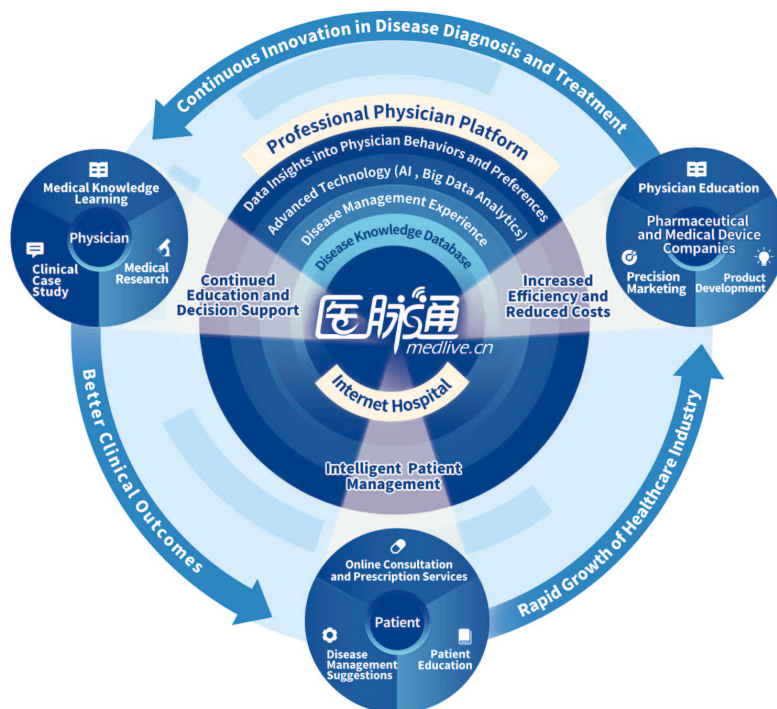

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. 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 prospectus. You should read the whole document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in “Risk Factors” of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are the largest online professional physician platform in China in terms of registered physician users as of December 31, 2020, according to the Frost & Sullivan Report. We have focused on using technology to support physicians’ clinical decision making for over 20 years. Our self-developed *Medlive* (醫脈通) platform is widely recognized by physicians in China as the most popular professional medical platform, which enables us to become the platform of choice in precision digital healthcare marketing for pharmaceutical and medical device companies in China. As of December 31, 2020, our *Medlive* platform, available through our website, desktop application and mobile application, had approximately 3.5 million registered users, around 2.4 million of whom were licensed physicians, representing approximately 58% of all licensed physicians in China as of the same date, according to the Frost & Sullivan Report. In the fourth quarter of 2020, the average MAUs on our platform exceeded 1.0 million. In the same period, the average monthly views of articles and videos by registered users on our platform were over 134 million. Articles and videos on our platform include, among others, clinical guides and guidelines, research articles, drug references, clinical developments, as well as customized content.

Leveraging our large number of physician users and their high level of engagement, our *Medlive* platform allows platform participants to gather, learn and connect. Our platform participants include physicians, pharmaceutical and medical device companies and patients. We extensively leverage our proprietary technology, content generation capabilities and our understanding of medical information science to provide different services and solutions to each group of platform participants. The diagram below provides an overview of our *Medlive* platform and our solutions for different platform participants:



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Our platform participants benefit from the powerful network effects of our platform. Physicians play an essential role in the value chain of healthcare market and are the key decision makers in prescribing healthcare products. As more physicians join our platform, they are able to share knowledge with, and seek support from, a larger number of professional peers. Other platform participants, such as pharmaceutical and medical device companies who are the suppliers of healthcare products, and patients who are the end-users of the healthcare products, are attracted to our platform due to our high quality and growing physician user base.

- **Solutions for Pharmaceutical and Medical Device Companies.** We primarily provide digital healthcare marketing services to pharmaceutical and medical device companies. We ranked first among physician platform-based digital healthcare marketing service providers in China in terms of revenue in 2020, with a 21.4% market share, according to the Frost & Sullivan Report. We also offer a highly scalable digital platform with user analytics to help pharmaceutical and medical device companies improve their efficiency and effectiveness in product development and commercialization. We generate revenue primarily from fees paid by our healthcare customers for our digital detailing, digital marketing consulting and digital content creation services.

We provide patient recruitment service for clinical trials that allows pharmaceutical and medical device companies to quickly meet planned enrollment targets. We offer RWS support solutions that enable pharmaceutical and medical device companies to collect and analyze the clinical effects of their products in the real-world environment. We generate revenue primarily from fees paid by our healthcare customers for patient recruitment service, RWS support solutions and related application software development service.

- **Solutions for Physicians.** Our platform provides a setting for physicians to learn about and discuss the latest research, products and technologies available in the healthcare market and clinical best practices. Our platform offerings are underpinned by the professional medical knowledge content curated by our own content team, which included 62 full-time medical experts and 30 full-time digital marketing content designers as of the Latest Practicable Date. For example, our *Clinical Guides* (臨床指南) solution aggregates the latest clinical references and our *Clinical Drug Reference* (用藥參考) solution offers comprehensive information on prescription drugs, providing efficient clinical decision-making support to physicians at their fingertips. As of the Latest Practicable Date, our platform offered over 12,000 clinical guides published by medical authorities in China and overseas, prescribing information for over 30,000 prescription drugs and over 100,000 guides on drug interactions and incompatibility. Our platform is now well-recognized as the authoritative source for medical information

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in China. We generate revenue primarily from annual membership fees charged for our *Clinical Guides* (臨床指南), *Reference Aid for Medicine* (醫學文獻王), *Clinical Drug Reference* (用藥參考) and *Medical Dictionary* (全醫藥學大詞典) solutions.

- **Solutions for Patients.** We launched our Internet hospital in 2021, which represents a major step forward in the application of our intelligent patient management solutions, which entail comprehensive chronic disease management services. Patients can conveniently receive medical advice and prescriptions from physicians who participate in our Internet hospital. We also offer AI-enabled, automated patient management services through our Internet hospital to educate patients about their conditions and treatment regimens, provide patients with customized chronic disease management suggestions and keep track of their medication-taking and refills. Such services are designed to increase patient adherence to prescribed medication regimens, thereby improving the effectiveness of treatments. We started to generate revenue from commissions on fees paid by patients for online consultation services and prescription services on our Internet hospital in 2021. We also generate revenue from fees paid by non-profit organizations with medical focus and pharmaceutical companies for provision of patient education services to patients and non-profit organizations using our AI technology and medical knowledge graph.
- **Solutions for Hospitals.** Hospitals need technology solutions to improve the efficiency of clinical trials. We offer hospitals with electronic data capture (“EDC”) system for intelligent and automated data collection and management. 156 hospitals used our EDC solutions in 2020. We generate revenue primarily from fees paid by hospitals for EDC solutions.

Our comprehensive solution offerings also allow us to serve other stakeholders of the healthcare industry, such as medical researchers, non-profit organizations, CROs and medical associations. Because of our strong brand recognition in the medical community, we are well-positioned to attract even more participants, such as insurance companies, to our platform.

We delivered strong financial performance during the Track Record Period from operating our professional physician platform. Our revenue increased from RMB83.5 million in 2018 to RMB121.6 million in 2019 and further increased to RMB213.5 million in 2020, at a CAGR of 59.9% from 2018 to 2020. Our net profit increased from RMB14.2 million in 2018 to RMB31.3 million in 2019 and further increased to RMB85.2 million in 2020, at a CAGR of 145.0% from 2018 to 2020. We started to generate revenue from operating Internet hospital in 2021.

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Our revenue from pharmaceutical and medical device companies increased from RMB58.8 million in 2018 to RMB90.5 million in 2019 and further increased to RMB158.6 million in 2020, accounting for 70.5%, 74.4% and 74.3% of our total revenue for the respective years. The significant increase in revenue from pharmaceutical and medical device companies during the Track Record Period was primarily attributable to continued expansion of our healthcare customer base and increasing number of healthcare products marketed using our precision marketing and corporate solutions. Revenue from other customers increased from RMB24.7 million in 2018 to RMB31.1 million in 2019 and further increased to RMB54.9 million in 2020, accounting for 29.5%, 25.6% and 25.7% of our total revenues for the respective years.

In 2018, 2019 and 2020, the aggregate revenue from our top five customers, all of which are multi-national healthcare or pharmaceutical companies, was RMB34.4 million, RMB48.3 million and RMB84.7 million, respectively, accounting for 41.2%, 39.7% and 39.7% of our total revenue for the respective years. In 2018, 2019 and 2020, purchases from our five largest suppliers in aggregate were RMB8.7 million, RMB8.7 million and RMB17.0 million, respectively, accounting for 31.9%, 23.3%, and 28.7% of our total purchases for the respective years. Our five largest suppliers include M3 Group, Jinye Tiansheng, as well as providers of information technology services, telecommunication services, product procurement services and property rental services.

OUR MONETIZATION MODEL

We realize monetization by offering different solutions to address various needs of our platform participants. Our solutions are divided into three solution categories, namely, precision marketing and corporate solutions, medical knowledge solutions and intelligent patient management solutions. We derive most of our revenue from precision marketing solutions, which offer digital healthcare marketing services to pharmaceutical and medical device companies. Set forth below is a summary of our monetization model by solution category:

Precision Marketing and Corporate Solutions

Our precision marketing and corporate solutions consist of precision marketing solutions to healthcare customers and corporate solutions to healthcare customers, hospitals, research institutions and CROs.

Precision Marketing Solutions

The revenue model of our precision marketing solutions is primarily performance-based marketing services. Revenue from precision marketing solutions is derived from fees paid by pharmaceutical and medical device companies for digital detailing, digital marketing consulting and digital content creation services. Digital detailing, which delivers customized content to

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targeted physicians through multiple channels on our platform in an interactive way, accounts for most of the revenue from precision marketing solutions. We charge pharmaceutical and medical device companies for digital detailing primarily on a cost-per-click basis.

We generate revenue from pharmaceutical and medical device companies by leveraging our large physician user base, which has helped us develop insights into the background, behaviors and preferences of physicians utilizing AI and big data technologies. Benefiting from our large database and data insights accumulated through years of interactions with physicians, we are able to accurately deliver customized content sponsored by pharmaceutical and medical device companies to specific groups of physicians cost-efficiently. Such user analytics makes us the platform of choice in precision digital healthcare marketing for pharmaceutical and medical device companies in China.

Our precision marketing solutions create value for pharmaceutical and medical device companies. Our precision digital detailing is ten times more efficient than the traditional in-person detailing by medical representatives in terms of cost per detailing, according to the Frost & Sullivan Report. Moreover, we can deliver customized content through multiple channels to a large number of our physician users instantly across the country based on their reading preferences and interests and cover areas that could not be effectively addressed through in-person interaction. We offer a broad range of content types to pharmaceutical and medical device companies, which include introductory guide to specific diseases and treatment, explanatory note to clinical guides and other medical literature, clinical case reports, expert opinions, reference related to mechanism of drug action and chemical characteristics, in both text and multimedia formats to drive user engagement. We transform medical topics and key medical information provided by our customers into bespoke, engaging medical script based on physicians' feedbacks and level of expertise collected from our pre-marketing surveys, and develop creative presentation using the content type and format that can best present such script. We collaborate with KOLs of the medical community to make the customized content more persuasive. Following marketing campaigns, we enable our customers to gauge the effectiveness of our marketing efforts through objective statistical reports. See "Business — Platform Participants — Pharmaceutical and Medical Device Companies."

The attractiveness of our platform to pharmaceutical and medical device companies and the growth of our business are in part driven by the engagement of our physician users. A continued increase in the engagement of our physician users will lead to increase in the potential clicks from physician users on customized content. We attract and retain physician users and drive their engagement by offering high quality medical knowledge content, which is non-sponsored, editorial content, to satisfy physicians' needs for continuing medical education and clinical decision support. Most of our medical knowledge content is free of charge so we can cultivate and maintain a large physician user base. We will continue to grow our physician network and drive user engagement to capture more marketing spending by pharmaceutical and medical device companies.

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Corporate Solutions

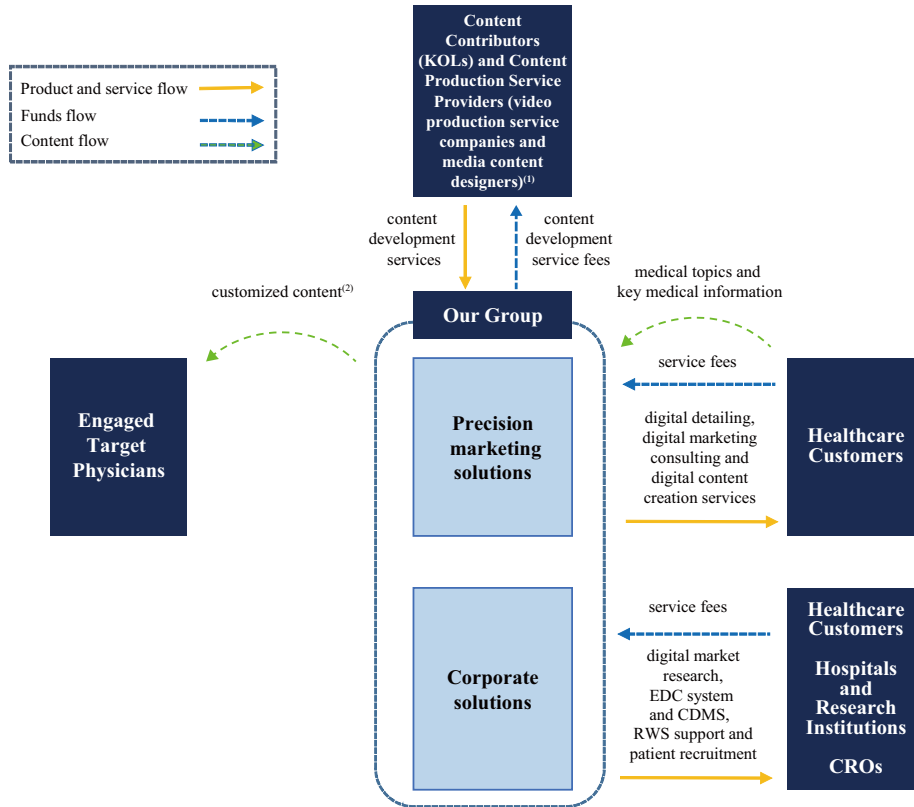
The revenue model of our corporate solutions is primarily software as a service (“SaaS”). Revenue from corporate solutions is primarily derived from fees paid by our healthcare customers, hospitals, research institutions and CROs, as applicable, for our digital market research, EDC and CDMS solutions, RWS support solutions, as well as patient recruitment service. Our EDC and CDMS solutions, as well as RWS support solutions are offered using SaaS model and we charge our customers periodic software licensing fees based on the duration of each project.

Our ability to generate revenue from offering SaaS services stems from our deep understanding of the industry and its needs for digitalization as well as our data technology. Our EDC system is a data management tool for clinical trials that automates key tasks in clinical research. Our system incorporates various universal coding and diagnostic standards to enable electronic exchange and gathering of clinical results across different systems. Our CDMS is designed to collect and manage disease-specific clinical data generated in clinical practice, and can build disease-specific database using customized data set. We also capitalize on our large physician user base to generate revenue by offering other corporate solutions. We invite our physician users to participate in surveys and RWS and to recommend suitable patients to enroll in clinical trials sponsored by pharmaceutical and medical device companies and charge fees for such services. Our RWS support solutions utilize our EDC system to collect, manage and process real-world clinical data and to conduct statistical analysis. Through analyzing patients’ use of the drugs being studied and the effects in the real world after such drugs are launched and comparing these findings with the clinical data under optimal conditions, our solutions help customers identify potential benefits and risks of the drugs and help improve the drugs’ safety and effectiveness. We help pharmaceutical and medical device companies as well as CROs conduct patient recruitment for clinical trials. Once we are engaged to provide service for a clinical trial, we reach out to our physician users of the relevant specialty and rely on them to efficiently reach target patients and quickly meet planned enrollment targets. In selecting physicians, we take into account their locations and prioritize physicians located in close proximity to the clinical trial site to increase the chances of finding patients close to the site. See “Business — Our Solutions — Precision Marketing and Corporate Solutions.”

We have established a dedicated research organization, Medical Information Science Research Unit, to develop a deep understanding of new drugs and medical devices, as well as the application of technologies. We will grow the market share of our SaaS services by improving the quality and efficiency of our existing solutions and expanding the scope of our solution offerings. We will continue to cultivate our physician network to generate more revenue from and grow the market share of our other corporate solutions.

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The flowchart set forth below illustrates our product and service flows and fund flows among our customers, us and certain of our suppliers, as well as content flows for our precision marketing and corporate solutions.



Notes:

- (1) Our content team collaborates with KOLs who are our content contributors in developing our content. Their expert views and opinions supplement our in-house content development capabilities. We engage content production service providers, such as video production service companies and media content designers, to provide scalability to facilitate the growth of our business.
- (2) Customized content is sponsored by pharmaceutical and medical device companies. Our content team works with pharmaceutical and medical device companies to develop customized content. See “Business — Content on Our Platform — Customized Content.”

Pharmaceutical and medical device companies typically sell their healthcare products through distributors to hospitals and pharmacies in China. Physicians are the key decision makers in prescribing healthcare products to patients who rely on physicians’ prescriptions to purchase healthcare products. Our precision marketing and corporate solutions do not entail distributing or delivering healthcare products to hospitals, pharmacies or patients. Instead, we communicate to physicians information about various aspects of the healthcare products offered by our healthcare customers, which enable physicians to make informed prescription decisions.

SUMMARY

We primarily market our precision marketing and corporate solutions to pharmaceutical and medical device companies through our sales force. We have an experienced and highly trained team of professional business development representatives and support staff focused on securing business from both new and existing customers. In addition to pharmaceutical companies, our clinical research solutions are primarily marketed to hospitals. We market our solutions through multiple channels on our platform to physicians and their hospitals.

The terms and arrangements of our services vary based on the type and nature of the services requested by our customers. Our framework services agreements for precision marketing solutions and digital market research with pharmaceutical and medical device companies typically have a term of up to one year. Pricing varies based on the type and nature of services provided. Our pricing terms for digital detailing service depend on the delivery channels and are primarily determined on a cost-per-click basis. A healthcare customer can purchase a set amount of clicks based on the framework services agreement, and we may agree to guarantee a minimum number of clicks. We may also agree to guarantee a minimum number of targeted physicians that we will deliver customized content to. For streaming services, we may agree to waive service fee for a particular session, if the number of valid viewers (streaming more than certain amount of time) of such session does not reach the minimum number. During the Track Record Period and up to the Latest Practicable Date, we were able to satisfy our healthcare customers' needs in terms of guaranteed minimum number of targeted physicians reached and clicks, as well as minimum number of valid viewers that we agreed with our healthcare customers. Service fees for a particular marketing consulting project are determined based on the team size and time spent for the project. Our service fees for digital content creation vary based on the complexity of the customized content, which in turn depends on the specific product and customer's requests. Our service fee for *eSurvey* is primarily based on the number of physicians covered by a survey and the complexity of the questionnaire. We may agree to a minimum number of surveys collected.

Medical Knowledge Solutions

The revenue model of our medical knowledge solutions is primarily a membership model. We charge users annual membership fees for certain of our medical knowledge solution products, namely, *Clinical Guides* (臨床指南), *Reference Aid for Medicine* (醫學文獻王), *Clinical Drug Reference* (用藥參考) and *Medical Dictionary* (全醫藥學大詞典) solutions. Membership fee of one product entitles a paying user to paid access for that product only.

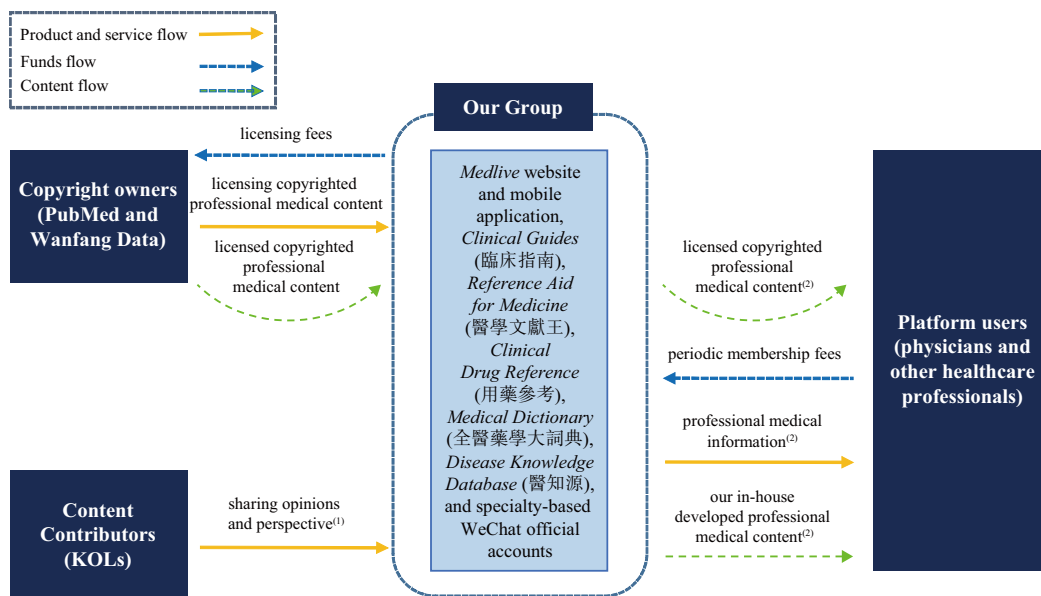
We offer a vast medical content library, which provides physicians and other healthcare professionals with a wealth of professional medical information wherever and whenever they need it to satisfy their needs for continuing medical education and clinical decision support. We use a

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freemium model to acquire paying users. Most of our medical knowledge content is free of charge, and users pay annual membership fees or per-download fees to access premium content, such as the latest clinical guides and information about new drugs.

We will grow our paying users by enhancing the quality and breadth of medical knowledge content available on our platform, particularly premium content, and providing more value-added services, such as disease knowledge database and comprehensive clinical decision support tools.

The flowchart set forth below illustrates our product and service flows and fund flows among our customers, us and certain of our suppliers, as well as content flows for our medical knowledge solutions.



Notes:

- (1) During the Track Record Period, we did not pay any consideration to KOLs who are content contributors in developing our medical knowledge content.
- (2) Our medical knowledge content contains professional medical information, which is non-sponsored, editorial content. Our medical knowledge content primarily includes content prepared by our own content team and content we obtain from third-party professional sources. See “Business — Content on Our Platform — Medical Knowledge Content.”

Our scale and compelling value proposition have enabled us to attract large numbers of physicians and other healthcare professionals to our platform through word-of-mouth referrals. As of December 31, 2020, our *Medlive* platform had approximately 3.5 million registered users,

SUMMARY

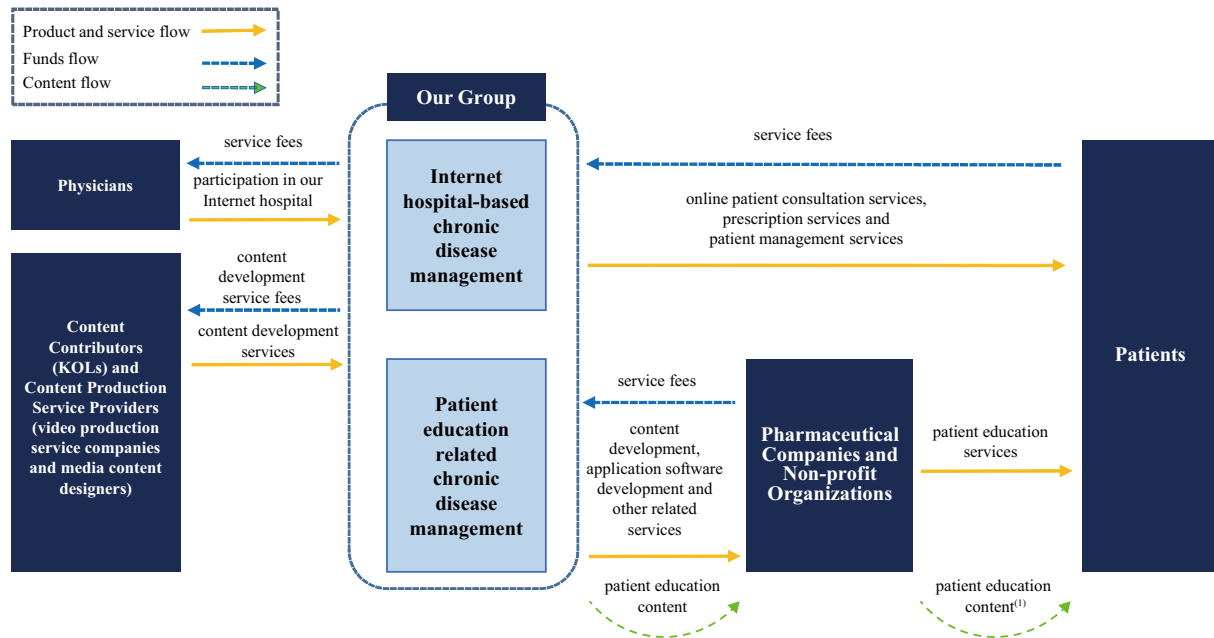
around 2.4 million of whom were licensed physicians. The average MAUs on our platform were 743 thousand, 856 thousand and 908 thousand in 2018, 2019 and 2020, respectively. We also market our platform through popular search engines.

Intelligent Patient Management Solutions

We monetize our services through charging fees for developing web pages and patient education content for non-profit organizations with medical focus and pharmaceutical companies during the Track Record Period. We started to generate revenue from commissions on fees paid by patients for online consultation services and prescription services on our Internet hospital in 2021. We have not charged fees for other Internet hospital-based services, such as patient management services.

We will continue to develop our Internet hospital and explore new ways to monetize our Internet hospital-based patient management services. Our physician users help us invite targeted patients to join our Internet hospital platform. We provide patient management services on the platform to help them manage and monitor their specific conditions and treatment regimens and improve their treatment outcomes. As our patient user base grows, we may decide to charge patients fees for using our patient management services. In addition, prescription services of our Internet hospital further enhance the value of our platform to pharmaceutical and medical device companies and may offer us additional opportunities to collaborate with such companies in the future.

The flowchart set forth below illustrates our product and service flows and fund flows among our customers, us and certain of our suppliers, as well as content flows for our intelligent patient management solutions.



Note:

(1) Such content is published by our customers and does not constitute content on our platform.

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Our Internet hospital is integrated with our patient management services. Benefiting from our large physician user base, we are able to rely on our registered physician users to invite targeted patients to join our platform. Our patient management tools to physicians are combined with our clinical decision support services, which empower physicians to effectively and accurately provide online consultation and efficiently follow up with their patients after initial consultations. Our patient-facing module tracks patients' treatment regimen details. Enabled by AI technologies, the patient interface sends medication reminders and customized chronic disease management suggestions, which are designed to help educate patients about their conditions and treatment regimens and improve their quality of life.

In addition to integrated patient management services provided through our Internet hospital, we collaborate with non-profit organizations in offering our condition-specific patient education services. Patients can access our services and tools through our partner non-profit organizations' WeChat official accounts or websites to learn about their conditions and treatment regimens. Leveraging our expertise in information technology, we help partner non-profit organizations develop websites, WeChat mini-programs and WeChat official accounts to develop and deliver patient education content. We receive service fees from our partner organizations for web pages and content developed.

We take into account a variety of factors in determining our pricing strategies, such as market demand, anticipated market trends and the prices of our competitors' products. We believe our pricing strategies are in line with the market trends. During the Track Record Period, we did not have any material loss-making projects on an individual or aggregate basis.

We are committed to complying with data privacy laws and protecting the security of user data. We collect and store data when providing our solutions with prior consent from our users and other platform participants in accordance with applicable laws and regulations. See "Business — Data Protection and Privacy."

OUR INDUSTRY

China's healthcare marketing market is intensely competitive. There is a large number of participants in this market, including (i) in-house sales force of pharmaceutical and medical device companies, (ii) traditional healthcare marketing players and (iii) digital healthcare marketing services providers.

In-house sales force of pharmaceutical and medical device companies accounted for 89.3% of China's healthcare marketing market as measured by total spending of RMB679.7 billion by pharmaceutical and medical device companies on healthcare marketing in 2020. There are estimated to be over 10,000 pharmaceutical and medical device companies in China. All large

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pharmaceutical and medical device companies use both in-house sales force and external marketing service providers to market their products. According to the Frost & Sullivan Report, the estimated spending on in-house sales force by multinational pharmaceutical and medical device companies in China ranged from RMB2 billion to RMB8 billion in 2020.

Traditional healthcare marketing players accounted for 8.5% of China's healthcare marketing market as measured by total spending by pharmaceutical and medical device companies on healthcare marketing in 2020. There are estimated to be over 500 traditional healthcare marketing players in China's healthcare marketing market. As traditional healthcare market is relatively small and the market is fragmented, even large traditional healthcare marketing players represent a small fraction of the overall healthcare marketing market in China.

Digital healthcare marketing services providers accounted for the remaining 2.2% of China's healthcare marketing market as measured by total spending by pharmaceutical and medical device companies on healthcare marketing in 2020. Digital healthcare marketing is an emerging market, and there are estimated to be over 200 participants focusing on different aspects of the market with various business models. As digital healthcare marketing market is relatively small and the market is fragmented, even large players in this market represent a small fraction of the overall healthcare marketing market in China.

There are estimated to be over ten physician platform-based digital healthcare marketing service providers in China, including us, and we ranked first in terms of revenue in 2020 and generated revenue of RMB204 million from healthcare marketing in 2020, representing a market share of 0.03% in China's healthcare marketing market. Our market share is not directly comparable to the spending on in-house sales force by multinational pharmaceutical and medical device companies or some of the large traditional healthcare marketing players as we focus on digital healthcare marketing only, and the traditional healthcare marketing players focus on in-person or other non-electronic means to conduct their business. Despite digital healthcare marketing represents only a small portion of the overall healthcare marketing spending, with technological advances and policy changes, pharmaceutical and medical device companies in China are expected to increasingly adopt digital marketing, particularly precision digital marketing as a substitute for in-person visits by medical representatives, driving higher penetration. See "Industry Overview — Digital Healthcare Marketing."

Digital platforms are key players in the digital services market for pharmaceutical and medical device companies due to their strong technological capabilities and networks of market stakeholders. Among different types of digital platforms, pharmaceutical and medical device companies are more willing to cooperate with professional physician platforms due to their ability to deliver customized content to target physicians, which they develop through offering medical information services to physicians.

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Digital healthcare marketing services include digital promotion, marketing consulting and analytics, as well as technology services. According to the Frost & Sullivan Report, China's digital healthcare marketing market increased from RMB4.4 billion in 2018 to RMB15.2 billion in 2020, at a CAGR of 85.8%, and is expected to reach RMB111.0 billion in 2025, at a CAGR of 48.8%. The digital healthcare marketing market accounted for 0.8% and 2.2% of the total healthcare marketing market in China in 2018 and 2020, respectively, and is expected to further increase to 11.2% in 2025.

Digital medical information services address physicians' demand for the latest medical information and clinical decision support at the point of care. According to the Frost & Sullivan Report, the digital medical information market in China increased from RMB23.6 million in 2018 to RMB114.2 million in 2020, at a CAGR of 120.1%, and is expected to reach RMB3.0 billion in 2025, at a CAGR of 92.7%.

Chronic disease management in China is still at its early stage compared with developed markets. The digital chronic disease management market in China, a sub-market of chronic disease management market, increased from RMB77.9 billion in 2018 to RMB139.7 billion in 2020, at a CAGR of 33.9%, and is expected to reach RMB507.1 billion in 2025, at a CAGR of 29.4%. As a percentage of the chronic disease management market in China, the digital chronic disease management market increased from 2.0% in 2018 to 2.5% in 2020, and is expected to further increase to 5.2% in 2025.

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. Our talented research and development team and robust technological infrastructure enable us to continuously introduce new innovations and offer high quality user experience. As of the Latest Practicable Date, our research and development team consisted of 106 members, including research scientists at our Medical Information Science Research Unit, as well as engineers and specialists of our technology team and product development team.

Medical Information Science Research Unit

Our strong technological capabilities underpin the rapid growth of our business. We have established our Medical Information Science Research Unit, our research organization dedicated to developing a deep understanding of the new drugs and medical devices, as well as the application of technologies, such as AI, big data and natural language processing, to our solution offerings, and designing and developing solution offerings to best provide for the needs of the pharmaceutical and medical device companies.

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Our Medical Information Science Research Unit is headed by Mr. Tian Lixin, our president, with Mr. Tian Lijun, our chief technology officer, and Mr. Jiang Nan, our medical director, as deputy heads. Research conducted by our Medical Information Science Research Unit includes work in the field of medical ontology, studying medical data collection standards, such as CDASH maintained by the CDISC and its application, as well as building our medical knowledge graph. Research scientists at our Medical Information Science Research Unit also study and apply new technologies, including standard medical taxonomies and language systems, such as SNOMED CT, MESH, UMLS, ICD, ATC, ICH-MedDRA and LOINC, and implement knowledge graph in the medical field. In addition, our Medical Information Science Research Unit also develops and optimizes machine learning and applications, including by using deep learning and natural language processing algorithms.

Systematized Nomenclature of Medicine — Clinical Terms, or SNOMED CT, is a universal, multilingual clinical healthcare terminology, which encompasses a vast amount of human and non-human concepts, providing codes, terms, synonyms and definitions used in clinical documentation and reporting. We leverage the concepts and structure of SNOMED CT to build our knowledge graph.

Medical Subject Headings, or MESH, is a comprehensive controlled vocabulary for indexing journal articles and books and is primarily used in medical information research. We applied MESH in our *Reference Aid for Medicine* (醫學文獻王). MESH terms can be used to search medical literature in major databases, such as PubMed.

The Unified Medical Language System, or the UMLS, is a set of files and software that integrates many health and biomedical vocabularies and standards to enable interoperability between computer systems. We use UMLS to build our *Disease Knowledge Database* (醫知源), which facilitates the translation of knowledge information using different terminology systems and the consolidation thereof.

International Statistical Classification of Diseases and Related Health Problems, or ICD, is the international standard for health data, clinical documentation, and statistical aggregation and a coding system for all clinical and research purposes. We use the tenth version of ICD (ICD-10) to code diagnostic results of patients using our Internet hospital, which not only satisfies the regulatory requirements on record-keeping but also accumulates clinical data for our clinical decision support tools.

Anatomical Therapeutic Chemical, or ATC, is an international drug classification system that classifies the active ingredients of drugs according to the organ or system on which they act and their therapeutic, pharmacological and chemical properties. We apply ATC to classify drugs supported by our *Clinical Drug Reference* (用藥參考).

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Medical Dictionary for Regulatory Activities, or ICH-MedDRA, is an international medical terminology used by regulatory authorities and the healthcare industry during the regulatory process, both before and after a product has been authorized for sale. ICH-MedDRA is designed to classify a wide range of types of adverse events. We apply ICH-MedDRA in the adverse events module of our EDC system to standardize the recording of adverse events.

Logical Observation Identifiers Names and Codes, or LOINC, is a universal code system and standard for health measurements, observations, and documents, which is designed to assist in the electronic exchange and gathering of clinical results. We embed LOINC terminology in the laboratory testing module of our EDC system, which can be used to generate standardized case report form.

OUR STRENGTHS

We believe the following strengths contribute to our success and differentiate us from our competitors:

- largest online professional physician platform with strong user engagement;
- partner of choice for pharmaceutical and medical device companies in precision digital healthcare marketing services;
- strong ability to develop innovative products and services addressing the needs of our users and customers, as evidenced by a rich product portfolio;
- vast content library with strong content generation capability;
- advanced proprietary technology underpinned by our deep insight and understanding of the healthcare industry and medical information science; and
- visionary management team supported by deep talent pool and continuous strategic cooperation with M3.

OUR STRATEGIES

To achieve our mission and further solidify our market leadership, we intend to pursue the following strategies:

- continue to increase physician penetration and engagement by enhancing our medical knowledge solutions and enriching the information and content on our platform;

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- continue to build our technological platform and expand its applications;
- expand our customer network and strengthen relationships with existing customers;
- continue to expand our service offerings, including patient care offerings with digital health management tools, and clinical research solutions; and
- explore strategic partnerships, investments and acquisitions.

RISK FACTORS

Our business and the Global Offering involve certain risks, which are set out in the section headed “Risk Factors.” You should read that section in its entirety carefully before you decide to invest in Offer Shares. Some of the major challenges we face are relating to:

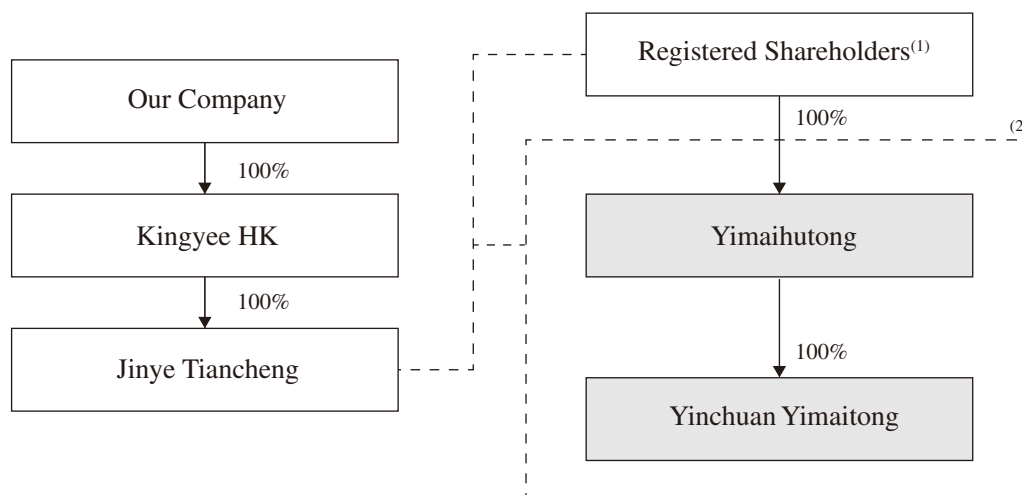
- our ability to monetize our *Medlive* platform;
- our ability to maintain or enhance users’ trust in our platform;
- our ability to keep up with rapid changes in technologies and adapt our platform to changing user requirements or emerging industry standards;
- our ability to continue to provide current, relevant and reliable medical knowledge information;
- the fact that we may be held liable for information displayed on, retrieved from or linked to our platform or created by us;
- the fact that our high customer concentration exposes us to risks faced by our major customers and may subject us to significant fluctuations or declines in revenues;
- our ability to compete effectively;
- the fact that some of business lines have a limited operating history;
- the fact that we are subject to extensive and evolving regulatory requirements; and
- the fact that we have granted and will continue to grant share incentives, which will result in share-based compensation expenses and negatively impact our results of operations.

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CONTRACTUAL ARRANGEMENTS

Our Company operates or intends to operate certain businesses that are subject to restrictions and/or prohibitions under current PRC laws and regulations. In order to comply with such laws and regulations, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements entered into on March 8, 2021. Hence, we do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over and are entitled to receive all the economic benefits generated by the businesses currently operated by the Consolidated Affiliated Entities. For further details, please see section headed “Contractual Arrangements” in this document.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group as stipulated under the Contractual Arrangements:



- denotes direct legal and beneficiary ownership in the equity
- - - - denotes contractual relationships under the Contractual Arrangements
[] denotes the equity interests controlled by the Group under the Contractual Arrangements
■ denotes our Consolidated Affiliated Entities

Notes:

- (1) The Registered Shareholders are Ms. Tian Liping and Dr. Li Zhuolin (李卓霖), who holds 50% and 50% of the equity interests in Yimaihutong, respectively.
- (2) The Exclusive Operations Service Agreement, Exclusive Option Agreement, Loan Agreements, Shareholders’ Rights Entrustment Agreement, Equity Pledge Agreement and Spouse Undertakings together form the legal relationship under the Contractual Arrangements.

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Yimaihutong operates our *Medlive* website and desktop and mobile applications. The provision of medical knowledge solutions on our *Medlive* website and desktop and mobile applications involves the provision by Yimaihutong of medical information and content for fees (including membership fees) and therefore is subject to restrictions under PRC regulations relating to value-added telecommunication. The provision of digital market research services through *eSurvey* is subject to restrictions under PRC regulations relating to foreign-related market investigation business. In addition, we plan to engage in the production of online medical radio and video programs. Such operation is subject to prohibitions under PRC regulations relating to radio and television program production business. Furthermore, we operate Internet hospital through Yinchuan Yimaitong, which provides online consultation and prescription services through its own platform in cooperation with a qualified hospital in Ningxia Autonomous Region. Such operation is subject to restrictions under PRC regulations relating to Internet hospital services. As advised by our PRC Legal Adviser, the aforementioned businesses are considered to involve businesses that are subject to foreign investment restrictions and/or prohibitions under the relevant PRC laws and regulations.

OUR CONTROLLING SHAREHOLDER

Immediately following completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the options granted or to be granted under the Share Option Schemes), our Group will have two groups of Controlling Shareholders, being: (i) the group comprising Ms. Tian Liping, Mr. Tian Lixin, Mr. Tian Lijun and Tiantian; and (ii) M3, each of which will continue to own and control approximately 38.8% and 38.8% of the issued share capital of our Company, respectively. For further details, please see section headed “Relationship with Our Controlling Shareholders” in this document.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute non-exempt continuing connected transactions and partially exempt continuing connected transactions under Chapter 14A of the Listing Rules after the Listing. Further particulars about such transactions together with the application for a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules are set out in the section headed “Continuing Connected Transactions” of this prospectus.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this prospectus. 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 HKFRSs.

Summary of Financial Results

The following table sets forth a summary of our consolidated results of operations with line items in absolute amounts and as percentages of our revenues for the periods indicated:

	For the Year Ended December 31,					
	2018		2019		2020	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	(in thousands, except percentages)					
Revenue	83,463	100.0	121,569	100.0	213,529	100.0
Cost of sales	(33,573)	(40.2)	(44,379)	(36.5)	(57,293)	(26.8)
Gross profit	49,890	59.8	77,190	63.5	156,236	73.2
Other income and gains	99	0.1	96	0.1	1,543	0.7
Selling and distribution expenses	(7,080)	(8.5)	(8,588)	(7.1)	(20,037)	(9.4)
Administrative expenses	(26,375)	(31.6)	(31,391)	(25.8)	(32,640)	(15.3)
Other expenses	(75)	(0.1)	(13)	—	(45)	—
Finance costs	(439)	(0.5)	(296)	(0.2)	(209)	(0.1)
Profit before tax	16,020	19.2	36,998	30.4	104,848	49.1
Income tax expense	(1,831)	(2.2)	(5,728)	(4.7)	(19,651)	(9.2)
Profit for the year	14,189	17.0	31,270	25.7	85,197	39.9

Our revenue increased significantly during the Track Record Period, primarily due to the revenue increase from our precision marketing solutions. The increase in revenue from precision marketing solutions was primarily due to continued expansion of our healthcare customer base, and increased number of healthcare products marketed using our precision marketing and corporate solutions, resulting from our growing user base and increased user engagement. The high quality and breadth of content available on our platform attracted additional physicians to our platform and increased the level of user engagement during the Track Record Period, which in turn increased the attractiveness of our platform to pharmaceutical and medical device companies. In addition, we benefited from a secular shift in prescription drug marketing, as volume-based purchasing and increasing market competition have nudged pharmaceutical and medical device companies to seek digitalized and cost-effective marketing tools, such as our precision marketing solutions, which allow them to reach the target physicians at the right time.

Our profits also increased significantly during the Track Record Period, primarily due to our significant revenue increase and margin expansion for each of our solution categories.

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Summary of Consolidated Statements of Financial Position

The following table sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2018	2019	2020
	(in thousands of RMB)		
Non-current assets			
Property, plant and equipment	4,167	4,649	2,617
Right-of-use assets	6,850	4,526	12,571
Deferred tax assets	2,445	3,591	3,509
Total non-current assets	13,462	12,766	18,697
Current assets			
Trade receivables	26,024	35,643	42,480
Contract assets	11,133	23,282	15,761
Prepayments, other receivables and other assets	2,799	3,225	3,026
Cash and cash equivalents	16,530	38,883	147,095
Total current assets	56,486	101,033	208,362
Current liabilities			
Trade payables	2,454	2,634	6,265
Other payables and accruals	23,663	32,422	45,231
Lease liabilities	3,036	3,016	2,591
Tax payable	1,186	6,919	9,991
Total current liabilities	30,339	44,991	64,078
Net current assets	26,147	56,042	144,284
Total assets less current liabilities	39,609	68,808	162,981
Non-current liabilities			
Lease liabilities	4,334	1,786	9,484
Deferred tax liabilities	317	790	2,083
Total non-current liabilities	4,651	2,576	11,567
Net assets	34,958	66,232	151,414
Equity			
Share capital	33	33	33
Reserves	34,925	66,199	151,381
Total equity	34,958	66,232	151,414

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As of December 31, 2018 and 2019 and 2020 and April 30, 2021, we had net current assets of RMB26.1 million, RMB56.0 million, RMB144.3 million and RMB161.4 million, respectively. Our net current assets position as of each of these dates was primarily attributable to our large balance of cash and cash equivalents, trade receivables and contract assets, partially offset by our other payables and accruals, tax payable, lease liabilities, and trade payables. The increase in our net current assets as of each of these dates was primarily due to the significant growth of our business.

Our total equity increased from RMB35.0 million as of December 31, 2018 to RMB66.2 million as of December 31, 2019, and further increased to RMB151.4 million as of December 31, 2020, primarily due to the increase in our profit in the Track Record Period. See page I-7 of the Accountants' Report included in Appendix I to this prospectus.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	As of December 31,		
	2018	2019	2020
	(in thousands of RMB)		
Cash generated from operations.	23,765	28,871	126,252
Income tax paid	(1,674)	(668)	(15,204)
Net cash flows from operating activities . . .	22,091	28,203	111,048
Net cash flows (used in)/from investing activities	(3,101)	(2,426)	13
Net cash flows used in financing activities .	(5,846)	(3,428)	(2,834)
Net increase in cash and cash equivalents . .	13,144	22,349	108,227
Cash and cash equivalents at beginning of year	3,372	16,530	38,883
Effect of foreign exchange rate changes, net.	14	4	(15)
Cash and cash equivalents at end of year.	16,530	38,883	147,095

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ADDITIONAL FINANCIAL INFORMATION

The following table sets forth our revenue breakdown by solution category for the periods indicated:

	For the Year Ended December 31,					
	2018		2019		2020	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	(in thousands, except percentages)					
Revenue:						
Precision marketing and corporate solutions:						
Precision marketing solutions	53,137	63.7	78,317	64.4	156,781	73.4
Corporate solutions	24,923	29.8	32,823	27.0	35,045	16.4
Medical knowledge solutions	1,349	1.6	5,311	4.4	9,113	4.3
Intelligent patient management solutions . . .	4,054	4.9	5,118	4.2	12,590	5.9
Total	83,463	100.0	121,569	100.0	213,529	100.0

The following table sets forth a breakdown of our cost of sales by nature both in absolute amounts and as percentages of our revenues for the periods indicated:

	For the Year Ended December 31,					
	2018		2019		2020	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	(in thousands, except percentages)					
Cost of sales:						
Employee benefit expenses .	20,006	24.0	22,943	18.9	22,997	10.8
Content development cost . .	7,284	8.7	13,373	11.0	23,935	11.2
Technology service fee	5,065	6.1	6,244	5.1	9,153	4.3
Others	1,218	1.5	1,819	1.5	1,208	0.6
Total	33,573	40.2	44,379	36.5	57,293	26.8

Our cost of sales consists of (i) employee benefit expenses relating to salaries and benefits for employees involved in operating our platform and developing content, (ii) content development cost primarily relating to fees paid to content contributors and service fees paid to content production service providers, (iii) technology service fees relating to cloud content delivery

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network and telecommunication services as well as licensing fees relating to MR-kun and external medical literature database and (iv) other expenses primarily relating to consulting fees, equipment rental expenses, travel and transportation expenses.

Our employee benefit expenses as a percentage of our revenue decreased during the Track Record Period, primarily due to improved efficiency of our workforce and effectiveness of our platform infrastructure. Decrease in such percentage in 2020 was also attributable to relocation of a portion of our workforce to lower-tier cities, which resulted in a decrease in average salary. Our content development cost as a percentage of our revenue increased from 2018 to 2019, as we outsourced more content development to meet the increased demand from our customers. Such percentage remained relatively stable in 2020 compared to 2019. Outsourced content development provides scalability to facilitate the growth of our business. However, we generally incur higher costs for outsourced content development, as compared to in-house content development, due to the markups charged by external content production service providers in addition to their costs. We also incur content development cost relating to fees paid to content contributors for expert views and opinions, which supplement our in-house content development capabilities.

The cost of sales relating to precision marketing solutions primarily consists of (i) employee benefit expenses primarily relating to salaries and benefits for employees involved in developing customized content, (ii) content development cost relating to fees paid to content contributors and service fees paid to content production service providers for developing customized content, and (iii) technology service fee relating to cloud content delivery network and telecommunication services incurred primarily for the purpose of delivering customized content to physicians as well as licensing fee relating to MR-kun. The cost of sales relating to corporate solutions primarily consists of (i) employee benefit expenses primarily relating to salaries and benefits for employees involved in developing and maintaining operating system for our SaaS services, and (ii) content development cost primarily relating to fees paid to survey participants in connection with developing digital market research content. The cost of sales relating to medical knowledge solutions primarily consists of (i) employee benefit expenses primarily relating to salaries and benefits for employees involved in developing medical knowledge content, (ii) content development cost relating to service fees paid to content production service providers for developing medical knowledge content, and (iii) technology service fee relating to cloud content delivery network and telecommunication services as well as licensing fee relating to external medical literature database. The cost of sales relating to intelligent patient management solutions primarily consists of (i) employee benefit expenses primarily relating to salaries and benefits for employees involved in developing web modules for our customers and developing patient education content, and (ii) content development cost relating to service fees paid to content production service providers for developing patient education content.

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The following table sets forth our gross profit and gross margin by solution category for the periods indicated:

	For the Year Ended December 31,					
	2018		2019		2020	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	(in thousands, except percentages)					
Gross profit and gross margin:						
Precision marketing and corporate solutions:						
Precision marketing solutions	35,539	66.9	54,126	69.1	120,806	77.1
Corporate solutions	14,164	56.8	18,236	55.6	20,360	58.1
Medical knowledge solutions	61	4.5	2,792	52.6	6,881	75.5
Intelligent patient management solutions . . .	126	3.1	2,036	39.8	8,189	65.0
Total	<u>49,890</u>	<u>59.8</u>	<u>77,190</u>	<u>63.5</u>	<u>156,236</u>	<u>73.2</u>

Our gross margin improved during the Track Record Period due to margin expansion for each of our solution categories.

Gross margins for precision marketing solutions increased during the Track Record Period, primarily due to our increased economies of scale and a higher level of user engagement. We achieved increased economies of scale during the Track Record Period. As more physicians join our platform and their engagement increases, our entire platform benefits from better data insights and stronger network effects, which allow for faster, more accurate and more cost-efficient delivery of our solutions. This, in turn, attracts more pharmaceutical and medical device companies. Such increased effectiveness of our platform infrastructure coupled with better efficiency of our workforce contributed to our improved operating leverage. In addition, we were able to drive user engagement during the Track Record Period through our continued efforts to enhance the quality and breadth of professional medical information on our platform. Furthermore, our growing physician user base enables physicians on our platform to share knowledge with, and seek support from, a larger number of professional peers, which further increased the level of user engagement on our platform during the Track Record Period. The increase in gross margin for precision marketing solutions in 2020 was also attributable to relocation of a portion of our workforce to lower-tier cities, which resulted in a decrease in average salary.

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Gross margins for corporate solutions remained relatively stable in the Track Record Period.

Gross margins for medical knowledge solutions improved during the Track Record Period due to increases in revenues resulting from increased paying users and decreases in cost of sales as our platform achieved greater scale. Our improved service offerings, including up-to-date, personalized medical information, attracted more physicians to our platform and incentivized more physicians to pay for our medical information during the Track Record Period. The increase in gross margin for our medical knowledge solutions in 2020 was also attributable to a decrease in the costs for developing and managing our mobile applications and content related to medical knowledge solutions, as we completed major upgrades of our medical knowledge content in 2019. Gross margin for our medical knowledge solutions increased in 2019, as cost of sales for such solutions increased at a lower rate than revenue as a result of the rapid expansion of our paying users, as well as our greater scale.

Gross margins for intelligent patient management solutions improved during the Track Record Period due to our increased economies of scale. We achieved increased economies of scale during the Track Record Period. As more physicians join our platform and their engagement increases, our entire platform benefits from better data insights and stronger network effects, which allow for faster, more accurate and more cost-efficient delivery of our solutions. This, in turn, attracts more patients to our platform. Gross margin for our intelligent patient management solutions increased in 2020 due to improved operating leverage on higher revenue driven by increased economies of scale. Our revenue increased in 2020 compared to 2019, as our customers purchased more of our solutions to develop patient education content. Benefiting from our patient education system, we were able to develop content for more diseases and provide enhanced patient education modules (including streaming module that has better margin) in a more cost-efficient manner. Gross margin for our intelligent patient management solutions increased in 2019 due to higher revenue and decreased cost of sales as a result of reduced employee benefit expenses. We incurred more employee benefit expenses for developing a patient education system in 2018 to drive the growth of our intelligent patient management solutions, which expenses decreased in 2019. Our revenue increased in 2019 compared to 2018, as our customers purchased more of our solutions to develop patient education content. Benefiting from our patient education system, we were able to develop content for more diseases and provide patient education modules in a more cost-efficient manner.

The following tables set forth our key financial ratios/metrics for the periods indicated:

	For the year ended December 31,		
	2018	2019	2020
Profitability			
Total revenue growth (%)	—	45.7	75.6
Gross margin ⁽¹⁾ (%)	59.8	63.5	73.2
Net margin ⁽²⁾ (%)	17.0	25.7	39.9

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	As of December 31,		
	2018	2019	2020
Liquidity			
Current ratio ⁽³⁾	1.9	2.2	3.3
Quick ratio ⁽⁴⁾	1.9	2.2	3.3

Notes:

- (1) Gross margin is calculated by dividing gross profit by our revenue.
- (2) Net margin is calculated by dividing net profit by our revenue.
- (3) Current ratio is calculated by dividing current assets by current liabilities.
- (4) Quick ratio is calculated by dividing current assets less inventories by current liabilities.

CERTAIN OPERATING DATA

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

	As of December 31,		
	2018	2019	2020
Number of registered users (<i>in millions</i>)	2.5	3.0	3.5
Number of registered physician users (<i>in millions</i>)	2.0	2.2	2.4

	For the year ended December 31,		
	2018	2019	2020

Precision Marketing and Corporate

Solutions:

Number of healthcare customers ⁽¹⁾	42	61	81
Number of healthcare products ⁽²⁾	99	144	191
Engaged targeted physicians (<i>in thousands</i>).	228.3	295.2	403.2
Paid clicks (<i>in millions</i>)	1.6	2.7	4.8

Medical Knowledge Solutions:

Paying users (<i>in thousands</i>)	14.1	88.0	159.3
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Notes:

- (1) Represents the number of healthcare customers who used our precision marketing and corporate solutions during the period.
- (2) Represents the number of healthcare products that were marketed using our precision marketing and corporate solutions during the period.

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The high quality and breadth of content available on our platform continues to attract additional physicians to our platform and increase the level of user engagement. As a result, our number of registered users, number of registered physician users and paying users increased during the Track Record Period. Due to our growing physician user base and increased user engagement, more pharmaceutical and medical device companies are attracted to our platform, resulting in more healthcare customers and healthcare products using our precision marketing and corporate solutions during the Track Record Period. We deliver customized content to engaged targeted physicians and primarily generate revenue from paid clicks. During the Track Record Period, the number of engaged targeted physicians and paid clicks increased due to continued expansion of our healthcare customer base and increased number of healthcare products using our solutions.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any Shares that may be issued under the Over-allotment Option and any Shares which may be issued upon the exercise of options granted or to be granted under the Share Option Schemes).

GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises of:

- (a) the Hong Kong Public Offering of initially 15,510,000 Offer Shares (subject to adjustment) in Hong Kong as described below in the section headed “Structure of the Global Offering — The Hong Kong Public Offering”; and
- (b) the International Offering of initially 139,586,000 Offer Shares (subject to adjustment and the Over-allotment Option) outside the United States in reliance on Regulation S and in the United States to QIBs in reliance on Rule 144A or other available exemption from the registration requirements of the U.S. Securities Act.

Investors may apply for Hong Kong Public Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest in International Offering Shares under the International Offering, but may not do both.

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RECENT DEVELOPMENT

On March 29, 2021, we implemented the Share Subdivision whereby each existing issued and unissued ordinary share with par value of US\$0.01 in the authorized share capital of the Company was subdivided into 1,000 ordinary shares with par value of US\$0.00001 each and the authorized share capital of the Company was altered to US\$500,000 divided into 50,000,000,000 shares with par value of US\$0.00001 each. The total number of issued shares in the Company increased from 535,080 shares to 535,080,000 Shares.

Our profit in 2021 will be negatively impacted by (i) an increase in administrative expenses resulting from the expected listing expenses of RMB25.3 million; (ii) an increase in employee benefit expenses resulting from expected share-based compensation expenses; and (iii) withholding tax amount of RMB7.1 million to be accounted for in our financial statements for the year ending December 31, 2021, which relates to the special interim dividend of RMB92 million declared on June 18, 2021. Unless we are able to achieve sufficient growth to offset such negative impact, we would experience a decline in profit in 2021 as compared to 2020.

We adopted the Pre-IPO Share Option Scheme on March 29, 2021, pursuant to which Pre-IPO Share Options to purchase a total of 26,754,000 Shares have been granted to 62 Grantees on April 2, 2021. As a result, we will incur share-based compensation expenses, which will negatively impact our results of operations.

As of April 30, 2021, we had net current assets of RMB161.4 million. As of the same date, we did not have any bank borrowings. In addition, RMB39.5 million, or 91.8%, of our trade receivables before deduction of loss allowance as of December 31, 2020 had been settled as of April 30, 2021. RMB8.2 million, or 52.3%, of our contract assets as of December 31, 2020 had been settled as of April 30, 2021. RMB1.1 million, or 17.6% of our trade payables as of December 31, 2020 had been settled as of April 30, 2021.

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 prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2020, which is the end date of the periods reported on in the Accountants' Report included in Appendix I to this prospectus, and there is no event since December 31, 2020 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this prospectus.

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Impact of COVID-19 on our Operations

We primarily generate revenues from our online professional physician platform. As most of our solutions are delivered through our platform, we have not experienced significant difficulties or failed to discharge obligations under our existing contracts due to disruptions related to the outbreak of COVID-19. We also have not experienced material disruptions in services from our service providers due to COVID-19. As a result, COVID-19 has not caused material adverse impact on our results of operations, financial condition or our development plans.

In response to intensifying efforts to contain the spread of COVID-19, the Chinese government took a number of actions, which included compulsory quarantine arrangements, travel restrictions, remote work arrangements and public activities restrictions, among others, during the COVID-19 outbreak. COVID-19 also resulted in temporary closure of many corporate offices and other types of workplaces across China. Our headquarters in Beijing were closed for a period of three weeks in February 2020 as a result of the outbreak during which only a small number of our staff, primarily in the customer service department, were on duty in our headquarters in Beijing, while the remaining staff worked remotely. After the closure, our staff in Beijing began to return to work in office and we resumed full operations in March 2020. In addition, due to the travel restrictions and social distancing measures imposed, some of our in-person communications, such as consulting and content development meetings with our healthcare customers, were affected during the COVID-19 outbreak. We took a series of measures in response to the outbreak, including, among others, temporary closure of our offices, remote working arrangements for our employees to ensure the smooth operations of our platform during the COVID-19 outbreak, travel restrictions or suspension and facilitating the vaccination of our employees. Our Group has also adopted hygiene and preventive measures in response to the outbreak of COVID-19 and has set up a pandemic prevention group to coordinate the implementation of pandemic prevention measures. We sanitise our office premises on a daily basis to ensure hygiene and safety for our employees. To monitor the health condition of our employees, we take the body temperature of our staff when they arrive at our offices and required our staff based in Beijing to show their status on Beijing Jian Kang Bao (北京健康寶), a mobile phone program implemented by the Beijing government to track if a person had visited any COVID-19 high-risk area. Employees who display symptoms of respiratory system diseases are required to report to the pandemic prevention group directly as well as the nearest hospital. We implement mandatory hand sanitisation for employees and visitors upon entry to our premises, and provide personal protective items such as surgical masks and sanitisers to our employees. We encourage our staff to reduce face-to-face meetings and visits with our customers and suppliers and instead conduct communication through telephone calls, emails and other communication platforms. We also advise them to avoid going to crowded places and maintain social distancing to avoid transmission of COVID-19, and recommend them to maintain good hygiene practices. We believe such measures are effective in reducing the risk of spreading of COVID-19 among our employees. There have been no confirmed cases of COVID-19 among

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our employees. We also have business continuity and pandemic plans in place to avoid any material disruptions to our daily operations, particularly to reduce any negative impact from business interruptions and maintain our profitability, which include maintain minimal headcount to support our operations by keeping our essential staffs in the office, remote working arrangements for the majority of our workforce so that we are able to continue our provision of services through electronic media and telephone and maintain more than one supplier for product procurement, 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.

Although China eased domestic travel restrictions and social distancing measures by the end of June 2020, the spread of 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 COVID-19 outbreak cannot be reasonably estimated at this time. The extent to which it may affect our results of operations and financial condition in the future will depend on the future developments of the outbreak, which are highly uncertain and cannot be predicted.

As of December 31, 2020, we had cash and cash equivalents of approximately RMB147 million. In 2020, we had net cash flows from operating activities of approximately RMB111 million. On June 18, 2021, we declared a conditional special interim dividend of RMB92 million which is expected to be distributed after Listing. We believe our liquidity is sufficient to successfully navigate an extended period of uncertainty.

Taking into account (i) the worst case scenario that our operations and businesses are adversely affected by the COVID-19 outbreak, (ii) the financial resources available to us, including cash and cash equivalents and the portion of the estimated net proceeds from the Global Offering expected to be used for working capital and general corporate purposes, (iii) the conditional special interim dividend of RMB92 million declared on June 18, 2021 which is expected to be distributed after Listing and (iv) the prudent estimates for the settlement of trade receivables and trade payables, we believe we retain substantial ability to manage our business operations and achieve an optimal balance between business expansion and operating efficiency. Accordingly, we believe that we can further utilize our internal resources and net proceeds from the Global Offering designated for general working capital and our operations based on the low-end of the Offer Price, and remain financially viable for more than five years.

According to the Frost & Sullivan Report, the digital marketing spending by pharmaceutical and medical device companies in China, which is our primary revenue source, will continue to increase at a high speed in 2021 as pharmaceutical and medical device companies seek greater efficiency in marketing activities, taking into account any potential impact of COVID-19 outbreak. According to the Frost & Sullivan Report, the COVID-19 outbreak catalyzed and accelerated the digitalization of healthcare services. Digital healthcare marketing, particularly precision digital

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healthcare marketing, is more widely recognized by pharmaceutical and medical device companies as a cost-efficient way to conduct healthcare marketing in China, which is expected to cause a fundamental shift to more digital healthcare marketing by pharmaceutical and medical device companies in the future.

OFFERING STATISTICS

All statistics in the following table are based on the fact that the Share Subdivision of one share into 1,000 Shares has been implemented on March 29, 2021 and the assumptions that (i) the Global Offering has been completed and 155,096,000 Offer Shares are issued pursuant to the Global Offering; and (ii) 690,176,000 Shares are issued and outstanding following the completion of the Global Offering.

	Based on an Offering Price of HK\$24.10	Based on an Offering Price of HK\$27.20
Market capitalization of our Shares ⁽¹⁾ . . .	HK\$16,633.2 million	HK\$18,772.8 million
Unaudited pro forma adjusted net tangible asset per Share ⁽²⁾	HK\$5.39 (RMB4.48)	HK\$6.06 (RMB5.04)

Notes:

- (1) The calculation of market capitalization is based on 690,176,000 shares expected to be in issue immediately upon completion of the Global Offering.
- (2) The unaudited pro forma adjusted net tangible asset per Share as of December 31, 2020 is calculated after making the adjustments referred to in Appendix II and on the basis that 690,176,000 shares are expected to be in issue immediately upon completion of the Global Offering.
- (3) On June 18, 2021, we declared a special interim dividend of RMB92 million (the “**Special Dividend**”), which amount is determined with reference to the level of distributable reserves of our Group available for distribution to our Shareholders as of December 31, 2020. The Special Dividend is conditional upon Listing and is payable to all existing Shareholders, Tiantian and M3, in the proportion of 50:50. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of December 31, 2020 per Share after taking into account of the Special Dividend is HK\$5.23 (equivalent to RMB4.35) based on an Offering Price of HK\$24.10 or HK\$5.90 (equivalent to RMB4.91) based on an Offering Price of HK\$27.20 and is determined based on 690,176,000 shares expected to be in issue immediately upon completion of the Global Offering.

For the calculation of unaudited pro forma adjusted net tangible assets per Share attributed to our Shareholders, see the section headed “A. Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets” in Appendix II.

SUMMARY

LISTING EXPENSES

Based on the mid-point Offer Price of HK\$25.65, the total estimated listing expenses in relation to the Global Offering (assuming that the Over-Allotment Option is not exercised and all discretionary incentive fees in the Global Offering are paid in full) is approximately RMB172.4 million, representing approximately 5.2% of the gross proceeds of the Global Offering (assuming the Over-allotment Option is not exercised). No listing expense was incurred during the Track Record Period. We estimate that we will incur listing expenses of RMB172.4 million, of which RMB25.3 million will be charged to our consolidated statements of profit or loss for 2021. The balance of approximately RMB147.1 million, which mainly includes underwriting commission, is expected to be accounted for as a deduction from equity upon the completion of the Global Offering.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$3,770.8 million after deducting the underwriting commissions and other estimated expenses paid and payable by us in relation to the Global Offering, assuming an Offer Price of HK\$25.65 per Share, being the mid-point of the indicative Offer Price range of HK\$24.10 to HK\$27.20 per Share, and that the Over-allotment Option is not exercised. We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

- approximately 40% of the net proceeds (approximately HK\$1,508.3 million) is intended to be used for business expansion in the next three to five years, including developing and enhancing our solution offerings, expanding our customer base and foster customer loyalty and driving user growth and engagement;
- approximately 30% of the net proceeds (approximately HK\$1,131.2 million) is intended to be used to invest in our technology and enhance our research and development capabilities in the next three to five years;
- approximately 20% of the net proceeds (approximately HK\$754.2 million) is intended to be used to selectively pursue strategic investments or acquisitions opportunities; and
- approximately 10% of the net proceeds (approximately HK\$377.1 million) is intended to be used for the general replenishment of our working capital and for other general corporate purposes.

SUMMARY

We plan to allocate HK\$7.8 million from the gross proceeds to repay an interest free loan in the amount of US\$1.0 million from Tiantian, which is non-trade in nature and becomes due and payable upon our Listing. We used the loan proceeds to pay for certain of our listing expenses payable to our professional service providers located outside of the PRC. As we do not maintain cash outside of the PRC, we paid such expenses with an interest free loan from Tiantian to shorten the payment processing time. None of the costs or expenses relating to our Group's operations or capital expenditures during the Track Record Period and up to the Latest Practicable Date were borne by any related parties or connected persons of our Group or any other third parties without being charged back to our Group.

In the event that the Offer Price is set at the high point or the low point of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease by approximately HK\$230.2 million, respectively. Under such circumstances, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro-rata basis.

If the Over-allotment Option is exercised in full, the additional net proceeds that we will receive will be approximately HK\$571.3 million, assuming an Offer Price of HK\$25.65 per Share, being the mid-point of the indicative Offer Price range. We may be required to issue up to an aggregate of 23,264,000 additional Shares pursuant to the Over-allotment Option.

DIVIDEND POLICY

We did not declare any dividend to our Shareholders during the Track Record Period. On June 18, 2021 we declared a special interim dividend of RMB92 million, which amount is determined with reference to the level of distributable reserves of our Group available for distribution to our Shareholders as of December 31, 2020. The special interim dividend is conditional upon Listing and is payable to all existing Shareholders, Tiantian and M3, in the proportion of 50:50. A dividend of RMB92 million will first be declared and paid by Jinye Tiancheng to Kingyee HK. The same amount will then be declared and paid by Kingyee HK to our Company and subsequently such same amount will be paid by our Company to Tiantian and M3 as the special interim dividend. The special interim dividend will be paid to Tiantian and M3 before September 30, 2021 and will be funded using the cash and bank balances and cash flows from operating activities of our Company. In connection with the special dividend, our PRC Legal Adviser is of the view that applicable PRC laws and regulations do not prohibit the distribution of distributable profits by our PRC subsidiaries to their shareholders, including offshore shareholders. However, such distribution by our PRC subsidiaries to offshore shareholders will attract withholding tax of 10% of the amount of distribution. Taking into account the special interim dividend amount of RMB92 million, the withholding tax is expected to be RMB9.2 million. We have made provision of an amount of RMB2.1 million for such withholding tax as of December

SUMMARY

31, 2020. The remaining withholding tax amount of RMB7.1 million will be accounted for in our financial statements for the year ending December 31, 2021 pursuant to HKAS 12 (Income Taxes) and the withholding tax will have negative impact on our net profit for the year ending December 31, 2021.

We may distribute dividends in the future by way of cash or by other means that we consider appropriate. Under Cayman Islands law, our Company may pay a dividend out of either our profits (realized or unrealized) or amounts standing to the credit of our share premium account, provided that this would not result in our Company being unable to pay our debts as they fall due in the ordinary course of business. A decision to declare and pay any dividends would require the approval of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to shareholders' approval. The Board will review dividend policy from time to time in light of the following factors in determining whether dividends are to be declared and paid: (i) our result of operations, (ii) our cash flows, (iii) our financial condition, (iv) our Shareholders' interests, (v) general business conditions and strategies, (vi) our capital requirements, (vii) the payment by our subsidiaries of cash dividends to us and (viii) other factors the Board may deem relevant.