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## Sinohealth Holdings Limited

### 中康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2361)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

### KEY FINANCIAL RESULTS

	For the Six Months Ended 30 June		
	2022 (RMB'000) (Unaudited)	2021 (RMB'000) (Unaudited)	YoY Change
<b>Revenue</b>	<b>121,209</b>	106,981	13.3%
Data Insight Solutions	<b>83,552</b>	50,859	64.3%
% of Total Revenue	<b>68.9%</b>	47.5%	
Data-driven Publications and Events	<b>21,021</b>	44,708	(53.0%)
% of Total Revenue	<b>17.3%</b>	41.8%	
SaaS	<b>16,636</b>	11,414	45.8%
% of Total Revenue	<b>13.8%</b>	10.7%	
<b>Cost of Sales</b>	<b>(64,558)</b>	(44,975)	43.5%
<b>Gross Profit</b>	<b>56,651</b>	62,006	(8.6%)
<b>Net Profit</b>	<b>5,287</b>	12,367	(57.2%)
Adjusted Net Profit (Non-HKFRS measure) <sup>(1)</sup>	<b>9,477</b>	25,202	(62.4%)

Note:

<sup>(1)</sup> Listing expenses were not included in non-HKFRS financial measure.

## KEY OPERATIONAL DATA

	As at 30 June 2022	As at 30 June 2021	YoY Change
Number of Partnering Pharmacies	<b>1,257</b>	933	34.7%
Number of Stores Covered by Partnering Pharmacies	<b>63,234</b>	45,591	38.7%
Pharmacy Staff Using SIC Mobile App	<b>192 thousand</b>	150 thousand	28.0%
Pharmacy Consumers Managed by Pharmacies through SIC	<b>231 million</b>	130 million	77.7%

The board (the “**Board**”) of directors (the “**Directors**”) of Sinohealth Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2022.

## BUSINESS OVERVIEW AND OUTLOOK

In the past fifteen years, the Group has successfully grown into the largest healthcare insight solution provider for the medical products and channels segment in China. Leveraging on its strong research and development capabilities in big data, cloud computing and AI technology and partnering with over 60,000 retail pharmacy stores nationwide, the Group has built a large healthcare data middleware in China, “Tiangong No.1”, storing over 25TB data entries. The Group has established extensive industry networks, hosting three important annual industrial events, namely Industry Prospect Event, Merchandise Trading Event and Retail Sales Event to connect the industry. The Group has achieved a leading position in developing digital business in the healthcare sector through its data technology and governance, rich database and industry networks.

Leveraging on its competitive strengths, the Group provides customised or standardised digital intelligence solutions through three business segments to over 900 corporate clients, including more than 60 top medical product manufacturers (based on lists of top medical product manufacturers in 2020 compiled by Torreya and Yaozh.com): 1) Data Insight Solutions, which provides customised data insights to help medical product manufacturers make their business decisions and data-driven marketing solutions; 2) Data-driven Publications and Events, which provides a combination of publications and precision connections through online and offline industry events based on data insights; and 3) SaaS, which provides standardised software and applications to enable medical product manufacturers, retail pharmacies, physical examination institutions and medical service institutions to rapidly digitalise their business operations.

2022 is a milestone year for the Group. On 12 July 2022, the Company was successfully listed on the Stock Exchange. The Company would like to take this opportunity to express its sincere gratitude toward its clients, partners, employees and all other stakeholders for their constant cooperation and support. The Company believes that the listing will lead the Company into a new phase of development.

## Highlights in First Half of 2022

2022 is a challenging year. The outbreak of the omicron coronavirus in the first half of 2022 led to a series of tightened measures under the Zero-Covid Policy in China, including city lockdowns, travel restrictions, closures of workplaces and facilities and close-loop management. Those measures have substantially slowed down China's overall economic growth in the first half of 2022. Nevertheless, the Group's Data Insights Solutions and SaaS segments still achieved rapid growth despite the COVID-19 epidemic. The Group's largest business segment – Data Insight Solutions, recorded a revenue of approximately RMB83.55 million in the first half of 2022, an increase of approximately 64.3% as compared with the first half of 2021. The Group's promising business segment – SaaS, recorded a revenue of approximately RMB16.64 million in the first half of 2022, an increase of approximately 45.8% as compared with the first half of 2021. In the meantime, the Group's Data-driven Publications and Events business was negatively impacted by the COVID-19 epidemic. 2022 Retail Sales Event was postponed to the second half of 2022, and 2022 Merchandise Trading Event was postponed from March 2022 to the end of May and recorded fewer attendees since clients from Shanghai could not attend due to the epidemic. As a result, the revenue from Data-driven Publications and Events decreased by approximately 53.0% to approximately RMB21.02 million in the first half 2022 as compared with the first half of 2021.

Benefitted from the Group's well-structured business model, the strong revenue growth of Data Insight Solutions and SaaS offset the decrease in revenue generated from Data-driven Publications and Events, resulting in a continuous increase of approximately 13.3% in the Group's total revenue from approximately RMB106.98 million in the first half of 2021 to approximately RMB121.21 million in the first half of 2022.

2022 is also a year worth looking forward to for the Group's business development. Recognising the greater SaaS market potential as well as the increasing importance of big data, AI technology and cloud computing in the enhancement of competitive edge, the Group has decided to invest greatly in the Group's SaaS segment and overall technology platform – Sinohealth Engine and Big Data & AI Lab. As compared with 30 June 2021, the Group had hired more than 130 employees or an increase of approximately 26% so as to expand its SaaS team and to enhance its technology research and development capabilities. As a result, the Group recorded a substantial increase in employee benefit expenses, marketing expenses and research and development expenses in the first half of 2022 as compared with that of the first half of 2021, leading to the decrease in gross margin from approximately 58.0% in the first half of 2021 to approximately 46.7% in the first half of 2022 and lower net profit and adjusted net profit of approximately RMB5.29 million and approximately RMB9.48 million, respectively, in the first half of 2022. Nevertheless, the Group considers these additional expenses as an important investment necessary for its future development and is confident that such investment would translate into enhanced competitiveness and top-line growth in the future.

Corporate governance is the key driver underpinning a company's sustainable development. The Company has formed a diligent and competent Board of Directors with independent non-executive directors accounting for half of the Board. The Company has established its internal control and risk management framework and has enhanced its efforts in the internal control and risk management area. The Company has also appointed a specific team to conduct information disclosure and investor relations activities so as to ensure accurate, timely, fair and transparent disclosure of the Company's information and to build a professional relationship with the investor community.

## **Outlook for Second Half of 2022**

Looking into the second half of 2022, the Group will take the following development strategies and businesses initiatives so as to ensure the stable business development and to consolidate its leading position in the Chinese medical products and channels market: (i) continue to enhance the leading position of the Group's SaaS products in pharmacies - that is, expand the installation base and the number of users of Smart Retail Cloud's SIC system, and introduce smart consultation for medical treatment and smart management of patients with chronic diseases; (ii) enhance the commercialisation of the Group's innovative products, especially the full version of Smart Decision Cloud, the AI-MDT system of Smart Health Management Cloud and the patient full-course smart management system of Smart Medical Cloud, so as to increase the Group's market share in the medical products and channels market; (iii) continue to invest in products and technological innovation; (iv) continue to expand the Group's client base; and (v) consider investment acquisitions to establish a closed loop value chain for the Group's digital services in the healthcare sector.

In terms of Data Insight Solutions, the Group will launch new products and services to meet the new needs of customers, including developing DTP pharmacy data insights, e-commerce market insights (including O2O and B2C) and county market insights to meet customer needs, and attracting more customers to use the Group's products and services through accurate match, so as to promote the growth of the Data Insights Solutions segment.

In terms of Data-driven Publications and Events, the Group will hold more industry events in the second half of 2022 and increase the types and the number of new participants as well as the value and scenario of interaction between new participants, to meet potential market demand and stabilise the revenue of this business segment. The Group has started the construction of an online event platform and will operate it on a long-term basis, not just only for the event period. The platform will also digitise the behavior during the events so as to achieve more accurate connections and higher efficiency. The Group will also cultivate the industry events related to health management and health technology so as to enrich the Group's industry ecosystem resources and support the further expansion of the Group's business.

In terms of SaaS, the Group will continue to invest in SaaS products to enhance its functionality, performance and user experience, and will continue to accelerate the commercialisation of its SaaS products. More specifically, the Group will further update and launch the upgraded SIC system as well as improve the Smart Decision Cloud portfolio, including adding e-commerce data to the CHIS database and extending CHIS services to investment institutions, adding off-line consumer decision model into LinkedSee, enhancing the data interaction capability of Pharmacy Connect, and launching a new product Smart Analysis Cloud soon. The Group has fully launched its Smart Health Management Cloud product AI-MDT to the market and will continue to expand the comprehensive cooperation with public hospital physical examination centers and private physical examination institutions. The Group has also launched the fully completed patient full-course smart management system - Smart Medical Cloud late this August, which will greatly help hospitals enhance their patient service capabilities and build disease predication model based on real world data.

Finally, the Group will continue to invest in big data, cloud computing and AI technologies and build its technological strengths in health data governance to support its business segments and to assist in the development of more competitive SaaS and aPaaS products so as to be widely applied to the Group's partnering pharmacies, physical examination institutions and medical institutions. The Group will also take various measures, such as enhancing relationship and cooperation with key clients, building technological cooperation with external institutes and seeking strategic acquisition and alliances opportunities, so as to further enhance its technological strengths and raise its market share.

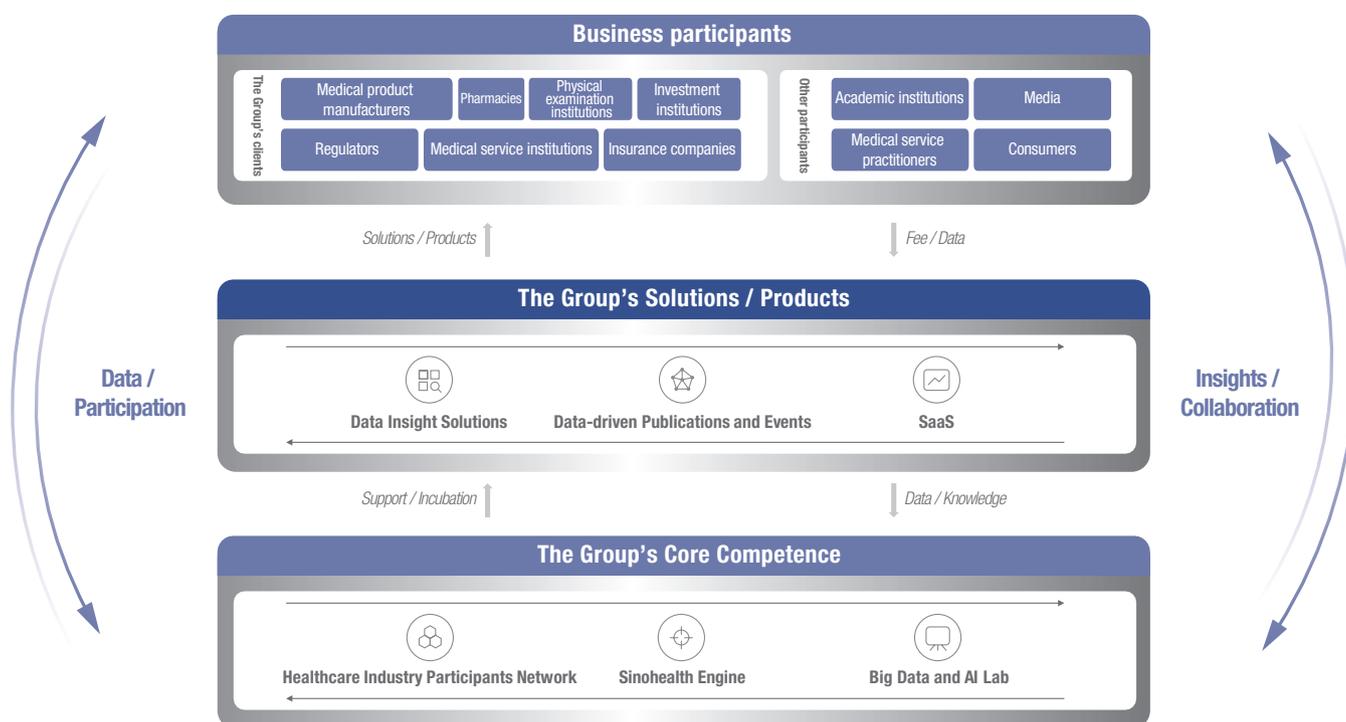
## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Performance

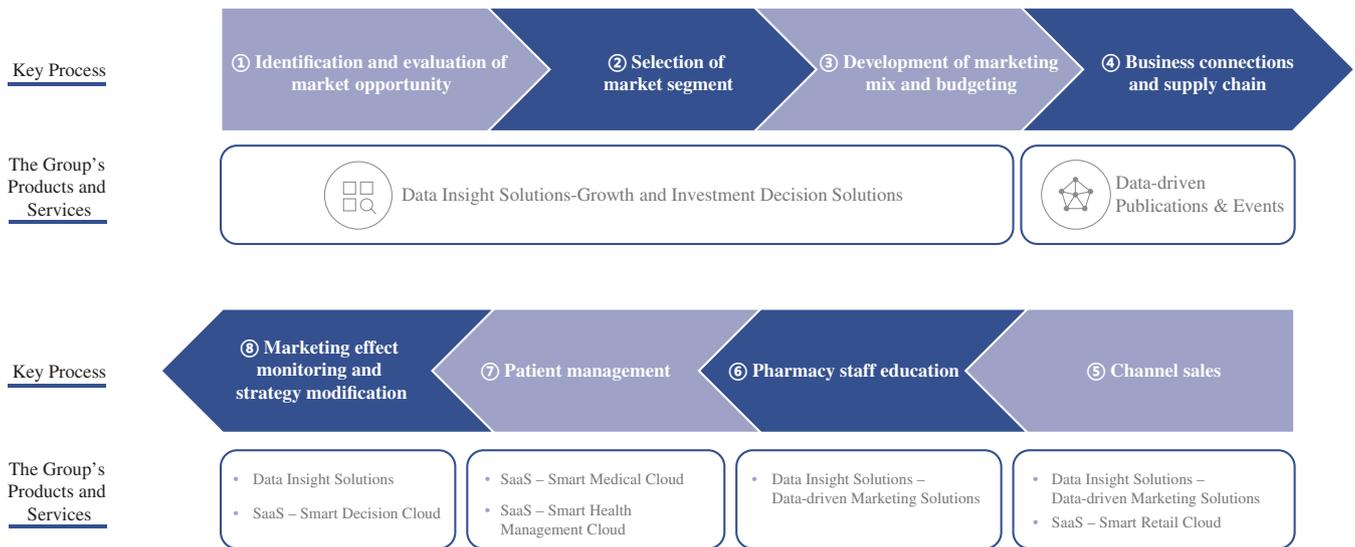
#### *The Group's Business Model*

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

With big data, AI and cloud computing as core technology capabilities and the healthcare industry ecological platform as the engine for resource consolidation and market transformation, the Group provides digital and intelligent solutions for the development of out-of-hospital market of the healthcare industry through data insight solutions, data-driven publications and events and SaaS products.

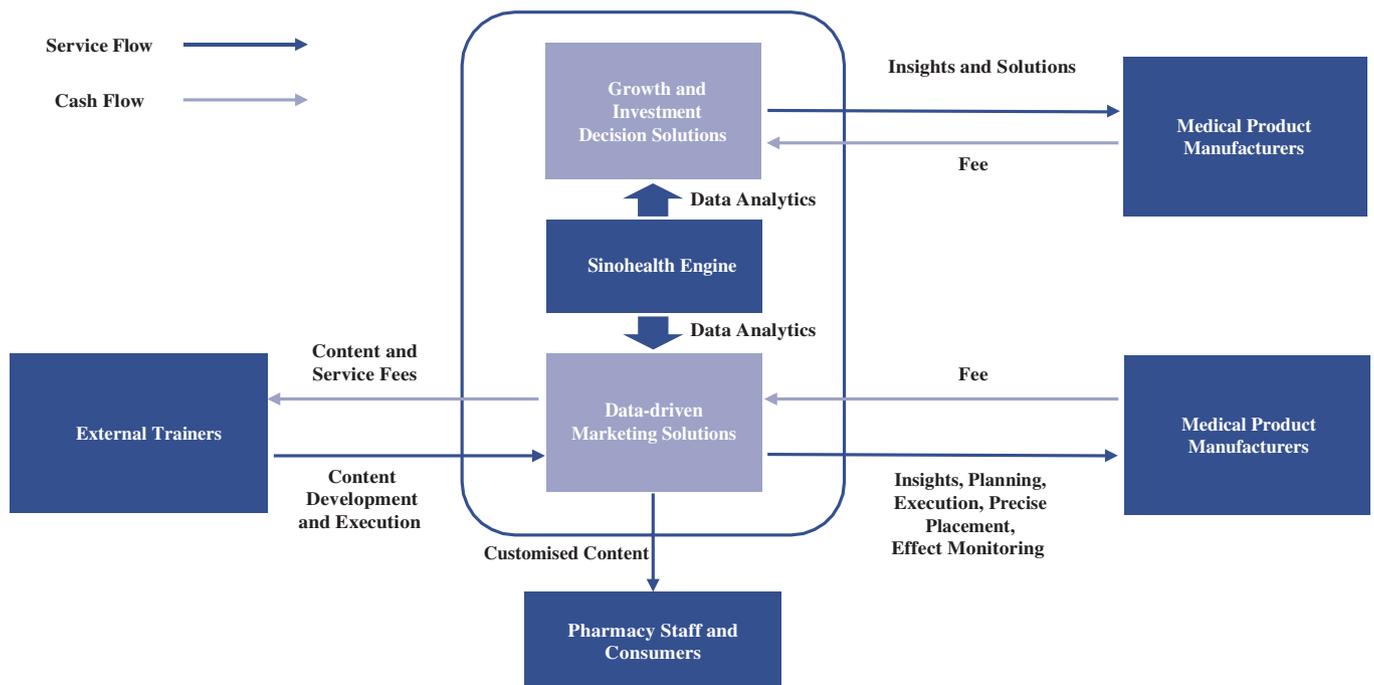


## How the Group Creates Value for Medical Product Providers in Their Operations in the Out-of-hospital Market



## Data Insight Solutions

### Data Insights Solutions Business Model



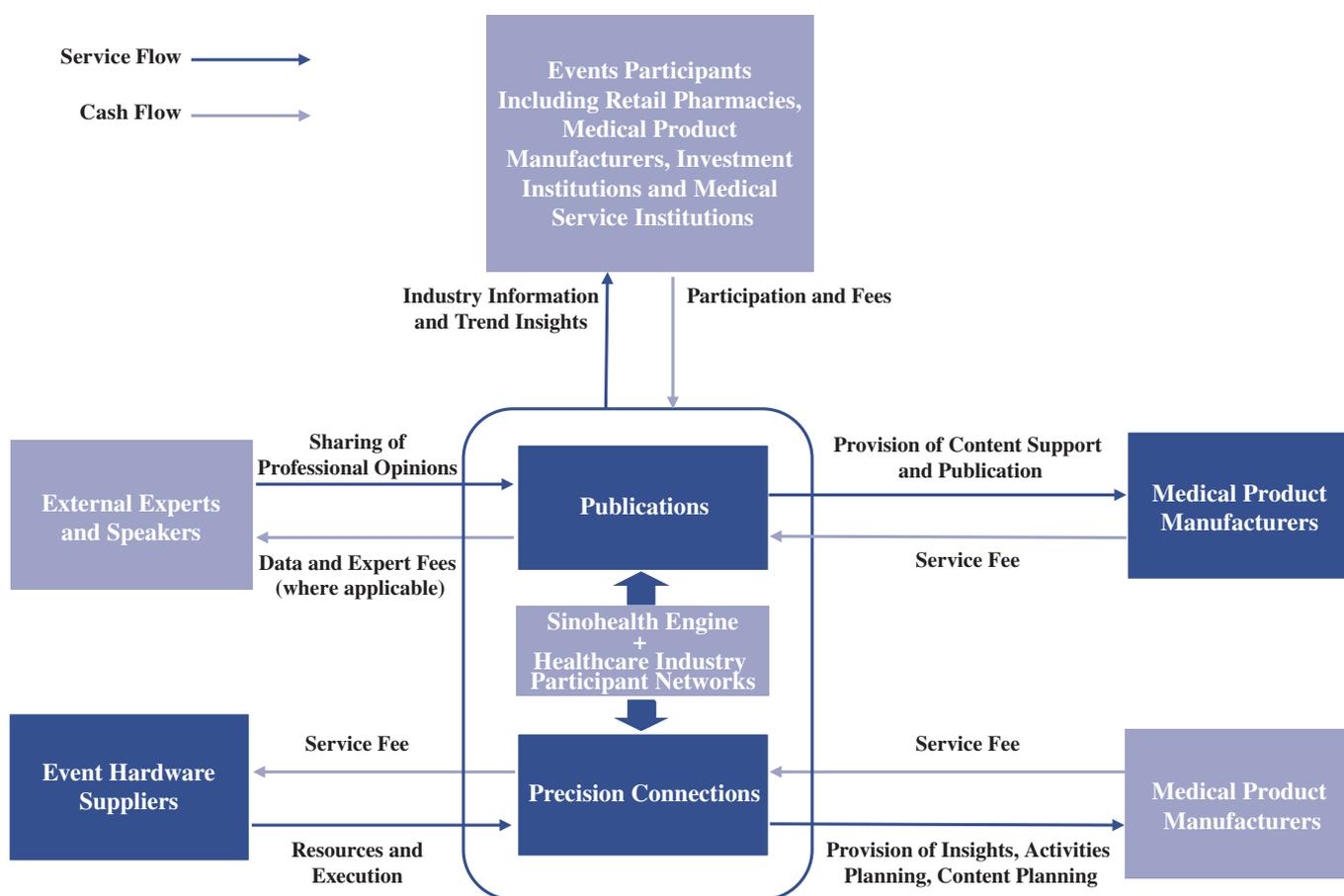
Revenue from Data Insight Solutions amounted to approximately RMB83.55 million in the first half of 2022, representing an increase of approximately 64.3% as compared to the same period in 2021, with its contribution to the total revenue increased to approximately 68.9% in the first half of 2022 from approximately 47.5% in the first half of 2021.

The continuous revenue growth in Data Insight Solutions was mainly driven by the continuous increase in the number of corporate clients and the average revenue recognised per contract. In the first half of 2022, the Group has proactively expanded its client base into the DTP pharmacies and e-commerce market in response to the trend of accelerated new drug launches and the development of e-commerce. This initiative stimulated the increase in the number of its corporate clients by 29 to 286 in the first half of 2022, thereby facilitating the growth of this business segment.

Meanwhile, the average revenue recognised per contract increased to approximately RMB177 thousand in the first half of 2022 as compared with approximately RMB145 thousand in the first half of 2021. As at 30 June 2022, 213 backlog contracts remained outstanding and approximately RMB101.48 million were expected to be completed and recognised as segment revenue for the second half of 2022, and the Group expects that more new contracts are on the way in the second half of 2022.

### ***Data-driven Publications and Events***

#### **Data-driven Publications and Events Business Model**



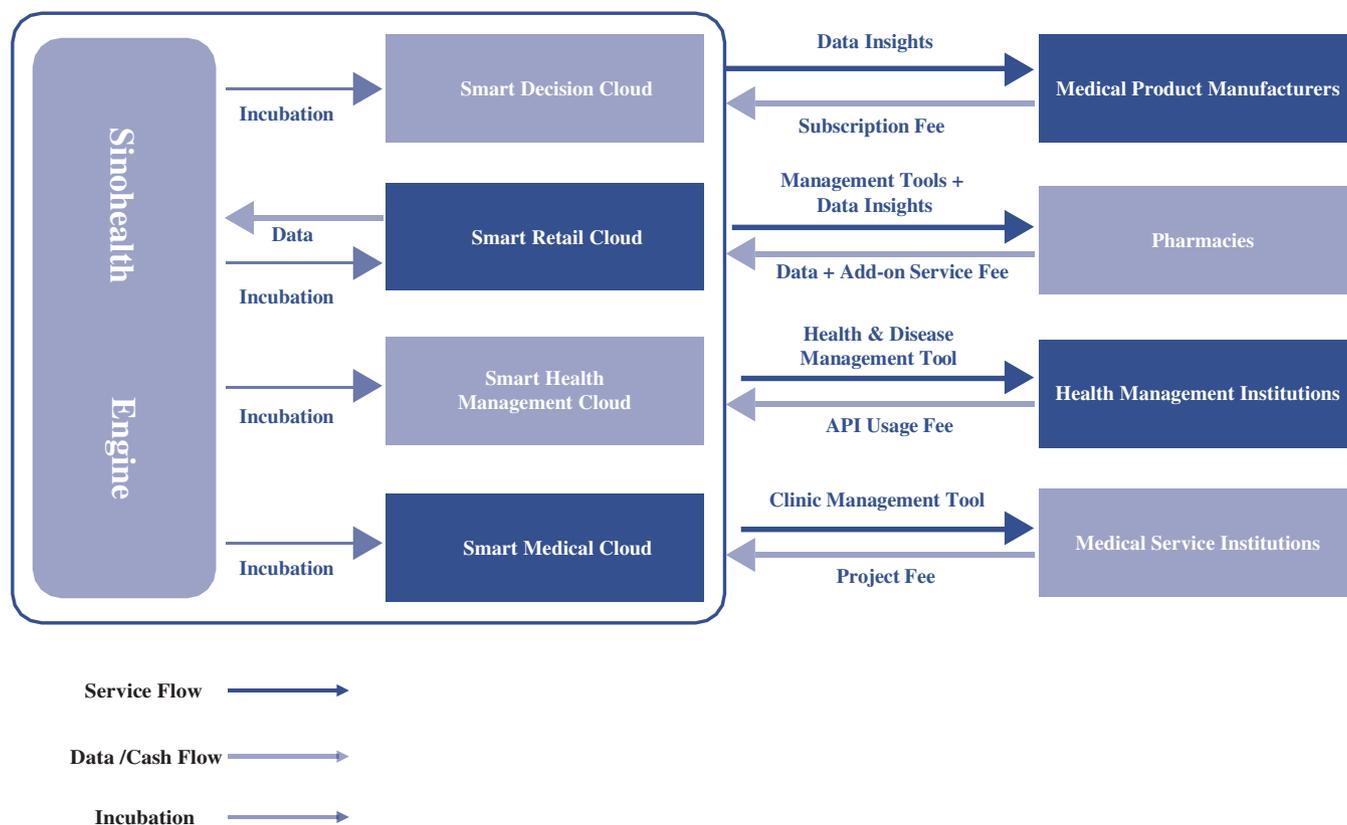
Revenue from Data-driven Publications and Events amounted to approximately RMB21.02 million in the first half of 2022, representing a decrease of approximately 53.0% as compared to the same period in 2021, with its contribution to the total revenue declined to approximately 17.3% in the first half of 2022 from approximately 41.8% in the first half of 2021.

Such decrease was mainly due to the outbreak of the COVID-19 epidemic. Under the tightened measures against the outbreak of omicron coronavirus, the Group postponed the 2022 Retail Sales Event to the second half of 2022 and delayed the 2022 Merchandise Trading Event. Even though the Group managed to hold the 2022 Merchandise Trading Event in the end of May 2022, the attendees dropped substantially since clients from Shanghai could not attend due to the epidemic. In addition, the Group also had to postpone other offline events, such as precision marketing campaigns launched in pharmacy stores, onsite training and other smaller scale events, and rearranged for some of them to be held online instead. All of these postponement and cancellation had impacted the revenue from the Group’s Data-driven Publications and Events segment. For further details, please refer to the paragraphs headed “Summary – Recent Developments” and “Risk Factors – The COVID-19 pandemic presents challenges to our business and the effects of the pandemic could adversely affect our business, financial condition and results of operations” in the Prospectus.

With the COVID-19 epidemic more or less under control in the recent months, the Group has been working on plans to hold more industry events in the coming months, including the Group’s flagship 2022 Industry Prospect Event on Hainan Island in September 2022, aiming to satisfy the demands affected by the COVID-19 epidemic.

**SaaS**

**SaaS Business Model**



Revenue from SaaS amounted to approximately RMB16.64 million in the first half of 2022, representing an increase of approximately 45.8% as compared to the same period in 2021, with its contribution to the total revenue rose to approximately 13.8% in the first half of 2022 from approximately 10.7% in the first half of 2021.

Leveraging on its big data capability and modularised technology contained in Sinohealth Engine, the Group has successfully developed a series of SaaS products namely Smart Decision Cloud for medical product manufacturers, Smart Retail Cloud for pharmacies, Smart Health Management Cloud for health management institutions, and Smart Medical Cloud for medical service institutions. With the enhanced selling and marketing efforts, the Group has significantly expanded its corporate client base in the recent years and is steadily turning its SaaS products into revenue generating assets for the Group.

More specifically, as at 30 June 2022, more than 1,100 retail pharmacies and over 50,000 stores signed up to the Smart Retail Cloud's SIC service, representing an increase of approximately 35% and approximately 36%, respectively, as compared with 30 June 2021; 28 medical service institutions and physical examination institutions signed up to the Smart Healthcare Management Cloud, an increase of 22 in the first half of 2022; and Smart Medical Cloud signed 4 new medical service institutions in the first half of 2022 with the total number of medical service institutions reaching 6 as at 30 June 2022.

As at 30 June 2022, 181 backlog contracts remained outstanding and were expected to be recognised as segment revenue for the second half of 2022 with more new contracts coming on the way. Smart Decision Cloud still generated the dominant revenue for the segment, accounting for approximately 72.8% of the segment revenue, but the revenue generated from Smart Medical Cloud already contributed to approximately 17.8% of the segment revenue, approximately 13.3 percentage points higher than that of the first half of 2021.

### ***Partnering Pharmacies and Participant Networks***

Data collection and industry networks are the basis of the Group's business model. The Group attaches great importance to its partnering pharmacies to collect retail data and to build the Group's key data middleware "Tiangong No.1". The Group adopts two approaches to develop its partnering pharmacies, one is to enter into CMH Cooperation Agreements and Non-disclosure Agreements for data cooperation, and the other is to enter into SIC Services Agreements for data cooperation. As compared with 30 June 2021, the Group signed 324 new retail pharmacies, representing 17,643 retail stores. As at 30 June 2022, the Group signed 1,257 retail pharmacies, representing 63,234 retail stores in 29 provinces and 299 cities, accounting for approximately 11% of the total pharmacy stores in China.

The Group has built extensive industry connections through its Healthcare Industry Participant Networks. Its well-recognised industry events and media channels enable interaction and dialogs amongst a wide range of industry participants such as pharmacies, medical product manufacturers, investment institutions, experts and media, not only assisting the Group's clients in promoting their brands and products, but also helping the Group itself establish network with industry participants, collect industry data and promote its solutions and products. In the first half of 2022, the Group's flagship Merchandise Trading Event and Retail Sales Event were negatively impacted by the COVID-19 epidemic, and the Group plans to hold additional events in the second half of 2022 to meet potential market demand affected by the COVID-19 epidemic.

## ***Data Technology and Data Governance***

Data technology and data governance are the core of the Group's competitiveness. The Group's technology and data platform Sinohealth Engine, comprising of a large number of application modules and technologies developed by the Group's Big Data & AI Lab as well as the Group's data middleware "Tiangong No.1", supports all of the Group's business segments. Big Data and AI Lab is the heart of the Group's R&D activities and the key driver underpinning the Group's promising SaaS products and aPaaS products. In the first half of 2022, the Group invested heavily in R&D efforts and proactively promoted the development and commercialisation of the Group's proprietary aPaaS offering.

Good data governance guards data security and data privacy. The Company places strong emphasis on complying with national standards required by the applicable PRC laws and regulations relating to cyber security and personal data. The Company has developed and implemented comprehensive internal policies and measures to standardise the handling and management of data to ensure the security, confidentiality and integrity of the data the Group gains access to and the stability and reliability of the Group's solutions and products, and to ensure user privacy and data security and to comply with applicable cybersecurity and data privacy laws and regulations.

The Group's efforts in data technology and data governance have been recognised by the relevant authorities. WFOE, a subsidiary of the Company, successfully obtained a Certificate of Guangzhou Big Data Artificial Intelligence Enterprise Database Registration (廣州市大數據人工智能企業庫登記證書) issued by Guangzhou Artificial Intelligence Industry Development Promotion Association (廣州市人工智能產業發展促進會) in February 2022. Sinohealth Information has just received a series of the ISO certifications on information technology, information security and information privacy, indicating the Group's strong capability and high standard to provide customers with big data processing, privacy information management and system operation services.

## ***Employees and Remuneration Policy***

As at 30 June 2022, the Group had a total number of 673 employees (as at 30 June 2021: 535). For the six months ended 30 June 2022, the Group recognised staff costs of approximately RMB72.19 million, representing an increase of approximately 28.1% as compared to the same period in 2021.

The increase in the number of employees of the Group during the first half of 2022 was primarily due to the Group's expansion of the solutions and products team and research and development team in response to the Group's business needs. As at 30 June 2022, 28, 54 and 111 of the Group's employees possessed medical expertise, medicine expertise and computer science expertise, respectively. The Group's specialised talents have more than six years' industrial experience on average.

The following table sets forth the aggregate number of employees, categorised by function, and the percentage of each category of the Group's total employees as at 30 June 2022.

<b>Function</b>	<b>Number</b>	<b>Percentage of Total</b>
Solutions and Products	270	40.1%
Research and Development	251	37.3%
Sales and Marketing	89	13.2%
General and Administrative	63	9.4%
	<hr/>	<hr/>
Total	<u>673</u>	<u>100.0%</u>

The Group embraces diversity and focuses on equal opportunity during its recruitment process. The Group also highly values employees and places an emphasis on the development of employees. In order to advance the skills and knowledge of the employees as well as to explore new potential from within the Group's workforce, the Group invests in continuing education and training programs for the management and other staff members to update their skills and knowledge periodically. Generally, the Group's training focuses on matters relating to the operations, technical knowledge, intellectual property protection and work safety standards. The Group has also established various internal professional committees with themes such as pharmacy and medicine, data and technology, and industry development, to promote the employees' professional development and encourage exchange of information.

The remuneration package of the Group's employees includes basic salary, performance bonuses and allowances. The Group determines employee remuneration based on factors such as competency, performance, qualifications, expertise and years of experience. The Group typically enters into employment contracts and confidentiality agreements with the employees.

The Group participates in and makes contributions to housing funds and social insurance contribution plans organised by the relevant local municipal and provincial governments, including pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing fund plans.

In addition, to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group, the Company has adopted the Share Option Scheme.

## **Financial Review**

### ***Revenue and Other Income and Gains***

The Group recorded revenue of approximately RMB121.21 million in the first half of 2022, representing an increase of approximately 13.3% as compared with the same period of last year. Driven by Data Insight Solutions and SaaS segments, the Group's total revenue continued to increase despite of the decrease in revenue from Data-driven Publications and Events under the tightened measures against the COVID-19 epidemic.

In addition to the revenue generated from the Group's three major business segments, the Group also recorded other income and gains of approximately RMB10.86 million in the first half of 2022, representing a decrease of approximately 38.0% as compared with the same period of 2021, mainly due to a falling government grants from approximately RMB10.93 million in the first half of 2021 to approximately RMB3.79 million in the first half of 2022. Government grants, fair value gains on financial assets and investment income from financial assets contributed most to the Group's other income and gains, accounting for approximately 34.9%, 31.5% and 26.2% of the other income and gains, respectively.

### ***Costs and Expenses***

Cost of sales amounted to approximately RMB64.56 million in the first half of 2022, representing a year-on-year increase of approximately 43.5%. The increase in cost of sales was mainly due to the rising staff costs and marketing expenses.

Selling and distribution expenses, mainly employee benefits expenses for employees engaged in sales and marketing function and travelling and business development expenses in relation to offline marketing campaigns and client relationship, amounted to approximately RMB15.10 million in the first half of 2022, representing a year-on-year increase of approximately 39.6%, mainly because the Group expanded its SaaS marketing team and efforts to promote its SaaS products and services.

Administrative expenses amounted to approximately RMB18.73 million in the first half of 2022, representing a year-on-year decrease of approximately 20.2%, mainly due to a decrease in listing expenses partially offset by an increase in employee benefits expenses.

Research and development expenses amounted to approximately RMB28.52 million in the first half of 2022, representing a year-on-year increase of approximately 18.4%. Such increase was mainly due to the addition of research and development staff as part of the Group's effort to enhance its research and development capabilities in the past year.

### ***Gross Profit, Profit before Tax and Net Profit***

The Group's gross profit amounted to approximately RMB56.65 million in the first half of 2022, representing a decrease of approximately 8.6% as compared with the first half of 2021. The rapidly rising cost of sales led to a decline in gross profit despite of a rising revenue. As a result, the Group's gross margin decreased to approximately 46.7% in the first half of 2022 from approximately 58.0% for the same period in 2021.

The Group's tax credit in the first half of 2022 was approximately RMB1.36 million. The provision for current income tax is mainly based on a statutory tax rate of 25%. The Group would be able to enjoy a reduced tax rate in 2022 subject to the successful application for the recognition as a high and new technology enterprise by WFOE.

With the lower gross profit and the higher expenses, the Group's net profit declined by approximately 57.2% to approximately RMB5.29 million in the first half of 2022 as compared with the first half of 2021.

### ***Non-HKFRS Measure***

To supplement the Group's consolidated financial statements which are presented in accordance with HKFRS, the Group also presents adjusted net profit as an additional financial measure, which is not required by, nor presented in accordance with, HKFRS. The Group presents this additional financial measure as it is used by the management to evaluate the Group's financial performance. The management of the Group also believes that this non-HKFRS measure provides useful information to investors and others in understanding and evaluating the Group's consolidated results of operations in the same manner as the management and in comparing financial results across accounting years and to those of the Group's peer companies.

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

The following table sets forth the reconciliation of the Group's non-HKFRS financial measure for the six months ended 30 June 2022 and 2021 presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Profit for the Period</b>	<b>5,287</b>	12,367
Add:		
Listing Expenses <sup>(1)</sup>	<b>4,190</b>	12,835
Adjusted Net Profit (Non-HKFRS measure)	<b><u>9,477</u></b>	<b><u>25,202</u></b>

*Note:*

(1) Listing expenses were not included in non-HKFRS financial measure.

### ***Cash and Cash Equivalents***

As at 30 June 2022, the Group's cash and cash equivalents amounted to approximately RMB98.47 million, representing an increase of approximately 190.0% as compared with 31 December 2021. The Group maintained a strong cash position.

### ***Financial Assets at Fair Value through Profit or Loss***

The Group's financial assets at fair value through profit or loss decreased from approximately RMB373.39 million as at 31 December 2021 to approximately RMB312.25 million as at 30 June 2022, primarily due to a decrease in the wealth management products invested. The following table sets forth the Group's wealth management products with a value of 5 percent or more of the Group's total assets as at 30 June 2022:

Product Type	Issuing Bank	Investment amount		Financial assets at fair value through profit or loss		Return for the six months ended 30 June 2022	Percentage to total assets value of the Group as at 30 June 2022
		As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Wealth management product	China Everbright Bank	<b>174,402</b>	158,437	<b>183,626</b>	164,701	3,005	36%
Wealth management product	Ping An Bank	<b>67,630</b>	51,610	<b>67,902</b>	51,698	913	13%
Wealth management product	Shanghai Pudong Development Bank	<b>50,540</b>	156,650	<b>50,647</b>	156,990	2,231	10%

As part of the Group's treasury management, the Group may from time to time purchase low to medium-risk wealth management products to improve utilisation of the Group's cash on hand on a short-term basis. The Group has implemented internal policies and rules setting out overall principles and the approval process to manage such investment activities. As a policy, the Group considers a number of criteria when assessing a proposal to invest in wealth management products, including but not limited to the following:

- i. the Group has idle cash on hand and no major cash outflow is needed in the foreseeable future;
- ii. the investment in high-risk wealth management products, such as futures and other financial derivatives, are prohibited;
- iii. the investment return will be in line with the level of risk and liquidity; and
- iv. the management of such investments will align with the Group's development strategies and will not affect the business operation of the Group.

The Group's finance department is responsible for proposing, analysing and evaluating potential investments in wealth management products. The Group's finance department is led by, and the entire investment process is supervised by, the chief finance officer of the Group (the "CFO"). Prior to making any material investments in wealth management products, the proposal is subject to the approval of the CFO and the Board. Going forward, the Group intends to continue to limit the investment in those wealth management products with short-term maturity and high liquidity based on the same and consistent criterion.

The Group's policy for monitoring wealth management products that the Group has purchased includes obtaining the subscription receipt or record for each investment product and obtaining the monthly statement for each investment product to which the Group has subscribed. The finance department is also responsible for preparing and collating data on fair value gains and losses every month, which will be sent to be processed into the Group's general ledger to ensure that the accounts are consistent. Monthly reports are also sent to the CFO for review.

### ***Borrowing***

As at 30 June 2022, the Group did not have any bank borrowings or unutilised banking facilities.

### ***Gearing Ratio***

As at 30 June 2022, the Group's gearing ratio (calculated by dividing total liabilities by total equity) was approximately 22.6% (31 December 2021: approximately 24.3%).

### ***Cash Flow and Capital Expenditure***

In the first half of 2022, the Group achieved the net cash flow from operation of approximately RMB1.84 million, representing a decrease of approximately 95.3% from the same period of last year, mainly due to the rapidly rising costs and expenses in the first half of 2022. Capital expenditure, primarily incurred for purposes of equipment and software acquisitions and leasehold improvements, remained limited at approximately RMB1.28 million in the first half of 2022.

### ***Charges on Assets***

The Group did not have assets or rights pledged as at 30 June 2022.

### ***Foreign Currency Risk***

The Group has transactional currency exposures and are subject to foreign currency risk arising from fluctuations in exchange rates between RMB and US\$. As at 30 June 2022, the Group had transactional currency exposures. Such exposures arose from its cash and cash equivalents in US\$.

### ***Contingent Liabilities***

As at 30 June 2022, the Group had no contingent liabilities (31 December 2021: Nil).

### ***Significant Investments, Acquisitions and Disposals***

The Group did not have any significant acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Save as disclosed in the section headed “Financial Assets at Fair Value through Profit or Loss” in this announcement, as at 30 June 2022, there was no significant investment held by the Group or future plans for significant investments or capital assets.

## **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

The financial information below is an extract of the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2022.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2022*

	<i>Notes</i>	<b>2022</b> <b>(Unaudited)</b> <b>RMB'000</b>	2021 <b>(Unaudited)</b> <b>RMB'000</b>
<b>REVENUE</b>	3	<b>121,209</b>	106,981
Cost of sales		<u><b>(64,558)</b></u>	<u>(44,975)</u>
<b>Gross profit</b>		<b>56,651</b>	62,006
Other income and gains	3	<b>10,861</b>	17,521
Selling and distribution expenses		<b>(15,096)</b>	(10,817)
Administrative expenses		<b>(18,725)</b>	(23,479)
Research and development costs		<b>(28,520)</b>	(24,084)
Impairment losses on financial assets, net		<b>(1,021)</b>	(953)
Other expenses		<b>(10)</b>	(197)
Finance costs		<b>(214)</b>	(275)
<b>Share of losses of:</b>			
Associates		<u>–</u>	<u>(112)</u>
<b>PROFIT BEFORE TAX</b>	4	<b>3,926</b>	19,610
Income tax credit/(expense)	5	<u><b>1,361</b></u>	<u>(7,243)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>5,287</b></u>	<u>12,367</u>
Attributable to:			
Owners of the parent		<b>3,860</b>	16,925
Non-controlling interests		<u><b>1,427</b></u>	<u>(4,558)</u>
		<u><b>5,287</b></u>	<u>12,367</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>5,287</b></u>	<u>12,367</u>
Attributable to:			
Owners of the parent		<b>3,860</b>	16,925
Non-controlling interests		<u><b>1,427</b></u>	<u>(4,558)</u>
		<u><b>5,287</b></u>	<u>12,367</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	7	<u><b>0.01</b></u>	<u>0.05</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***30 June 2022*

		<b>30 June 2022</b>	31 December 2021
	<i>Notes</i>	<b>(Unaudited) RMB'000</b>	(Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<b>4,150</b>	4,471
Other receivables		<b>611</b>	868
Right-of-use assets		<b>7,722</b>	9,018
Other intangible assets		<b>1,123</b>	1,152
Investment in associates		–	184
Deferred tax assets		<b>2,404</b>	916
		<hr/>	<hr/>
Total non-current assets		<b>16,010</b>	16,609
<b>CURRENT ASSETS</b>			
Inventories		<b>2,660</b>	680
Trade and notes receivables	9	<b>69,947</b>	81,866
Prepayments, other receivables and other assets		<b>17,233</b>	10,451
Financial assets at fair value through profit or loss	10	<b>312,249</b>	373,389
Due from a related party		–	73
Cash and cash equivalents	11	<b>98,471</b>	33,955
		<hr/>	<hr/>
Total current assets		<b>500,560</b>	500,414
<b>CURRENT LIABILITIES</b>			
Trade payables	12	<b>9,807</b>	16,859
Other payables and accruals	13	<b>71,242</b>	67,586
Lease liabilities		<b>4,351</b>	4,640
Tax payable		<b>6,156</b>	7,053
		<hr/>	<hr/>
Total current liabilities		<b>91,556</b>	96,138
<b>NET CURRENT ASSETS</b>			
		<hr/> <b>409,004</b> <hr/>	<hr/> 404,276 <hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/> <b>425,014</b> <hr/>	<hr/> 420,885 <hr/>

		<b>30 June 2022 (Unaudited) RMB'000</b>	31 December 2021 (Audited) RMB'000
	<i>Notes</i>		
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<u>3,816</u>	<u>4,974</u>
Total non-current liabilities		<u>3,816</u>	<u>4,974</u>
<b>Net assets</b>		<b><u>421,198</u></b>	<b><u>415,911</u></b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	<i>14</i>	322	322
Reserves		<u>420,396</u>	<u>416,536</u>
		<u>420,718</u>	<u>416,858</u>
Non-controlling interests		<u>480</u>	<u>(947)</u>
<b>Total equity</b>		<b><u>421,198</u></b>	<b><u>415,911</u></b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

## 1. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

### 1.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements included in the Accountants' Report set forth in Appendix I to the Prospectus.

### 1.2 Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period's financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:
- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
  - HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

## 2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

## 3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2022</b> <b>(Unaudited)</b> <b>RMB'000</b>	<b>2021</b> <b>(Unaudited)</b> <b>RMB'000</b>
<i>Revenue from contracts with customers</i>	<b>121,209</b>	<b>106,981</b>

## Revenue from contracts with customers

### (a) *Disaggregated revenue information*

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
<b>Type of goods or services</b>		
Data Insight Solutions	83,552	50,859
Data-driven Publications and Events	21,021	44,708
SaaS products	16,636	11,414
	<u>121,209</u>	<u>106,981</u>
<b>Geographical markets</b>		
Mainland China	121,076	106,787
Overseas	133	194
	<u>121,209</u>	<u>106,981</u>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	59,659	41,280
Services transferred over time	61,550	65,701
	<u>121,209</u>	<u>106,981</u>

### (b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

#### *Data Insight Solutions*

The performance obligation for delivery of customised research reports is generally satisfied at the point of time when the individual research report is delivered and accepted by the customers and payment is generally due within 120 days from the date of billing. The performance obligation for provision of individual marketing solution is satisfied over time as services are rendered and payment in advance is normally required.

#### *Data-driven Publications and Events*

The performance obligation is satisfied over time as services are rendered, where payment in advance is normally required. The services related to Data-driven Publications and Events are generally completed within one week.

### *SaaS products*

The performance obligation for granting right to access the proprietary cloud-based software is satisfied over time as services are rendered, where payment in advance is normally required. The performance obligation for API use is satisfied at the point of time when the right to use is granted and payment is generally due immediately. The performance obligation for application software development is satisfied at the point of time when the application software together with relevant license is accepted by the customers, and payment is generally due when the service was completed.

An analysis of other income and gains is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Other income</b>		
Bank interest income	78	170
Government grants*	3,791	10,932
Investment income from financial assets at fair value through profit or loss	2,842	2,702
Others	448	207
	<u>7,159</u>	<u>14,011</u>
<b>Gains</b>		
Fair value gains on financial assets at fair value through profit or loss	3,425	2,403
Foreign exchange gains, net	277	–
Gains on lease modifications	–	1,107
	<u>10,861</u>	<u>17,521</u>

\* The government grants mainly represent incentives awarded by the local governments to support the Group's operation. There were no unfulfilled conditions or contingencies attached to these grants.

#### 4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Cost of services provided	64,558	44,975
Depreciation of property, plant and equipment	1,213	972
Depreciation of right-of-use assets	2,430	2,393
Amortisation of other intangible assets	335	143
Research and development costs	28,520	24,084
Listing expenses	4,190	12,835
Lease payments not included in the measurement of lease liabilities	58	95
Bank interest income	(78)	(170)
Government grants	(3,791)	(10,932)
Investment income from financial assets at fair value through profit or loss	(2,842)	(2,702)
Fair value gains on financial assets at fair value through profit or loss	(3,425)	(2,403)
Gains on lease modifications	–	(1,107)
Foreign exchange differences, net	(277)	186
Loss on disposal of items of property, plant and equipment	4	3
Impairment of trade receivables, net	1,021	628
Impairment of other receivables, net	–	325

#### 5. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and its subsidiary are not subject to any income tax in the Cayman Islands and the BVI.

The statutory tax rate for the subsidiary in Hong Kong is 16.5%. No Hong Kong profits tax on the subsidiary has been provided as there was no assessable profit arising in Hong Kong during the period.

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.

Sinohealth Information was accredited as a high and new technology enterprise (“HNTE”) and was entitled to a preferential PRC Corporate Income tax rate of 15% during the period. Sinohealth Information needs to renew the HNTE certificate every three years so as to enjoy the reduced tax rate of 15%.

Certain of the subsidiaries, which operate in Mainland China, are identified as Small and Micro Enterprises and were entitled to a preferential tax rate of 2.5%, 5% or 10% during the period.



## 8. PROPERTY, PLANT AND EQUIPMENT

	<b>30 June 2022</b> (Unaudited) <i>RMB'000</i>	31 December 2021 (Audited) <i>RMB'000</i>
Carrying amount at beginning of period/year	4,471	4,750
Additions	969	1,878
Depreciation provided during the period/year	(1,213)	(2,083)
Disposals	(77)	(74)
	<u>4,150</u>	<u>4,471</u>

## 9. TRADE AND NOTES RECEIVABLES

	<b>30 June</b> <b>2022</b> (Unaudited) <i>RMB'000</i>	31 December 2021 (Audited) <i>RMB'000</i>
Trade receivables	72,265	78,712
Notes receivable	2,347	7,695
Impairment	(4,665)	(4,541)
	<u>69,947</u>	<u>81,866</u>

The Group's trading terms with its customers are mainly on credit. The credit terms granted generally ranged from 7 days to 120 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 the reporting period, based on the transaction dates and net of loss allowance, is as follows:

	<b>30 June</b> <b>2022</b> (Unaudited) <i>RMB'000</i>	31 December 2021 (Audited) <i>RMB'000</i>
Within 6 months	55,051	71,273
6 to 12 months	12,009	2,513
1 to 2 years	537	383
2 to 3 years	3	2
	<u>67,600</u>	<u>74,171</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>30 June 2022 (Unaudited) RMB'000</b>	31 December 2021 (Audited) RMB'000
At beginning of period/year	4,541	3,270
Impairment losses, net	1,021	2,510
Amount written off as uncollectible	(897)	(1,239)
	<u>4,665</u>	<u>4,541</u>

#### 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2022 (Unaudited) RMB'000</b>	31 December 2021 (Audited) RMB'000
Unlisted investments, at fair value	<u>312,249</u>	<u>373,389</u>

The unlisted investments represented certain financial products issued by commercial banks in Mainland China. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

#### 11. CASH AND CASH EQUIVALENTS

	<b>30 June 2022 (Unaudited) RMB'000</b>	31 December 2021 (Audited) RMB'000
Cash and bank balances	98,471	33,955
Denominated in:		
RMB	92,942	28,618
US\$	5,427	5,239
HK\$	102	98
	<u>98,471</u>	<u>33,955</u>

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, 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.

## 12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2022 (Unaudited) RMB'000</b>	31 December 2021 (Audited) RMB'000
Within 3 months	7,765	16,422
4 to 6 months	1,559	67
7 to 12 months	255	250
Over 12 months	228	120
	<u>9,807</u>	<u>16,859</u>

Trade payables are non-interest-bearing and are normally settled within 90 days.

## 13. OTHER PAYABLES AND ACCRUALS

	<b>30 June 2022 (Unaudited) RMB'000</b>	31 December 2021 (Audited) RMB'000
Payroll payables	23,893	33,961
Contract liabilities	40,648	22,913
Accrued listing expense	280	5,024
Tax payables other than income tax	5,871	4,512
Other payables	550	1,176
	<u>71,242</u>	<u>67,586</u>

Contract liabilities include short-term advances received before the services are rendered.

## 14. SHARE CAPITAL

	<b>30 June 2022 (Unaudited) RMB'000</b>	31 December 2021 (Audited) RMB'000
Authorised:		
5,000,000 ordinary shares of US\$0.01 each		
US\$'000	50	50
RMB'000	<u>335</u>	<u>335</u>
Issued and fully paid:		
5,000,000 ordinary shares of US\$0.01 each		
US\$'000	50	50
RMB'000	<u>322</u>	<u>322</u>

The Company was incorporated on 4 March 2019 with authorised share capital of US\$50,000 divided into 50,000 shares with par value of US\$1.00 each. Upon its incorporation, one share was allotted and issued to the initial subscriber, which was transferred to Wellmark Link Limited on the same day.

On 18 May 2021, the Company resolved to subdivide each of its existing issued and unissued shares with a par value of US\$1.00 each in its share capital into 100 ordinary shares with a par value of US\$0.01 each, and all the subdivided shares be ranked pari passu in all respects with each other, such that thereafter, the authorized share capital of the Company becomes US\$50,000 divided into 5,000,000 shares with a par value of US\$0.01 each. On 18 May 2021, the Company allotted and issued an aggregate of 2,686,400 shares for cash of RMB174,000 to Wellmark Link Limited and WLF Investment Holdings Limited at par value and allotted and issued an aggregate of 2,313,500 shares for cash to Rikan Industry Investment Limited Partnership, Montesy Capital Holding Ltd, Tianyi (BVI) Limited, Jiequan Zhongwei Tengyun Limited and Hansson Holdings Limited at a consideration of RMB184,006,000. The consideration was credited to share capital amounted to RMB322,000 and share premium amounted to RMB183,858,000, respectively.

## 15. EVENTS AFTER THE REPORTING PERIOD

On 12 July 2022, 75,000,000 ordinary Shares of par value US\$0.01 each were issued at a price of HK\$5.36 per Share in connection with the Global Offering. In addition, 370,000,000 Shares were issued to the existing Shareholders by way of capitalization from the share premium account.

On 4 August 2022, an aggregate of 1,770,000 ordinary Shares of par value US\$0.01 each were issued at a price of HK\$5.36 per Share as a result of the partial exercise of the Over-allotment Option.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended 30 June 2022.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities since the Listing Date and up to the date of this announcement.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares have been listed on the Main Board of the Stock Exchange since 12 July 2022. The Group received net proceeds (including the partial exercise of the over-allotment option and after deduction of underwriting commissions and related costs and expenses) from the Global Offering of approximately HK\$339.6 million (the "Net Proceeds"). The Group will continue to utilise the Net Proceeds as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The intended application of the Net Proceeds as stated in the Prospectus and the actual utilisation of the Net Proceeds from the Listing Date up to the date of this announcement is set out below:

Purpose	Approximate percentage of Net Proceeds	Allocation of Net Proceeds (HK\$ million)	Utilised Net Proceeds since the Listing Date and up to the date of this announcement (HK\$ million)	Unutilised Net Proceeds as at the date of this announcement (HK\$ million)	Expected timeline for the use of unutilised Net Proceeds
Upgrade and enhance SaaS products	50.8%	172.5	–	172.5	By December 2025
Conduct further research and development of the Group's technology and data warehouse	49.2%	167.1	–	167.1	By December 2025
<b>Total</b>		<b>339.6</b>	<b>–</b>	<b>339.6</b>	

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions.

The Company's relevant employees, who because of his/her office or employment, are likely to be in possession of inside information of the Company, are also subject to the Model Code.

Having made specific enquiries of all the Directors and the relevant employees, they have confirmed that they have complied with the Model Code since the Listing Date and up to the date of this announcement.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to maintenance of good corporate governance practices and procedures. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in part 2 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Mr. Wu Yushu currently performs these two roles concurrently. The Board believes that vesting the roles of both the chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group for more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority within the Group will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. The Board will from time to time review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company to ensure appropriate and timely arrangements are in place to meet changing circumstances.

Save for compliance with code provision C.2.1 of the CG Code as described above, the Company had complied with all applicable code provisions set out in part 2 of the CG Code since the Listing Date and up to the date of this announcement.

## AUDIT COMMITTEE

The Audit Committee, consisting of three independent non-executive Directors, namely, Mr. Wei Bin (Chairman), Ms. Wang Danzhou and Ms. Du Yilin, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2022, including the accounting principles and practices adopted by the Group and confirmed that it has complied with all applicable accounting principles, standards and requirements and made full disclosure. The unaudited interim results of the Group were not reviewed by the external auditors of the Company.

## PUBLICATION OF 2022 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([ir.sinohealth.cn](http://ir.sinohealth.cn)). The 2022 interim report of the Company will be despatched to the Shareholders and published on the websites of HKEXnews and the Company in due course.

## DEFINITIONS

“AI”	artificial intelligence
“AI-MDT”	artificial intelligence multi-disciplinary treatment
“aPaaS”	application platform as a service, a category of cloud service that offers development and deployment environments for application services
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“B2C”	business to consumer
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement only and except where the context requires otherwise, references in this announcement to “China” or “PRC” do not include Hong Kong, the Macau Special Administrative Region and Taiwan
“CHIS”	Chinese Health Industry Intelligence Information System, one of the Group’s SaaS products that provides data insights mainly based on drug information analytics
“CMH”	cooperation under the CMH Cooperation Agreements

“CMH Cooperation Agreement(s)”	the agreements with retail pharmacies in the PRC in respect of data cooperation arrangements. Under the agreements, retail pharmacies provide, on a monthly basis retail data, while the Group provides data insights and reports to the retail pharmacies in return
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Sinohealth Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on 4 March 2019 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 7 July 2021
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, WFOE, Sinohealth Information and its subsidiaries, the VIE Shareholders and the Other VIE Shareholders, as applicable, on 8 June 2021 and 6 May 2022, details of which are set out in the section headed “Contractual Arrangements” in the Prospectus
“COVID-19”	coronavirus disease 2019, a disease caused by a novel coronavirus designated as severe acute respiratory syndrome coronavirus 2, and including its mutations and variants discovered from time to time
“Director(s)”	the director(s) of the Company
“DTP pharmacies”	pharmacies that obtain medicine directly from pharmaceutical companies and mainly sell prescription medicine instead of over-the-counter medicine to patients
“Global Offering”	the Hong Kong public offering and international offering of the Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“iResearch”	iResearch Global Inc., an independent market research expert
“iResearch Report”	the industry report prepared by iResearch and commissioned by the Company

“ISO”	International Organisation for Standardisation
“Listing Date”	12 July 2022, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“O2O”	online to offline
“Other VIE Shareholders”	Mr. Zhou Pingping (周平平), Mr. Xie Chaoliang (謝朝亮), Mr. Tang Keke (唐珂軻), Mr. Sun Zihao (孫梓豪), Mr. Xiao Lin (肖淋), Mr. Wang Mengliang (王夢良) and Mr. Cao Chengzhi (曹承志), being other relevant shareholders holding interests in certain subsidiaries of Sinohealth Information
“Prospectus”	the prospectus of the Company dated 28 June 2022 in connection with the Global Offering
“Reporting Period”	six months ended 30 June 2022
“RMB”	Renminbi, the lawful currency of China
“SaaS”	software as a service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SIC”	Sinohealth Intelligence Cloud, one of the Group’s SaaS products that focuses on integrated management tools as well as data insights of healthcare retail chain
“SIC Services Agreement(s)”	the agreement(s) with the Group’s SIC user(s) governing (i) the provision of SIC, and (ii) data cooperation arrangement

“Sinohealth Information”	Guangzhou Sinohealth Information Co., Ltd (廣州中康資訊股份有限公司) (formerly known as Guangzhou Sinohealth Advertising Media Co. Ltd. (廣州中康廣告傳媒有限公司) and Guangzhou Sinohealth Pharmaceutical Information Co. Ltd. (廣州中康醫藥資訊有限公司)), a joint stock company with limited liability established in the PRC on 20 December 2007 and deemed to be a wholly-owned subsidiary of the Group by virtue of the Contractual Arrangements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Torreya”	Torreya Partners LLC, a global investment bank that specialises in the healthcare industry, whose report released in September 2020 is a representative ranking of the global top medical product manufacturers, according to the iResearch Report
“US\$”	United States dollars, the lawful currency of the United States
“VIE Shareholders”	Mr. Wu Yushu (吳鬱抒) and Ms. Wang Lifang (王莉芳), being the registered shareholders of Sinohealth Information
“WFOE”	Guangzhou Zhongkang Digital Technology Co Ltd (廣州中康數字科技有限公司), a limited liability company established in the PRC on 8 April 2019, which is directly held as to 100% by Sinohealth Technology Limited (中康健康科技有限公司) and an indirect wholly-owned subsidiary of the Group
“Yaozh.com”	a domestic big data service provider and website, established in 2009 and one of the early providers of data relating to the medical and healthcare industry and related data processing and mining in China, and whose list of top Chinese medical product manufacturers is one of the three most influential lists in China (藥智網), according to the iResearch Report
“%”	per cent

By order of the Board  
**Sinohealth Holdings Limited**  
**Wu Yushu**  
*Chairman*

Hong Kong, 29 August 2022

*As at the date of this announcement, the executive Directors are Mr. Wu Yushu and Ms. Wang Lifang, the non-executive Director is Mr. Fu Haitao, and the independent non-executive Directors are Ms. Wang Danzhou, Ms. Du Yilin and Mr. Wei Bin.*