Shanghai MedSci	14/12/2018
5	Concepts and characteristics of real-world study (真實世界研究的概念和特徵)	1.0	滬作登字-2018-L-01241784	Shanghai MedSci	14/12/2018

No.	Copyright	Version	Registration Number	Registered Owner	Registration Date (dd/mm/yyyy)
6	Clinical research methods and design for orphan diseases (孤兒病的臨床研究方法與設計)	1.0	滬作登字-2019-A-01493910	Shanghai MedSci	31/10/2019
7	An innovative idea for clinical research (臨床研究創新思路)	1.0	滬作登字-2019-A-01493909	Shanghai MedSci	31/10/2019
8	Design of the questionnaire survey (問卷調研的設計)	1.0	滬作登字-2019-A-01493908	Shanghai MedSci	31/10/2019
9	Outline and application of pharmacoeconomics (藥物經濟學概要與應用)	1.0	滬作登字-2019-A-01493907	Shanghai MedSci	31/10/2019
10	Establishment and application of disease risk scoring model (疾病風險評分模型建立與應用)	1.0	滬作登字-2019-A-01493906	Shanghai MedSci	31/10/2019
11	Clinical research design protocol writing and SPIRIT protocol interpretation (臨床研究設計方案撰寫與SPIRIT規範解讀)	1.0	滬作登字-2019-A-01493905	Shanghai MedSci	31/10/2019
12	Three steps and four levels of signal pathway research (信號通路研究的三步驟四層次)	1.0	滬作登字-2019-A-01493904	Shanghai MedSci	31/10/2019
13	Quality by Design (QbD) concept and its application in clinical research (質量源於設計(QbD)理念與臨床研究中應用)	1.0	滬作登字-2019-A-01493903	Shanghai MedSci	31/10/2019

No.	Copyright	Version	Registration Number	Registered Owner	Registration Date (dd/mm/yyyy)
14	Calculation of minimum sample size in clinical research (臨床研究中最小樣本量計算)	1.0	滬作登字-2019-A-01493902	Shanghai MedSci	31/10/2019
15	Evaluation of real-world study for pharmacoeconomics (真實世界研究用於藥物經濟學評價)	1.0	滬作登字-2019-A-01493901	Shanghai MedSci	31/10/2019
16	Logo for intelligent clinical research data management center (智能臨床研究數據管理中心標識)	1.0	滬作登字-2020-F-01647622	Shanghai MedSci	30/04/2020
17	Logo II for intelligent clinical research data management center (智能臨床研究數據管理中心標識之二)	1.0	滬作登字-2020-F-01647623	Shanghai MedSci	30/04/2020
18	Logo III for intelligent clinical research data management center (智能臨床研究數據管理中心標識之三)	1.0	滬作登字-2020-F-01647624	Shanghai MedSci	30/04/2020
19	Logo IV for intelligent clinical research data management center (智能臨床研究數據管理中心標識之四)	1.0	滬作登字-2020-F-01647621	Shanghai MedSci	30/04/2020
20	Project design of transformational medical research (轉化醫學研究課題設計)	1.0	滬作登字-2020-A-01751124	Shanghai MedSci	21/08/2020

No.	Copyright	Version	Registration Number	Registered Owner	Registration Date (dd/mm/yyyy)
21	Statistical analysis strategies for real-world study (真實世界研究的統計分析策略)	1.0	滬作登字-2020-A-01751123	Shanghai MedSci	21/08/2020
22	Analysis of clinical benefits in clinical research (臨床研究中的臨床獲益分析)	1.0	滬作登字-2020-A-01751122	Shanghai MedSci	21/08/2020
23	Principles and methods of data cleaning in clinical research (臨床研究中數據清洗原則與方法)	1.0	滬作登字-2020-A-01751121	Shanghai MedSci	21/08/2020
24	Selection of statistical ideas and methods (統計學思路與統計方法的選擇)	1.0	滬作登字-2020-A-01751120	Shanghai MedSci	21/08/2020
25	Top-level design and selection of innovative directions for topics in the field of endocrinology (內分泌領域課題的頂層設計與創新方向選擇)	1.0	滬作登字-2020-A-01751119	Shanghai MedSci	21/08/2020
26	Six elements of clinical research: PICOST principle (臨床研究六要素：PICOST原則)	1.0	滬作登字-2020-A-01751118	Shanghai MedSci	21/08/2020
27	Types of clinical trials in the field of oncology (腫瘤領域的臨床試驗類型)	1.0	滬作登字-2020-A-01751117	Shanghai MedSci	21/08/2020

No.	Copyright	Version	Registration Number	Registered Owner	Registration Date (dd/mm/yyyy)
28	Types of clinical research design and evidence level of evidence-based medicine (臨床研究設計類型與循證醫學證據等級)	1.0	滬作登字-2020-A-01751116	Shanghai MedSci	21/08/2020
29	Bias and bias control in clinical research (臨床研究中的偏倚與偏倚控制)	1.0	滬作登字-2020-A-01751115	Shanghai MedSci	21/08/2020
30	An idea for subgroup analysis in clinical studies (臨床研究中的亞組分析思路)	1.0	滬作登字-2020-A-01751114	Shanghai MedSci	21/08/2020
31	Features and benefits of registry-based randomized controlled trials (RRCT) (基於登記數據庫的隨機對照試驗(RRCT)研究設計的特點與優點)	1.0	滬作登字-2020-A-01751113	Shanghai MedSci	21/08/2020
32	Value and design highlights of single-arm clinical research (單臂臨床研究的價值與設計要點)	1.0	滬作登字-2020-A-01751112	Shanghai MedSci	21/08/2020
33	Patient-centered medical strategy (以患者為中心的醫學策略)	1.0	滬作登字-2020-A-01751111	Shanghai MedSci	21/08/2020
34	Selection, submission, and response letter of clinical manuscripts (臨床稿件的選刊、投稿、及修回信處理)	1.0	滬作登字-2020-A-01751126	Shanghai MedSci	21/08/2020

No.	Copyright	Version	Registration Number	Registered Owner	Registration Date (dd/mm/yyyy)
35	Clinical application of propensity score matching statistical method (傾向性評分匹配統計方法的臨床應用)	1.0	滬作登字-2020-A-01751125	Shanghai MedSci	21/08/2020
36	Application of medical big data in the field of rheumatology (醫療大數據在風濕領域中的應用)	1.0	滬作登字-2020-A-01751127	Shanghai MedSci	21/08/2020
37	An idea of data mining in registration database (登記數據庫數據挖掘思路)	1.0	滬作登字-2020-A-01751128	Shanghai MedSci	21/08/2020
38	Application of competitive risk models (競爭風險模型的應用)	1.0	滬作登字-2020-A-01751129	Shanghai MedSci	21/08/2020
39	Treatment of non-linear independent variables in regression modeling (回歸建模中非線性自變量的處理)	1.0	滬作登字-2020-A-01751130	Shanghai MedSci	21/08/2020
40	Regression, calibration and subgroup analysis in clinical research (臨床研究中的回歸、校正與亞組分析)	1.0	滬作登字-2020-A-01751131	Shanghai MedSci	21/08/2020
41	Regression model analysis and regression diagnosis (回歸模型分析與回歸診斷)	1.0	滬作登字-2020-A-01751132	Shanghai MedSci	21/08/2020
42	Statistical methods for instrumental variables in real-world study (真實世界研究中工具變量統計方法)	1.0	滬作登字-2020-A-01751133	Shanghai MedSci	21/08/2020

No.	Copyright	Version	Registration Number	Registered Owner	Registration Date (dd/mm/yyyy)
43	Planning of evidence chain for post-marketing clinical research (上市後臨床研究證據鏈的規劃)	1.0	滬作登字-2020-A-01751134	Shanghai MedSci	21/08/2020
44	Key points for clinical translation of biomarkers (生物標誌物的臨床轉化關鍵要點)	1.0	滬作登字-2020-A-01751135	Shanghai MedSci	21/08/2020
45	Trends in clinical research design in the field of oncology (腫瘤領域臨床研究設計趨勢)	1.0	滬作登字-2020-A-01751136	Shanghai MedSci	21/08/2020
46	Advanced course on disease prognostic scoring models (疾病預後評分模型高級課程)	1.0	滬作登字-2020-A-01751137	Shanghai MedSci	21/08/2020
47	Prognostic modeling and interpretation of TRIPOD protocols (疾病預後模型建立與TRIPOD規範解讀)	1.0	滬作登字-2020-A-01751138	Shanghai MedSci	21/08/2020
48	Design highlights for ophthalmology randomized controlled clinical research (眼科隨機對照臨床研究設計要點)	1.0	滬作登字-2020-A-01751139	Shanghai MedSci	21/08/2020
49	Specification and compiling highlights for ophthalmology observational clinical research reports (眼科觀察性臨床研究報告規範和寫作要點)	1.0	滬作登字-2020-A-01751140	Shanghai MedSci	21/08/2020
50	Xiaoyang Mianmian (小羊眠眠)	1.0	國作登字-2021-F-00244673	Shanghai MedSci	25/10/2021

No.	Copyright	Version	Registration Number	Registered Owner	Registration Date (dd/mm/yyyy)
51	MedSci centralized data mobile transcription platform (梅斯中心化數據移動端轉錄平台)	1.0	2022SR1071718	Shanghai MedSci	10/08/2022
52	MedSci doctor virtual clinic platform (梅斯醫生虛擬診療平台)	1.0	2022SR1206972	Shanghai MedSci	19/08/2022
53	MedSci accurate reach platform for doctors' academic content (梅斯醫生學術內容精准觸達平台)	1.0	2022SR1195016	Shanghai MedSci	19/08/2022
54	Research information management platform (科研信息管理平台)	1.0	2022SR1544640	Shanghai MedSci	18/11/2022
55	MedSci clinical research platform (梅斯臨床科研平台)	1.0	2023SR0264001	Shanghai MedSci	20/02/2023

(d) Domain names

As of the Latest Practicable Date, we owned the following domain names, which we consider to be material to our Group's business:

No.	Domain Name	Registered Owner	Expiry Date (dd/mm/yyyy)
1	idrugsafety.cn	Shanghai MedSci	31/05/2023
2	bioon.com	Shanghai Chungu	18/04/2024
3	medscihealthcare.cn	Shanghai MedSci	08/10/2023
4	biodic.cn	Shanghai Chungu	21/02/2024
5	medsci.cn	Shanghai MedSci	28/08/2027
6	bioon.com.cn	Shanghai Chungu	08/04/2023

Save as disclosed above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' service contracts and appointment letters

Executive Directors

Each of our executive Directors has entered into a service contract with our Company. Pursuant to their respective service contracts, they agreed to act as executive Directors for an initial term of three years commencing from the date of appointment. Either party has the right to give not less than three months' written notice to terminate the agreement. The appointment of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

Non-executive Directors and Independent non-executive Directors

Each of our non-executive Directors and independent non-executive Directors has entered into a service contract and an appointment letter, respectively, with our Company. The initial term of their appointment shall be three years from the date of appointment (for non-executive Directors) and from the date of this Document (for independent non-executive Directors), and may be terminated by either party giving to the other not less than three months' prior notice in writing. Under their respective service contracts or appointment letters, each of the independent non-executive Directors will receive a fixed Directors' fee while non-executive Directors are not entitled to any remuneration. The appointments of the non-executive Directors and independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

Details of our Company's remuneration policy are described in "Directors and Senior Management — Remuneration of Directors and Senior Management".

2. Remuneration of Directors

(1) Remuneration and benefits in kind of approximately RMB2.17 million, RMB2.61 million and RMB3.65 million in aggregate were paid by our Group to our Directors in respect of the years ended December 31, 2020, 2021 and 2022, respectively.

(2) Under the arrangements currently in force, our Directors are entitled to receive remuneration and benefits in kind which, for the year ending December 31, 2023, is expected to be approximately RMB5.1 million in aggregate (excluding any discretionary bonus).

(3) None of our Directors has or is proposed to have a service contract with our Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Disclosure of interests

Interests and short positions of our Directors in the share capital of our Company and its associated corporations following completion of the [REDACTED]

Immediately following completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised), the interests and/or short positions (as applicable) of our Directors and chief executives in the shares, underlying shares and debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to our Company and the Stock Exchange, will be as follows:

(a) Interest in Shares of our Company

Name of Director or chief executive	Capacity/ Nature of interest	Number of Shares/ underlying Shares upon the completion of the [REDACTED] and the [REDACTED][(1)]	Approximate percentage of shareholding in our Company upon the completion of the [REDACTED] and the [REDACTED][(2)]
Dr. Li	Interest in a controlled corporation	[REDACTED](L)[(3)]	[REDACTED]
	Interest of spouse	[REDACTED](L)[(3)]	[REDACTED]
Dr. Zhang	Interest in a controlled corporation	[REDACTED](L)[(4)]	[REDACTED]
	Interest in a controlled corporation	[REDACTED](L)[(4)]	[REDACTED]
	Interest of spouse	[REDACTED](L)[(4)]	[REDACTED]

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The table above is calculated on the basis that a total of [REDACTED] Shares will be in issue immediately after completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and that all of the Preferred Shares have been converted into the Shares on a one-to-one basis).

(3) Microhealth Limited is wholly owned by Dr. Li and will beneficially hold [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. By virtue of the SFO, Dr. Li is deemed to be interested in the Shares held by Microhealth Limited. As Dr. Zhang is the spouse of Dr. Li, Dr. Li is deemed to be interested in the Shares in which Dr. Zhang is interested by virtue of the SFO, being [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED].

(4) Dtx Health Limited is wholly owned by Dr. Zhang and will beneficially hold [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. By virtue of the SFO, Dr. Zhang is deemed to be interested in the Shares held by Dtx Health Limited. As Dr. Li is the spouse of Dr. Zhang, Dr. Zhang is deemed to be interested in the Shares in which Dr. Li is interested by virtue of the SFO, being [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. Meilong Limited is one of our Employee Equity Incentive Platforms, which is held as to approximately 44.67% by Dr. Zhang (including approximately 2.58% held through Dtx Health Limited) as of the Latest Practicable Date, and will beneficially hold [REDACTED] Shares upon the completion of the [REDACTED] and the [REDACTED]. By virtue of the SFO, Dr. Zhang is deemed to be interested in the Shares held by Meilong Limited.

(b) Interest in shares of our Company's associated corporations

Name of Director or chief executive	**Capacity/Nature of interest**	**Associated corporations**	**Amount of registered capital** *(RMB)*	**Approximate percentage of interest in the associated corporation**
Dr. Li	Beneficial interest	Shanghai MedSci	3,630,408	[REDACTED]
	Interest of spouse	Shanghai MedSci	3,316,585[(1)]	[REDACTED]
	Interest of spouse	Hefei Kang'en	990,000[(1)]	[REDACTED]
Dr. Zhang	Beneficial interest	Shanghai MedSci	2,832,254	[REDACTED]
	Interest in a controlled corporation	Shanghai MedSci	484,331[(2)]	[REDACTED]
	Interest of spouse	Shanghai MedSci	3,630,408[(3)]	[REDACTED]
	Beneficial interest	Hefei Kang'en	990,000	[REDACTED]
Mr. Hu Xubo	Interest in a controlled corporation	Shanghai MedSci	1,319,668[(4)]	[REDACTED]

Notes:

(1) As Dr. Zhang is the spouse of Dr. Li, Dr. Li is deemed to be interested in the registered capital of Shanghai MedSci and Hefei Kang'en held by Dr. Zhang by virtue of the SFO.

(2) Meilong Investment, which is held as to approximately 44.67% by Dr. Zhang (including approximately 2.58% held through Dtx Health Limited) as of the Latest Practicable Date, holds RMB484,331 registered capital of Shanghai MedSci, in which Dr. Zhang is deemed to be interested by virtue of the SFO.

(3) As Dr. Li is the spouse of Dr. Zhang, Dr. Zhang is deemed to be interested in the registered capital of Shanghai MedSci held by Dr. Li by virtue of the SFO, being RMB3,630,408.

(4) Qiming Ronghe holds RMB1,077,315 registered capital of Shanghai MedSci, and its general partner is Suzhou Qicheng. Suzhou Qicheng's general partner is Shanghai Qichang, which is held as to 50% by Mr. Hu Xubo. Therefore, Mr. Hu Xubo is deemed to be interested in the registered capital of Shanghai MedSci held by Qiming Ronghe by virtue of the SFO.

Suzhou Qisi holds RMB242,353 registered capital of Shanghai MedSci, and its general partner is Beijing Qiyao. Beijing Qiyao's general partner is Suzhou Qiman, which is held as to 50% by Mr. Hu Xubo. Therefore, Mr. Hu Xubo is deemed to be interested in the registered capital of Shanghai MedSci held by Suzhou Qisi by virtue of the SFO.

Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO

For information on the persons who will, immediately following the completion of the [REDACTED] and the [REDACTED], have or be deemed or taken to have beneficial interests or short positions in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group, see "Substantial Shareholders".

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED] and the [REDACTED], be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital.

4. Disclaimers

(1) Save as disclosed in "— C. Further Information about Our Directors — 1. Particulars of Directors' service contracts and appointment letters" in this Appendix above, there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of our Group;

(2) Save as disclosed in "History, Reorganization and Corporate Structure — Major Acquisitions, Disposals and Mergers", none of the Directors or the experts named in "— E. Other Information — 5. Consents of experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(3) No commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of our Company within the two years ended on the date of this Document;

(4) None of the Directors is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group taken as a whole;

(5) Save as disclosed in "Substantial Shareholders" and without taking account of any Shares which may be taken up under the [REDACTED] and allotted, so far as is known to any Director or chief executive of our Company, no other person (other than a Director or chief executive of our Company) will, immediately following completion of the [REDACTED] and the [REDACTED], have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(6) Save as disclosed in "— C. Further Information about Our Directors — 3. Disclosure of interests" in this Appendix above, none of the Directors or chief executive of our Company has any interests or short positions in the Shares, underlying shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to our Company and the Stock Exchange once the Shares are [REDACTED] thereon.

D. EQUITY INCENTIVE PLAN

On September 20, 2020, the shareholders of Shanghai MedSci approved the Previous Plan, the purposes of which are to attract, motivate, retain and reward the directors, officers and employees of our Group. Shanghai MedSci awarded its shares to selected participants on January 1, 2021 pursuant to the Previous Plan, and the award shares are held by Shanghai Meiyue and Meilong Investment, which are our former employee equity incentive platforms. All grants of award shares in Shanghai MedSci under the Previous Plan were completed.

On April 20, 2022, our Company adopted the Equity Incentive Plan, which replaced the Previous Plan and the award shares of Shanghai MedSci granted under Previous Plan shall be replaced and superseded by award Shares of the Company granted under the Equity Incentive Plan. The vesting schedule and other key terms of the Equity Incentive Plan mirrored those of the Previous Plan, and the shareholders of Shanghai MedSci have agreed to terminate the Previous Plan. Shares awarded to the selected participants pursuant to the Equity Incentive Plan are held by the Employee Equity Incentive Platforms, which are Meiyue Limited and Meilong Limited, holding 836,978 Shares and 484,331 Shares in our Company, respectively, as of the Latest Practicable Date (to be adjusted to [REDACTED] Shares and [REDACTED] Shares, respectively, upon the [REDACTED]). The shareholding structures of Meiyue Limited and Meilong Limited reflected the shareholding by the selected participants in Shanghai Meiyue and Meilong Investment, respectively. For the details of the Employee Equity Incentive Platforms, see "History, Reorganization and Corporate Structure — Equity Incentive Plan".

The following is a summary of the principal terms of the Equity Incentive Plan. The terms of the Equity Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of options by our Company after the [REDACTED] and all Shares underlying these awards had been issued. All grants of award Shares of the Company have been completed as of the Latest Practicable Date.

Purposes of the Equity Incentive Plan

The purpose of the Equity Incentive Plan is to attract and retain talents to facilitate our long-term development.

Eligibility

The directors (excluding independent non-executive directors), senior management and employees of the Group, whom the Board consider as appropriate (the "**Participants**") shall be eligible to participant the Equity Incentive Plan.

Administration of the Equity Incentive Plan

The Equity Incentive Plan shall be subject to the administration of the Board in accordance with the plan rules thereof. The Board may amend, suspend or terminate the Equity Incentive Plan. The decision of the Board with respect to any matter arising under the Equity Incentive Plan (including the interpretation of any provision) shall be final and binding.

Grant of Awards and Voting Rights

Ma Yanqin (馬艷芹) is the sole director of Meilong Limited. Thus, in effect, all management powers over Meilong Limited and voting rights held by Meilong Limited in the Company reside with Ma Yanqin. Wu Zhihua (吳志華) is the sole director of Meiyue Limited. Thus, in effect, all management powers over Meiyue Limited and voting rights held by Meiyue Limited in the Company reside with Wu Zhihua.

All grants under the Equity Incentive Plan were completed. All Participants do not have any voting rights in our Company. The Participants will be granted awards in the form of economic interest in the Employee Equity Incentive Platforms conditional upon certain vesting conditions as specified in the Equity Incentive Plan.

Restriction on Disposal

The economic interests shall be realized through disposal of the awarded Shares by the relevant Employee Equity Incentive Platforms, which is not allowed until the [REDACTED], after which the economic interest of no more than 20% of the Shares underlying the award to a Participant could be realized per year.

Details of the Awards under the Equity Incentive Plan

As of the Latest Practicable Date, 836,978 Shares (to be adjusted to [REDACTED] Shares upon the [REDACTED]) had been issued to Meiyue Limited and 484,331 Shares (to be adjusted to [REDACTED] Shares upon the [REDACTED]) had been issued to Meilong Limited, with interest attributable to (a) two Directors, and (b) 60 other employees of our Group through their respective Employee Equity Incentive Platforms, representing approximately [REDACTED] of the issued share capital of our Company upon the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised). The Participants made capital contributions to and hence hold economic interests in the Employee Equity Incentive Platforms, which in turn hold economic interests in the Company. Hence, the Participants hold indirect economic interests in the Shares issued and awarded under the Equity Incentive Plan.

The following table sets out the number of underlying shares corresponding to the interests in the relevant Employee Equity Incentive Platforms.

Name of Participants	Position held within our Group	Relevant employee incentive platform	Approximate percentage of interest in the relevant Employee Equity Incentive Platform	Approximate number of underlying Shares/ equity interests upon the [REDACTED]
Directors				
Dr. Zhang	Executive Director and chairman of the Board	Meiyue Limited	12.69%	[REDACTED] Shares
		Meilong Limited	44.67%(1)	[REDACTED] Shares
Mr. Wang Shuai (王帥)	Executive Director and vice president	Meiyue Limited	14.95%	[REDACTED] Shares
Other employees and Participants, who are not our directors, chief executive, or connected person	—	Meiyue Limited	72.36%	[REDACTED] Shares
		Meilong Limited	55.33%	[REDACTED] Shares

Note:

(1) This included approximately 2.58% interests in Meilong Limited held by Dr. Zhang through Dtx Health Limited as of the Latest Practicable Date.

E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

So far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an [REDACTED] on our behalf to the Stock Exchange for the [REDACTED] of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the [REDACTED] (including any Shares which may fall to be issued pursuant to the exercise of the [REDACTED]).

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Each of the Joint Sponsors will receive a fee of US$[REDACTED] for acting as a sponsor for the [REDACTED].

4. No Material Adverse Change

The Directors confirm that there has been no material change in the financial or trading position or prospects of our Group since December 31, 2022 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

5. Consents of experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this Document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on future contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Macquarie Capital Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 7 (providing automated trading services) of the regulated activities as defined under the SFO
Commerce & Finance Law Offices	Qualified PRC Lawyers
Ogier	Cayman Islands attorneys-at-law
Ernst & Young	Certified Public Accountants Registered Public Interest Entity Auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

As of the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for securities, in any member of our Group.

6. Binding effect

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

7. Bilingual document

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

8. Preliminary expenses

Our Company did not incur any material preliminary expenses.

9. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of shares registered with our Hong Kong register of members will be subject to Hong Kong stamp duty. The stamp duty is currently set at a total rate of 0.26% of the greater of the consideration for, or the value of, shares transferred, with 0.13% payable by each of the buyer and the seller. Profits from dealings in the shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

No stamp duty is payable in the Cayman Islands on transfers of shares in our Company save for those which hold interests in land in the Cayman Islands.

(c) People's Republic of China

We may be treated as a PRC resident enterprise for PRC enterprise income tax purposes. In that case, distributions to our Shareholders may be subject to PRC withholding tax and gains from dispositions of our Shares may be subject to PRC tax. See "Risk Factors — Risks Relating to Doing Business in China — You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares" and "— We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our Shareholders and have a material adverse effect on our results of operations and the value of your investment."

(d) Consultation with professional advisors

Potential [REDACTED] in the [REDACTED] are urged to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, and [REDACTED] in our Shares (or exercising rights attached to them). None of our Company, our Directors or the other parties involved in the [REDACTED] accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our Shares.

10. Other disclaimers

(a) Save as disclosed in "History, Reorganization and Corporate Structure" and in this section, within the two years immediately preceding the date of this Document:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and

(ii) no commissions, discounts, brokerages or other special terms have been granted, have been paid or are payable in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.

(b) We do not have any promoter. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this Document.

(c) There are no founder, management or deferred shares in our Company or any of our subsidiaries.

(d) No share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(e) Our Group does not have any outstanding debentures nor any convertible debt securities.

(f) Our Directors confirm that:

(i) there is no arrangement under which future dividends are waived or agreed to be waived; and

(ii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Document.

(g) The principal register of members of our Company will be maintained in the Cayman Islands by our [REDACTED]. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our [REDACTED].

(h) All necessary arrangements have been made to enable the securities to be admitted into CCASS for clearing and settlement.

(i) No company within our Group is presently listed on any stock exchange or traded on any trading system.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this Document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) a copy of the [REDACTED];

(b) the written consents referred to in "Appendix IV — Statutory and General Information — E. Other Information — 5. Consents of experts"; and

(c) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of material contracts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.medsci.cn** during a period of 14 days from the date of this Document:

(a) the Memorandum and the Articles;

(b) the Accountants' Report of our Group prepared by Ernst & Young, the text of which is set out in Appendix I to this Document;

(c) the report on the unaudited [REDACTED] financial information of our Group issued by Ernst & Young, the text of which is set out in Appendix II to this Document;

(d) the audited consolidated financial statements of our Company for the three financial years ended December 31, 2020, 2021 and 2022;

(e) the legal opinions as to the laws of PRC issued by Commerce & Finance Law Offices, our PRC Legal Adviser, in respect of certain general corporate matters and property interests of our Group;

(f) the letter of advice prepared by Ogier, our legal adviser on Cayman Islands law, summarizing certain aspects of the Cayman Companies Act referred to in Appendix III to this Document;

(g) the Cayman Companies Act;

(h) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., from which information in "Industry Overview" is extracted;

(i) the written consents referred to in "Appendix IV — Statutory and General Information — E. Other Information — 5. Consents of experts";

(j) the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of material contracts";

(k) the service contracts and the letters of appointment with our Directors referred to in "Appendix IV — Statutory and General Information — C. Further Information about our Directors — 1. Particulars of Directors' service contracts and appointment letters"; and

(l) the terms of the Equity Incentive Plan.