

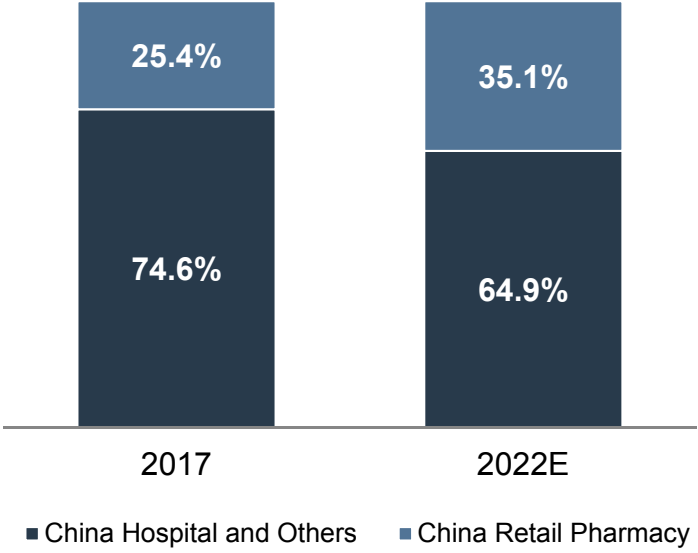
Annex I

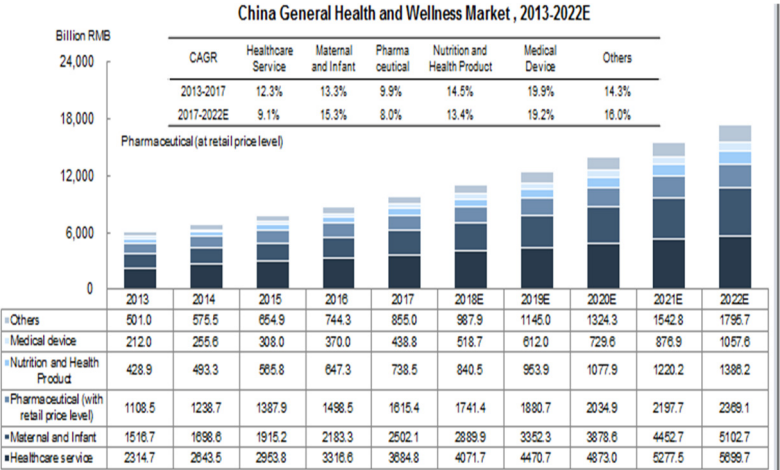
Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report																					
1, 82 and 110	According to Frost & Sullivan, 1 Drugstore has been the largest direct sales online pharmacy in China since 2016 in terms of GMV.	54	1 Drugstore has been the largest direct sales online pharmacy in China since 2016 in terms of GMV.																					
1, 82, 110 and 122	This network of pharmacies represents the largest virtual pharmacy network in the world in terms of the number of pharmacy stores, as of May 18, 2018 , according to Frost & Sullivan.	54	New Peak Group have built the largest virtual pharmacy network in the world in terms of the number of pharmacy stores, as of May 18, 2018.																					
3 and 105	According to Frost & Sullivan, the size of China's general health and wellness market was RMB9,835 billion (US\$1,568 billion) in 2017 and is expected to reach RMB17,411 billion (US\$2,776 billion) in 2022, representing a CAGR of 12.1% .	3	China General Health and Wellness Market (billion RMB) <table border="1" data-bbox="1196 810 1910 1153"> <thead> <tr> <th></th> <th>2017</th> <th>2022E</th> </tr> </thead> <tbody> <tr> <td>Others</td> <td>855.0</td> <td>1795.7</td> </tr> <tr> <td>Medical device</td> <td>438.8</td> <td>1057.6</td> </tr> <tr> <td>Nutrition and Health Product</td> <td>738.5</td> <td>1386.2</td> </tr> <tr> <td>Pharmaceutical (with retail price level)</td> <td>1615.4</td> <td>2369.1</td> </tr> <tr> <td>Maternal and Infant</td> <td>2502.1</td> <td>5102.7</td> </tr> <tr> <td>Healthcare service</td> <td>3684.8</td> <td>5699.7</td> </tr> </tbody> </table>		2017	2022E	Others	855.0	1795.7	Medical device	438.8	1057.6	Nutrition and Health Product	738.5	1386.2	Pharmaceutical (with retail price level)	1615.4	2369.1	Maternal and Infant	2502.1	5102.7	Healthcare service	3684.8	5699.7
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¹ Page references are to the Revised Draft Registration Statement.

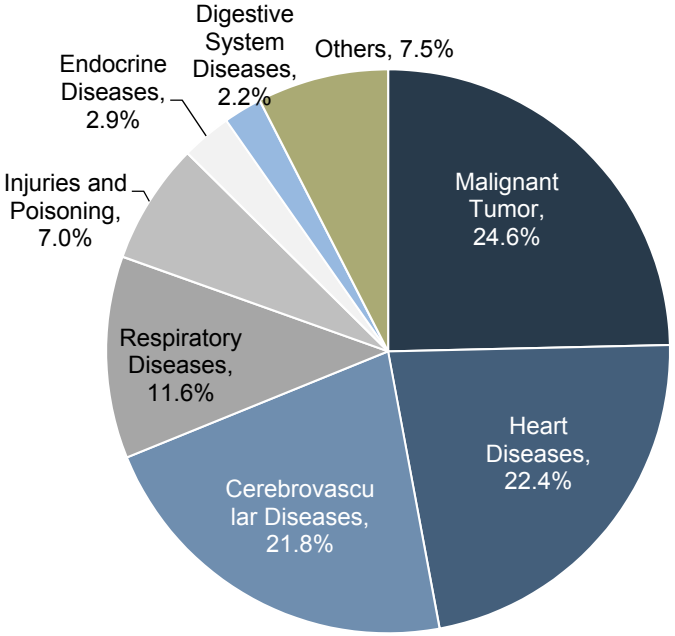
² Page references are to the industry report prepared by Frost & Sullivan attached hereto.

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4 and 108	The transaction value of drugs sold through retail pharmacies is expected to grow from RMB409.8 billion (US\$65.3 billion) in 2017 to RMB832.3 billion (US\$132.7 billion) in 2022, representing a CAGR of 15.2% , according to Frost & Sullivan.	7	Breakdown of China Pharmaceutical Market by Sales Terminal (billion RMB, except percentage) <table border="1" data-bbox="1196 555 1917 707"> <thead> <tr> <th></th> <th>2017</th> <th>2022E</th> </tr> </thead> <tbody> <tr> <td>Retail pharmacy – Tier II sales terminal</td> <td>409.8</td> <td>832.3</td> </tr> <tr> <td>CAGR 2017- 2022E</td> <td colspan="2">15.2%</td> </tr> </tbody> </table>			2017	2022E	Retail pharmacy – Tier II sales terminal	409.8	832.3	CAGR 2017- 2022E	15.2%	
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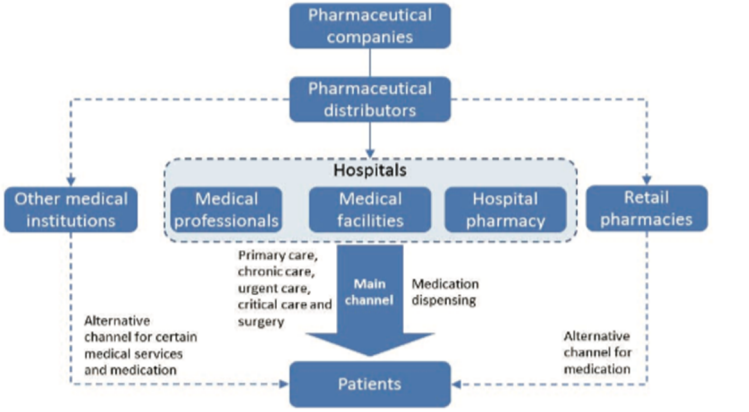
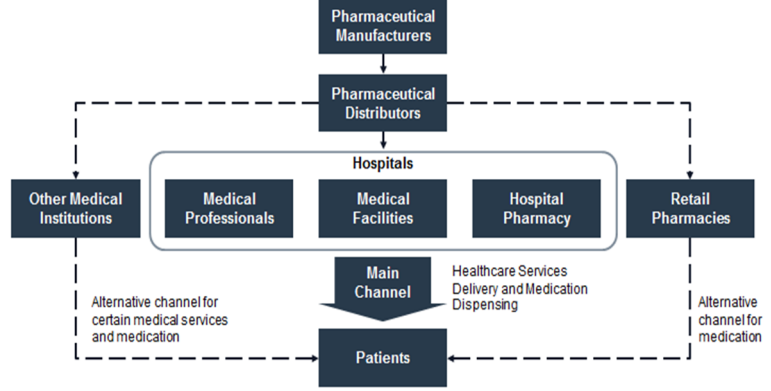
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4	The value of drugs sold in retail pharmacies as a percentage of the total is expected to increase from 25.4% in 2017 to 35.1% in 2022.	31	<p data-bbox="1339 371 1883 443" style="text-align: center;">Pharmaceutical Sales by Channels, China, 2017-2022E</p>  <table border="1" data-bbox="1256 480 1951 1034"> <thead> <tr> <th>Year</th> <th>China Hospital and Others</th> <th>China Retail Pharmacy</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>74.6%</td> <td>25.4%</td> </tr> <tr> <td>2022E</td> <td>64.9%</td> <td>35.1%</td> </tr> </tbody> </table>	Year	China Hospital and Others	China Retail Pharmacy	2017	74.6%	25.4%	2022E	64.9%	35.1%
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4, 108 and 109	The GMV transacted through B2C pharmaceutical e-commerce is expected to grow from RMB29.1 billion (US\$4.6 billion) in 2017 to RMB323.5 billion (US\$51.6 billion) in 2022, representing a CAGR of 61.9% , according to Frost & Sullivan.	49	<p data-bbox="1193 1078 2000 1150">GMV of Online Pharmaceutical Products in China Pharmaceutical B2C Market (billion RMB, except percentage)</p> <table border="1" data-bbox="1205 1187 1951 1335"> <thead> <tr> <th></th> <th>2017</th> <th>2022E</th> </tr> </thead> <tbody> <tr> <td>Retail pharmacy – Tier II sales terminal</td> <td>29.1</td> <td>323.5</td> </tr> <tr> <td>CAGR 2017- 2022E</td> <td colspan="2" style="text-align: center;">61.9%</td> </tr> </tbody> </table>		2017	2022E	Retail pharmacy – Tier II sales terminal	29.1	323.5	CAGR 2017- 2022E	61.9%	
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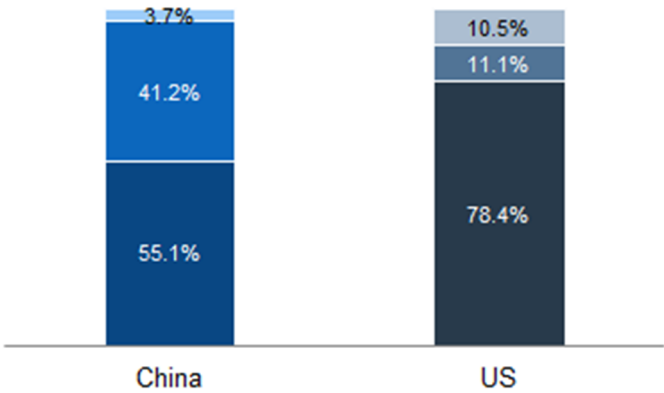
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105	The general health and wellness market encompasses healthcare services, pharmaceuticals, nutrition and health products, medical devices, maternal and infant products as well as other services such as health management and elder care.	3	<p style="text-align: center;">China General Health and Wellness Market, 2013-2022E</p>  <table border="1" data-bbox="1205 470 1982 909"> <thead> <tr> <th></th> <th>CAGR</th> <th>Healthcare Service</th> <th>Maternal and Infant</th> <th>Pharmaceutical</th> <th>Nutrition and Health Product</th> <th>Medical Device</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>2013-2017</td> <td>12.3%</td> <td>13.3%</td> <td>9.9%</td> <td>14.5%</td> <td>19.9%</td> <td>14.3%</td> <td></td> </tr> <tr> <td>2017-2022E</td> <td>9.1%</td> <td>15.3%</td> <td>8.0%</td> <td>13.4%</td> <td>19.2%</td> <td>18.0%</td> <td></td> </tr> </tbody> </table> <table border="1" data-bbox="1205 726 1982 909"> <thead> <tr> <th></th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018E</th> <th>2019E</th> <th>2020E</th> <th>2021E</th> <th>2022E</th> </tr> </thead> <tbody> <tr> <td>Others</td> <td>501.0</td> <td>575.5</td> <td>664.9</td> <td>744.3</td> <td>855.0</td> <td>987.9</td> <td>1145.0</td> <td>1324.3</td> <td>1542.8</td> <td>1795.7</td> </tr> <tr> <td>Medical device</td> <td>212.0</td> <td>255.6</td> <td>308.0</td> <td>370.0</td> <td>438.8</td> <td>518.7</td> <td>612.0</td> <td>729.6</td> <td>878.9</td> <td>1057.6</td> </tr> <tr> <td>Nutrition and Health Product</td> <td>428.9</td> <td>493.3</td> <td>565.8</td> <td>647.3</td> <td>738.5</td> <td>840.5</td> <td>953.9</td> <td>1077.9</td> <td>1220.2</td> <td>1388.2</td> </tr> <tr> <td>Pharmaceutical (with retail price level)</td> <td>1108.5</td> <td>1238.7</td> <td>1387.9</td> <td>1498.5</td> <td>1615.4</td> <td>1741.4</td> <td>1880.7</td> <td>2034.9</td> <td>2197.7</td> <td>2388.1</td> </tr> <tr> <td>Maternal and Infant</td> <td>1516.7</td> <td>1698.6</td> <td>1915.2</td> <td>2183.3</td> <td>2502.1</td> <td>2889.9</td> <td>3352.3</td> <td>3878.6</td> <td>4452.7</td> <td>5102.7</td> </tr> <tr> <td>Healthcare service</td> <td>2314.7</td> <td>2643.5</td> <td>2953.8</td> <td>3316.6</td> <td>3684.8</td> <td>4071.7</td> <td>4470.7</td> <td>4873.0</td> <td>5277.5</td> <td>5699.7</td> </tr> </tbody> </table>		CAGR	Healthcare Service	Maternal and Infant	Pharmaceutical	Nutrition and Health Product	Medical Device	Others	2013-2017	12.3%	13.3%	9.9%	14.5%	19.9%	14.3%		2017-2022E	9.1%	15.3%	8.0%	13.4%	19.2%	18.0%			2013	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E	Others	501.0	575.5	664.9	744.3	855.0	987.9	1145.0	1324.3	1542.8	1795.7	Medical device	212.0	255.6	308.0	370.0	438.8	518.7	612.0	729.6	878.9	1057.6	Nutrition and Health Product	428.9	493.3	565.8	647.3	738.5	840.5	953.9	1077.9	1220.2	1388.2	Pharmaceutical (with retail price level)	1108.5	1238.7	1387.9	1498.5	1615.4	1741.4	1880.7	2034.9	2197.7	2388.1	Maternal and Infant	1516.7	1698.6	1915.2	2183.3	2502.1	2889.9	3352.3	3878.6	4452.7	5102.7	Healthcare service	2314.7	2643.5	2953.8	3316.6	3684.8	4071.7	4470.7	4873.0	5277.5	5699.7
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105	According to Frost & Sullivan, the percentage of China's population aged 65 years and above grew at a CAGR of 4.7% from 2013 to 2017.	17	From 2013 to 2017, population is aging rapidly in China with people aged above 65 grew at a CAGR of 4.7% over the period.																																																																																																					
105	According to the National Bureau of Statistics of China, in 2017 there were 158.3 million individuals aged 65 and above in China and the number is expected to continue to grow to 199.6 million by 2022, representing a CAGR of 4.7% .	17	According to the NBSC, individuals aged above 65 years old were 158.3 million in 2017. The number of individuals aged above 65 years old is growing at a fairly fast pace and is expected to continue its growth momentum into the future.																																																																																																					

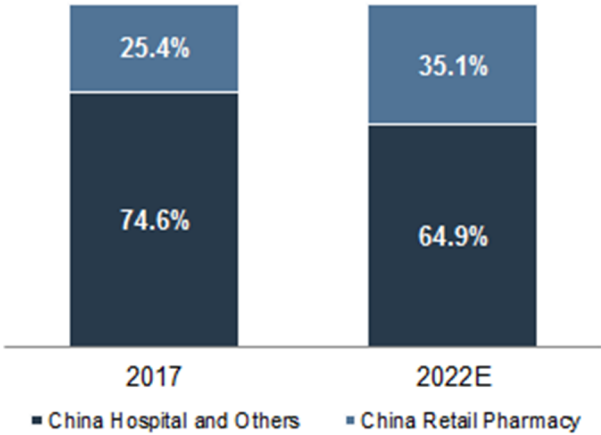
Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report
			This number of people is expected to reach 199.6 million by 2022, representing a CAGR of 4.7% from 2017 to 2022.
105	According to Frost & Sullivan, chronic diseases such as hypertension, diabetes, heart diseases and cerebrovascular diseases are increasingly prevalent in China due to aging population, unhealthy lifestyle and environmental pollution.	18	<p>Aging population is one of the reasons for the expanding of chronic disease patient pool.</p> <p>Complex reasons such as unhealthy life-style, high social and living pressure and environmental pollution have led to upward tendency of chronic disease prevalence. For example, the prevalence of hypertension and diabetes have both increased by more than 4 times from 2003 to 2013. Furthermore, in 2017, chronic diseases have led to more than 80% of deaths in China according to WHO, indicating the management of chronic diseases is one major concern of Chinese residents in modern society.</p> <p>Mortality in China, 2012 (% of total deaths, all ages, both sexes)</p>

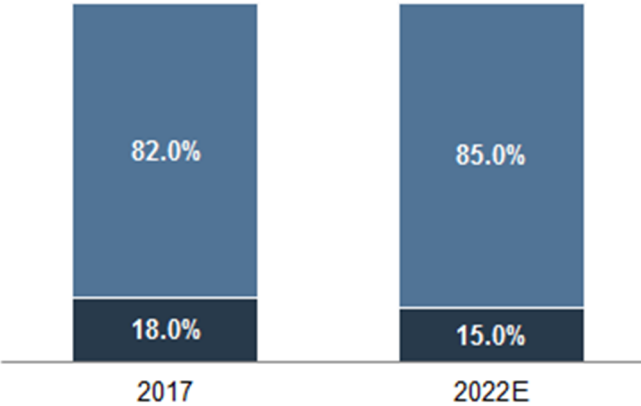
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			 <table border="1" data-bbox="1227 371 1899 1010"> <caption>Deaths in China in 2017 by Disease Category</caption> <thead> <tr> <th>Disease Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Malignant Tumor</td> <td>24.6%</td> </tr> <tr> <td>Heart Diseases</td> <td>22.4%</td> </tr> <tr> <td>Cerebrovascular Diseases</td> <td>21.8%</td> </tr> <tr> <td>Respiratory Diseases</td> <td>11.6%</td> </tr> <tr> <td>Injuries and Poisoning</td> <td>7.0%</td> </tr> <tr> <td>Others</td> <td>7.5%</td> </tr> <tr> <td>Endocrine Diseases</td> <td>2.9%</td> </tr> <tr> <td>Digestive System Diseases</td> <td>2.2%</td> </tr> </tbody> </table>	Disease Category	Percentage	Malignant Tumor	24.6%	Heart Diseases	22.4%	Cerebrovascular Diseases	21.8%	Respiratory Diseases	11.6%	Injuries and Poisoning	7.0%	Others	7.5%	Endocrine Diseases	2.9%	Digestive System Diseases	2.2%
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105	<p>Furthermore, chronic diseases accounted for more than 80% of total deaths in China in 2017, according to the World Health Organization. Chronic disease management has become a major concern for public health, prompting more healthcare spending.</p>	18	<p>Furthermore, in 2017, chronic diseases have led to more than 80% of deaths in China according to WHO, indicating the management of chronic diseases is one major concern of Chinese residents in modern society.</p>																		

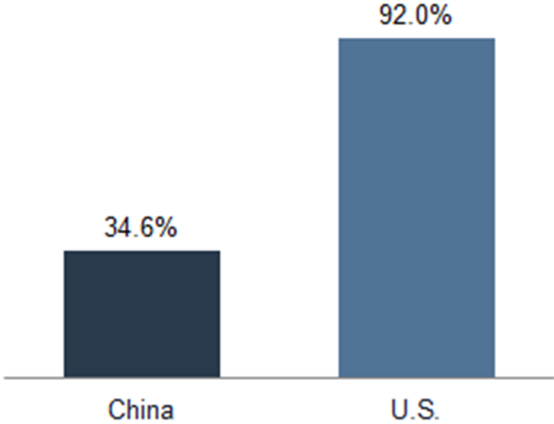
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105	According to Frost & Sullivan, the per capita disposable income in China was RMB25,974 (US\$4,141) in 2017, and is estimated to reach RMB38,329 (US\$6,111) in 2022, representing a CAGR of 8.1% .	20	The per capita annual disposable income in China reached RMB 25,974.0 in 2017. It is estimated that by 2022, the per capita annual disposable income in China will increase to RMB 38,328.8 with a CAGR of 8.1% during 2017 to 2022.								
105	According to Frost & Sullivan, China's national healthcare expenditure accounted for 6.2% of the GDP in China in 2016, as compared to 7.6%, 10.8% and 17.9% for South Korea, Japan and the United States, respectively.	15	Total Healthcare Expenditure in 2016 as a % of National GDP <table border="1"> <tr> <td>China</td> <td>6.2%</td> </tr> <tr> <td>South Korea</td> <td>7.6%</td> </tr> <tr> <td>Japan</td> <td>10.8%</td> </tr> <tr> <td>USA</td> <td>17.9%</td> </tr> </table>	China	6.2%	South Korea	7.6%	Japan	10.8%	USA	17.9%
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105	In addition, the per capita resident healthcare expenditure in China was US\$504.4 in 2016, which was approximately 24.2%, 11.9% and 4.9% of that in South Korea, Japan and the United States, respectively.	16	Per Capita Healthcare Expenditure, 2016 (USD) <table border="1"> <tr> <td>China</td> <td>504.4</td> </tr> <tr> <td>South Korea</td> <td>2087.6</td> </tr> <tr> <td>Japan</td> <td>4222.4</td> </tr> <tr> <td>USA</td> <td>10348.0</td> </tr> </table>	China	504.4	South Korea	2087.6	Japan	4222.4	USA	10348.0
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106	At present, hospitals remain the main healthcare providers in China, which are central to healthcare services delivery as well as medication dispensing. The following diagram illustrates the flow of healthcare services and medication provided by key players in China's current healthcare services system:	33	In current PRC healthcare system, hospital is the center of healthcare services delivery as well as medication dispensing. However, primary care, chronic care, urgent care, critical care and surgery are offering through the main channel between hospitals and patients with medical dispensing, which leads to the overloaded of pharmaceutical circulation in China.								

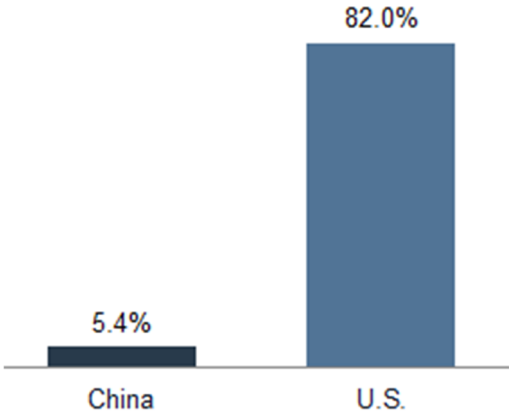
Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report
			
106	<p>According to Frost & Sullivan, in 2016, approximately 41% of the outpatient visits took place in hospitals in China, while in the United States, nearly 80% of outpatient visits took place in physician's offices outside of hospitals.</p>	34	<p>Breakdown of Outpatient Visits by Channel in China and US, %, 2016</p>

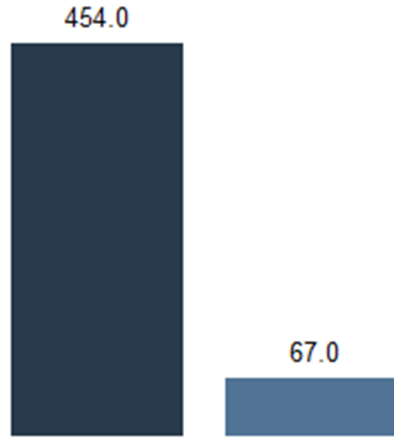
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106	<p>As the general public in China relies on hospitals for medical care and drug prescription, the retail pharmacy channel accounted for only approximately 25% of total retail pharmaceutical sales in China in 2017, as compared with 82% in the United States, according to Frost & Sullivan.</p>	31	<p style="text-align: center;">Pharmaceutical Sales by Channels, China, 2017-2022E</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>China Hospital and Others</th> <th>China Retail Pharmacy</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>74.6%</td> <td>25.4%</td> </tr> <tr> <td>2022E</td> <td>64.9%</td> <td>35.1%</td> </tr> </tbody> </table>	Year	China Hospital and Others	China Retail Pharmacy	2017	74.6%	25.4%	2022E	64.9%	35.1%
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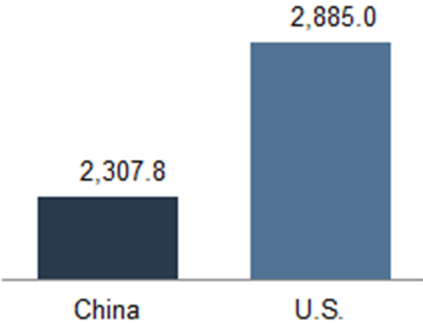
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			<p data-bbox="1361 379 1865 435" style="text-align: center;">Pharmaceutical Sales by Channels, U.S., 2017-2022E</p>  <table border="1" data-bbox="1283 475 1921 882"> <thead> <tr> <th>Year</th> <th>US Retail Pharmacy</th> <th>US Hospital and Others</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>82.0%</td> <td>18.0%</td> </tr> <tr> <td>2022E</td> <td>85.0%</td> <td>15.0%</td> </tr> </tbody> </table> <p data-bbox="1339 914 1854 938" style="text-align: center;"> US Hospital and Others US Retail Pharmacy </p>	Year	US Retail Pharmacy	US Hospital and Others	2017	82.0%	18.0%	2022E	85.0%	15.0%
Year	US Retail Pharmacy	US Hospital and Others										
2017	82.0%	18.0%										
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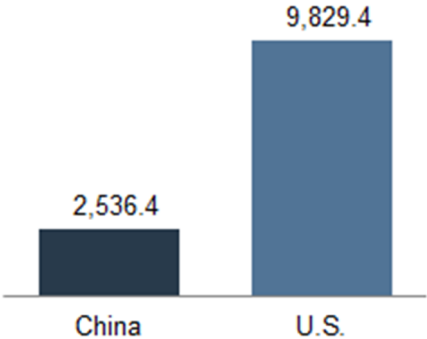
Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report						
106	According to Frost & Sullivan, the top three pharmaceutical distributors in China accounted for only 34.6% of the pharmaceutical sales in 2017, as compared to over 90% in the United States.	26	<p data-bbox="1391 387 1841 475" style="text-align: center;">Top 3 Players' Market Share in Pharmaceutical Distribution Market, 2017</p>  <p data-bbox="1357 507 1908 932">A bar chart comparing the market share of the top three pharmaceutical distributors in China and the U.S. in 2017. The x-axis lists 'China' and 'U.S.'. The y-axis represents market share percentage. The bar for China is dark blue and labeled '34.6%'. The bar for the U.S. is a lighter blue and labeled '92.0%'.</p> <table border="1" data-bbox="1357 507 1908 932"> <thead> <tr> <th>Country</th> <th>Market Share (%)</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>34.6%</td> </tr> <tr> <td>U.S.</td> <td>92.0%</td> </tr> </tbody> </table>	Country	Market Share (%)	China	34.6%	U.S.	92.0%
Country	Market Share (%)								
China	34.6%								
U.S.	92.0%								
106	The top three retail pharmacies account for 5.4% of the market share in China, as compared to 82.0% in the United States in 2017.	26							

Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report						
			<p data-bbox="1429 384 1805 475">Top 3 Players' Market Share in Retail Pharmacy Market, 2017</p>  <table border="1" data-bbox="1339 512 1845 927"> <thead> <tr> <th>Country</th> <th>Market Share (%)</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>5.4%</td> </tr> <tr> <td>U.S.</td> <td>82.0%</td> </tr> </tbody> </table>	Country	Market Share (%)	China	5.4%	U.S.	82.0%
Country	Market Share (%)								
China	5.4%								
U.S.	82.0%								
106	There were approximately 454,000 pharmacy stores in China by the end of 2017.	30							

Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report						
			<p data-bbox="1400 375 1836 406" style="text-align: center;">Number of Retail Pharmacies, 2017</p> <p data-bbox="1377 422 1489 454" style="text-align: center;">Thousands</p>  <table border="1" data-bbox="1433 462 1825 901"> <thead> <tr> <th>Country</th> <th>Number of Retail Pharmacies (Thousands)</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>454.0</td> </tr> <tr> <td>US</td> <td>67.0</td> </tr> </tbody> </table> <p data-bbox="1556 941 1724 973" style="text-align: center;">■ China ■ US</p>	Country	Number of Retail Pharmacies (Thousands)	China	454.0	US	67.0
Country	Number of Retail Pharmacies (Thousands)								
China	454.0								
US	67.0								
107	Such inefficiency can be demonstrated by the average inventory turnover days in 2017, which are 47.7 days in China, as compared with 29.4 days in the United States, for the top three pharmaceutical distributors, and 93.4 days in China, as compared with 36.9 days in the United States, for the top three retail pharmacy chains, according to Frost & Sullivan.	27 and 54	<p data-bbox="1198 1013 2004 1117">In 2017, the average inventory turnover days are 47.7 days in China, as compared with 29.4 days in the United States, for the top three pharmaceutical distributors.</p> <p data-bbox="1198 1157 2004 1260">In 2017, the average inventory turnover days are 93.4 days in China, as compared with 36.9 days in the United States, for the top three retail pharmacy chains.</p>						

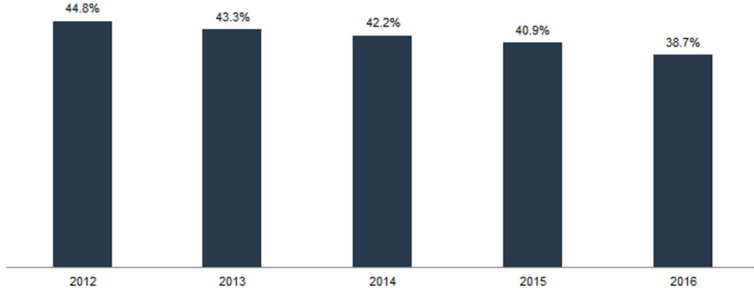
Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report						
107	Despite increasing healthcare demand and expenditures, quality medical resources remain scarce in China, and the geographic distribution of existing medical resources is uneven.	38 and 39	<p>The United States is one of the countries with most abundant medical resource in the world. Despite the dramatic development of healthcare services in China, given its huge population, the gap of per capita medical resource between China and the U.S. remains huge.</p> <p>As illustrated by below 3 figures, China lags behind the U.S. development in all 3 aspects. The number of hospitals per million population in China is only equivalent with 41.1% of that in the U.S. The number of nurses per million population in China is only a quarter of that in the U.S.</p> <div data-bbox="1397 820 1805 1299" data-label="Figure"> <p style="text-align: center;"># of Hospitals Per Million Population, 2016</p> <table border="1"> <caption># of Hospitals Per Million Population, 2016</caption> <thead> <tr> <th>Country</th> <th>Number of Hospitals Per Million Population</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>7.0¹</td> </tr> <tr> <td>U.S.</td> <td>18.3²</td> </tr> </tbody> </table> </div>	Country	Number of Hospitals Per Million Population	China	7.0 ¹	U.S.	18.3 ²
Country	Number of Hospitals Per Million Population								
China	7.0 ¹								
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Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report						
			<p data-bbox="1429 387 1765 451"># of Licensed Doctors Per Million Population, 2016</p>  <table border="1" data-bbox="1391 539 1812 863"> <thead> <tr> <th>Country</th> <th># of Licensed Doctors Per Million Population, 2016</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>2,307.8</td> </tr> <tr> <td>U.S.</td> <td>2,885.0</td> </tr> </tbody> </table>	Country	# of Licensed Doctors Per Million Population, 2016	China	2,307.8	U.S.	2,885.0
Country	# of Licensed Doctors Per Million Population, 2016								
China	2,307.8								
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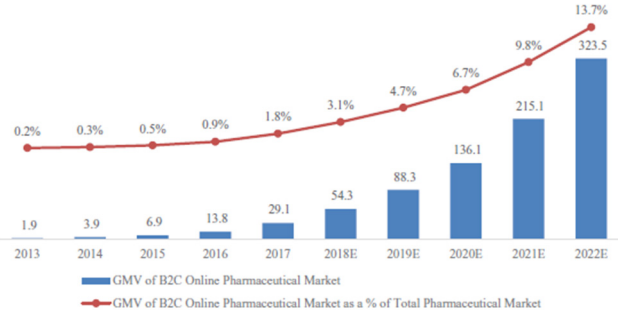
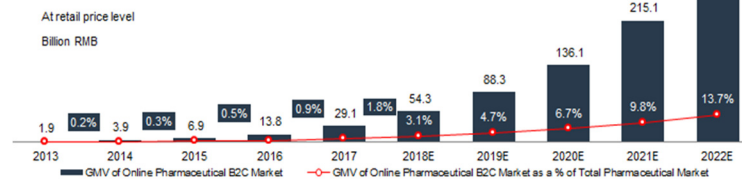
Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report						
			<p data-bbox="1429 384 1771 443" style="text-align: center;"># of Registered Nurses Per Million Population, 2016</p>  <table border="1" data-bbox="1391 523 1816 863"> <thead> <tr> <th>Country</th> <th># of Registered Nurses Per Million Population, 2016</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>2,536.4</td> </tr> <tr> <td>U.S.</td> <td>9,829.4</td> </tr> </tbody> </table> <p data-bbox="1196 906 2018 1161">China is not only in a shortage of medical resource, the geographic distribution of existing medical resource are also obviously uneven. Beijing, as the capital of China, is concentrated with a large amount of medical resource, owns the largest quantity of Class III hospitals as well as per million population Class III hospitals. (Page 39 of Frost & Sullivan report)</p>	Country	# of Registered Nurses Per Million Population, 2016	China	2,536.4	U.S.	9,829.4
Country	# of Registered Nurses Per Million Population, 2016								
China	2,536.4								
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Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report
107	Quality medical resources are inaccessible by many patients given such resources are concentrated in more affluent provinces and cities.	39	<p>Beijing, as the capital of China, is concentrated with a large amount of medical resource, owns the largest quantity of Class III hospitals as well as per million population Class III hospitals.</p> <p>In those developed eastern coastal provinces such as Shandong, Jiangsu and Zhejiang, there are located more than one hundred Class III hospitals in each province and more than one Class III hospital per million population.</p> <p>Meanwhile, in those underdeveloped inland provinces such as Hebei, Henan and Hunan, less than one hundred Class III hospitals in each province can be found and per million population can enjoy less than one Class III hospital.</p>
107	According to Frost & Sullivan, a patient in China spent on average three hours on an outpatient visit in 2016, of which the effective time dedicated to the patient's diagnosis accounted for only on average 4.4%, or eight minutes.	37	Due to the scarcity of China medical resource, effective diagnosis time among the total time consumption in diagnosis process only accounts for 4.4%. (8 minutes).
107	The multi-institution practice policy in China allows doctors to practice at multiple facilities.	42	According to multi-site practice policy, doctors are allowed to practice at multiple facilities, including private hospitals, making good doctors easier to recruit for private hospitals.
107	Since 2015, the China State Council announced various healthcare reforms encouraging internet companies to	43	In July 2015, China State Council announced "Instruction on China State Council actively promoting the "Internet +" action"

Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report
	<p>cooperate with medical institutions to provide online consultation and e-prescriptions.</p>		<p>(《国务院关于积极推进“互联网+”行动的指导意见》)。It states that encouraging Internet companies to cooperate with medical institutions to set up the medical network information platform, to actively explore the application of Internet medical healthcare services such as medical advice and electronic prescription.</p> <p>In April 2017, the General office of China State Council issued “2017 Major Tasks in Deepening Pharmaceutical and Healthcare System Reform”(《深化医药卫生体制改革 2017 年重点工作任务》)。It states that encourage the development of pharmaceutical franchises and explore the interconnection among the prescription information of healthcare institutions, medical insurance settlement information and drug retail information to achieve real-time sharing.</p> <p>In April 2018, the General office of China State Council announced “Opinions on the promoting the development of internet plus healthcare”(《关于促进“互联网+医疗健康”发展的意见》)。In which, the Internet hospitals based on medical institutions get official permission and some prescription drugs for common and chronic diseases are allowed to be prescribed by licensed physicians online.</p>

Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report												
107	As a result, such portion has been gradually decreasing from 44.8% in 2012 to 38.7% in 2016.	41	<p data-bbox="1310 406 1870 446" style="text-align: center;">Percentage of Drug Expenditure as a % of Public Hospital Revenue in China , 2012-2016</p>  <table border="1" data-bbox="1209 454 1960 742"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>44.8%</td> </tr> <tr> <td>2013</td> <td>43.3%</td> </tr> <tr> <td>2014</td> <td>42.2%</td> </tr> <tr> <td>2015</td> <td>40.9%</td> </tr> <tr> <td>2016</td> <td>38.7%</td> </tr> </tbody> </table>	Year	Percentage	2012	44.8%	2013	43.3%	2014	42.2%	2015	40.9%	2016	38.7%
Year	Percentage														
2012	44.8%														
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107	However, on average, medication spending still accounted for 46.7% of total outpatient spending in public hospitals in 2016.	40	In 2016, in public hospitals, the proportion of medication expense accounted for 46.7% in outpatient and 34.6% in inpatient.												

Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report
108	<p>The value of drugs sold in retail pharmacies as a percentage of the total is expected to increase from 25.4% in 2017 to 35.1% in 2022 based on the same source.</p>	31	<p style="text-align: center;">Pharmaceutical Sales by Channels, China, 2017-2022E</p> <p style="text-align: center;"> ■ China Hospital and Others ■ China Retail Pharmacy </p>
108	<p style="text-align: center;">Market Size of Retail Pharmacy in China (RMB billion)</p> <p style="text-align: center;"> ■ Retail Pharmacy Market Size —●— Retail Pharmacy as % of Total Pharmaceutical Market </p>	7	<p style="text-align: center;">Breakdown of China Pharmaceutical Markets by Sales Terminal</p> <p style="font-size: small;">Billion RMB At retail price level</p> <p style="text-align: center;"> ■ Hospitals-Tier I sales terminal ■ Retail pharmacy-Tier II sales terminal ■ Primary healthcare institutions-Tier III sales terminal </p>

Page # ¹	Disclosure in the Revised Draft Registration Statement	Page # ²	Information in Industry Report																																																																		
109	As a percentage of the total pharmaceutical retail market, the portion of GMV transacted through e-commerce is expected to grow from 1.8% in 2017 to 13.7% in 2022.	49	<p data-bbox="1193 371 1977 435">GMV of Online Pharmaceutical B2C Market as a % of Total Pharmaceutical Market</p>  <table border="1" data-bbox="1227 483 1966 794"> <caption>GMV of Online Pharmaceutical Products in China Pharmaceutical B2C Market and Penetration Rate, 2013-2022E</caption> <thead> <tr> <th>Year</th> <th>GMV of Online Pharmaceutical B2C Market (Billion RMB)</th> <th>GMV of Online Pharmaceutical B2C Market as a % of Total Pharmaceutical Market</th> </tr> </thead> <tbody> <tr><td>2013</td><td>1.9</td><td>0.2%</td></tr> <tr><td>2014</td><td>3.9</td><td>0.3%</td></tr> <tr><td>2015</td><td>6.9</td><td>0.5%</td></tr> <tr><td>2016</td><td>13.8</td><td>0.9%</td></tr> <tr><td>2017</td><td>29.1</td><td>1.8%</td></tr> <tr><td>2018E</td><td>54.3</td><td>3.1%</td></tr> <tr><td>2019E</td><td>88.3</td><td>4.7%</td></tr> <tr><td>2020E</td><td>136.1</td><td>6.7%</td></tr> <tr><td>2021E</td><td>215.1</td><td>9.8%</td></tr> <tr><td>2022E</td><td>323.5</td><td>13.7%</td></tr> </tbody> </table>	Year	GMV of Online Pharmaceutical B2C Market (Billion RMB)	GMV of Online Pharmaceutical B2C Market as a % of Total Pharmaceutical Market	2013	1.9	0.2%	2014	3.9	0.3%	2015	6.9	0.5%	2016	13.8	0.9%	2017	29.1	1.8%	2018E	54.3	3.1%	2019E	88.3	4.7%	2020E	136.1	6.7%	2021E	215.1	9.8%	2022E	323.5	13.7%																																	
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109	<p data-bbox="477 874 936 898">GMV of B2C Online Pharmaceutical Market In China (RMB billion)</p>  <table border="1" data-bbox="398 906 1014 1217"> <caption>GMV of B2C Online Pharmaceutical Market In China (RMB billion)</caption> <thead> <tr> <th>Year</th> <th>GMV of B2C Online Pharmaceutical Market (Billion RMB)</th> <th>GMV of B2C Online Pharmaceutical Market as a % of Total Pharmaceutical Market</th> </tr> </thead> <tbody> <tr><td>2013</td><td>1.9</td><td>0.2%</td></tr> <tr><td>2014</td><td>3.9</td><td>0.3%</td></tr> <tr><td>2015</td><td>6.9</td><td>0.5%</td></tr> <tr><td>2016</td><td>13.8</td><td>0.9%</td></tr> <tr><td>2017</td><td>29.1</td><td>1.8%</td></tr> <tr><td>2018E</td><td>54.3</td><td>3.1%</td></tr> <tr><td>2019E</td><td>88.3</td><td>4.7%</td></tr> <tr><td>2020E</td><td>136.1</td><td>6.7%</td></tr> <tr><td>2021E</td><td>215.1</td><td>9.8%</td></tr> <tr><td>2022E</td><td>323.5</td><td>13.7%</td></tr> </tbody> </table> <p data-bbox="365 1233 544 1257">Source: Frost & Sullivan Report</p>	Year	GMV of B2C Online Pharmaceutical Market (Billion RMB)	GMV of B2C Online Pharmaceutical Market as a % of Total Pharmaceutical Market	2013	1.9	0.2%	2014	3.9	0.3%	2015	6.9	0.5%	2016	13.8	0.9%	2017	29.1	1.8%	2018E	54.3	3.1%	2019E	88.3	4.7%	2020E	136.1	6.7%	2021E	215.1	9.8%	2022E	323.5	13.7%	49	<p data-bbox="1328 882 1821 922">GMV of Online Pharmaceutical Products in China Pharmaceutical B2C Market and Penetration Rate, 2013-2022E</p>  <table border="1" data-bbox="1227 1010 1966 1193"> <caption>GMV of Online Pharmaceutical Products in China Pharmaceutical B2C Market and Penetration Rate, 2013-2022E</caption> <thead> <tr> <th>Year</th> <th>GMV of Online Pharmaceutical B2C Market (Billion RMB)</th> <th>GMV of Online Pharmaceutical B2C Market as a % of Total Pharmaceutical Market</th> </tr> </thead> <tbody> <tr><td>2013</td><td>1.9</td><td>0.2%</td></tr> <tr><td>2014</td><td>3.9</td><td>0.3%</td></tr> <tr><td>2015</td><td>6.9</td><td>0.5%</td></tr> <tr><td>2016</td><td>13.8</td><td>0.9%</td></tr> <tr><td>2017</td><td>29.1</td><td>1.8%</td></tr> <tr><td>2018E</td><td>54.3</td><td>3.1%</td></tr> <tr><td>2019E</td><td>88.3</td><td>4.7%</td></tr> <tr><td>2020E</td><td>136.1</td><td>6.7%</td></tr> <tr><td>2021E</td><td>215.1</td><td>9.8%</td></tr> <tr><td>2022E</td><td>323.5</td><td>13.7%</td></tr> </tbody> </table>	Year	GMV of Online Pharmaceutical B2C Market (Billion RMB)	GMV of Online Pharmaceutical B2C Market as a % of Total Pharmaceutical Market	2013	1.9	0.2%	2014	3.9	0.3%	2015	6.9	0.5%	2016	13.8	0.9%	2017	29.1	1.8%	2018E	54.3	3.1%	2019E	88.3	4.7%	2020E	136.1	6.7%	2021E	215.1	9.8%	2022E	323.5	13.7%
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109	Due to the cost benefits and convenience of online consultations, as well as the development of internet hospital platforms in China, the number of online consultations in China is forecasted to grow at a CAGR of 43.8% from 237.5 million in 2017 to 1,461.6 million in 2022, representing 2.8% and 13.9% of the total consultations, respectively.	36	<table border="1"> <thead> <tr> <th data-bbox="1196 411 1559 451"></th> <th data-bbox="1559 411 1742 451">2017E</th> <th data-bbox="1742 411 1928 451">2022E</th> </tr> </thead> <tbody> <tr> <td data-bbox="1196 451 1559 528">Number of Online Consultations (million)</td> <td data-bbox="1559 451 1742 528">237.5</td> <td data-bbox="1742 451 1928 528">1461.6</td> </tr> <tr> <td data-bbox="1196 528 1559 639">Online Consultation as a % of Total Consultations</td> <td data-bbox="1559 528 1742 639">2.8%</td> <td data-bbox="1742 528 1928 639">13.9%</td> </tr> <tr> <td data-bbox="1196 639 1559 679">CAGR</td> <td colspan="2" data-bbox="1559 639 1928 679">43.8%</td> </tr> </tbody> </table>				2017E	2022E	Number of Online Consultations (million)	237.5	1461.6	Online Consultation as a % of Total Consultations	2.8%	13.9%	CAGR	43.8%	
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Number of Online Consultations (million)	237.5	1461.6															
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112	According to Frost & Sullivan, we have built the largest virtual pharmacy network in the world in terms of the number of pharmacy stores, as of May 18, 2018.	54	New Peak Group have built the largest virtual pharmacy network in the world in terms of the number of pharmacy stores, as of May 18, 2018.														