
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business—Our Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

Assuming an Offer Price of HK\$18.60 per Share, we estimate that we will receive net proceeds of approximately HK\$120.4 million from the Global Offering after deducting the underwriting commissions and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. We will adjust the use of proceeds on a pro rata basis in the event that the Over-allotment Option is exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 87% of the net proceeds, or approximately HK\$104.8 million, is expected to be used for business expansion, including:
 - approximately 35% of the net proceeds, or approximately HK\$42.2 million, for further expansion of our Specialty Pharmacy Business in response to the growing specialty medicine market in China. According to CIC, the specialty medicine market in China increased from RMB147.0 billion in 2015 to RMB304.8 billion in 2021 at a CAGR of 12.9% and is expected to further reach RMB1,286.5 billion in 2030, at a CAGR of 17.4% from 2021 to 2030. For details of our strategies for expansion of Specialty Pharmacy Business, see “Business—Our Strategies—Grow Specialty Pharmacy Business Service with Investment in Geographic Expansion, and Talent Recruitment and Retention” in this prospectus. We plan to establish a nation-wide specialty pharmacy network by expanding to cities such as Yangzhou, Shaoxing, and Quanzhou in the Eastern China; Luoyang, Xiangtan and Jiujiang in the Middle China; Mianyang, Panzhihua and Zunyi in the Western China, and Qiqihar, Tieling and Jiamusi in the Northeast China. To achieve this goal, we plan to open up a total of 25 specialty pharmacy stores from the fourth quarter of 2022 to 2024.
 - approximately 28% of the net proceeds, or approximately HK\$33.7 million, for further expansion of our Physician Research Assistance business in response to the increasing market demand for SMO services. According to CIC, the SMO market in China increased from RMB1.1 billion in 2015 to RMB6.9 billion in 2021 at a CAGR of 35.3% and is expected to further reach RMB35.0 billion in 2030 at a CAGR of 19.8% from 2021 to 2030. We aim to expand our site coverage to approximately 20 new cities by 2024 so to reinforce our leading position in SMO services and extend our site management service to disease areas such as autoimmune diseases, cardiovascular diseases and central nervous system diseases. To implement our expansion plan, we will continuously recruit, retain and provide professional internal training to high-quality talents in project management, clinical research coordination and quality assurance. For these positions, we require skilled employees with at least one to three years of industry-related working experience. We aim to add over 200 professionals in our clinical trial service execution team by 2024, each of whom on average is expected to cost us about RMB100,000 per year. These additional professionals are expected to be mostly clinical research coordinators and project managers to accommodate the growing demand of our on-going and future SMO projects. For details of our strategies for expansion of Physician Research Assistance business, see “Business—Our Strategies—Expand Geographically and Increase Service Offerings in Physician Research Assistance Business” in this prospectus.

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- approximately 24% of the net proceeds, or approximately HK\$28.9 million, for further expansion of our Health Insurance Services business. According to CIC, the market size of commercial health insurance in China increased from RMB241.0 billion in 2015 to RMB880.4 billion in 2021, at a CAGR of 24.1%, and is expected to further reach RMB2,029.6 billion in 2025 at a CAGR of 23.2% from 2021 to 2025, and RMB3,873.1 billion in 2030 at a CAGR of 13.8% from 2025 to 2030. For details of our strategies for expansion of Health Insurance Services business, see “Business—Our Strategies—Expand Health Insurance Services by Growing Health Service Provider Network and Offering Innovative Insurance Products Adaptive to Market Changes” in this prospectus. We plan to add (1) approximately 10 medical experts and data scientists by 2024, each of whom on average is expected to cost about RMB400,000 in salary per year; and (2) approximately 60 professionals in product design and operation by 2024, each of whom on average is expected to cost about RMB250,000 in salary per year; and
- approximately 13% of the net proceeds, or approximately HK\$15.6 million, is expected to be used for our technology research and development as well as technology infrastructure enhancement. To complement our symbiotic ecosystem strategy, it is important for us to further invest in research and development to improve our technology infrastructure, systems and applications, which enables us to realize the value of data we accumulated from historical operation, improve our data management and create synergy effect of our growing business lines.
- approximately 10%, or approximately HK\$12.0 million, will be used to grow the team size and improve the capability of our system/application development team. We plan to recruit approximately 30 software engineers, project managers and maintenance personnels from 2023 to 2024 to optimize our proprietary pharmacy management system, nationwide patient management system, and automatic purchase system and to further enhance the efficiency and effectiveness of our operations.
- approximately 3%, or approximately HK\$3.6 million, will be used to further invest in research and development of improving our technology infrastructure and new solutions. In particular, we plan to focus on (1) development and maintenance of the data source system, data insight analysis techniques and big data; (2) development and application of artificial intelligence technology; and (3) the upgrade of our management systems and automatic purchase system by improving the speed of the systems, expanding the storage space, upgrading servers, extend applications and daily maintenance. For details, see “Business—Our Strategies—Strengthen Our Technology Infrastructure and Data Insights” in this prospectus.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, we will apply the temporarily unused net proceeds in short-term deposits with licensed banks and/or authorized financial institutions (as defined under the Securities and Futures Ordinance and/or relevant laws in the PRC) to avoid investment risks to the net proceeds. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.