



熙康雲醫院控股有限公司

XIKANG CLOUD HOSPITAL HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9686



INTERIM REPORT
2025

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Company Information

BOARD OF DIRECTORS

Chairperson and Non-executive Director

Dr. Liu Jiren (劉積仁)

Executive Director

Ms. Zong Wenhong (宗文紅) (*Chief Executive Officer*)

Non-executive Directors

Mr. Xu Hongli (徐洪利)

Dr. Wang Nan (王楠)

Mr. Pu Chengchuan (蒲成川)

Independent Non-executive Directors

Dr. Chen Yan (陳艷)

Dr. Qi Guoxian (齊國先)

Dr. Yin Guisheng (印桂生)

AUDIT COMMITTEE

Dr. Chen Yan (陳艷) (*Chairman*)

Dr. Qi Guoxian (齊國先)

Dr. Yin Guisheng (印桂生)

REMUNERATION COMMITTEE

Dr. Chen Yan (陳艷) (*Chairman*)

Dr. Liu Jiren (劉積仁)

Dr. Qi Guoxian (齊國先)

NOMINATION COMMITTEE

Dr. Liu Jiren (劉積仁) (*Chairman*)

Dr. Qi Guoxian (齊國先)

Dr. Yin Guisheng (印桂生)

STRATEGY COMMITTEE

Dr. Liu Jiren (劉積仁) (*Chairman*)

Ms. Zong Wenhong (宗文紅)

Dr. Qi Guoxian (齊國先)

Dr. Yin Guisheng (印桂生)

JOINT COMPANY SECRETARIES

Ms. Zhao Shu (趙姝)

Mr. Wong Wai Chiu (黃偉超)

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Mr. Wong Wai Chiu (黃偉超)

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Company Information

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Certified Public Accountants and Registered Public

Interest Entity Auditor

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COMPANY WEBSITE

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STOCK CODE

09686

Financial Highlights

	For the six months ended June 30,		
	2025	2024	Change
	(RMB in thousands, except percentages)		
	(Unaudited)	(Unaudited)	
Revenue	178,605	179,214	(609)
Gross profit	39,313	42,556	(3,243)
Gross margin	22.0%	23.7%	(1.7%)
Loss for the period	(49,975)	(60,484)	10,509
Add: Share-based compensation expenses	11,571	9,182	2,389
Adjusted net loss for the period (non-HKFRS measure)	(38,404)	(51,302)	12,898

Management Discussion and Analysis

I. BUSINESS REVIEW

We have been adhering to building a “City-Specific Cloud Hospital Platform” that takes the city as the gateway and closely and deeply correlates with the regional medical and health system. With strong support from local governments, we efficiently, scalably, and cost-effectively aggregate urban medical resources, empowering doctors and nurses to deliver more professional and accessible medical and nursing services to patients across cities. Our in-depth understanding of government services and regulatory frameworks, coupled with our extensive partnership network, forms a unique and inimitable competitive edge.

Leveraging advanced AI models and big data analytics, we continuously optimize the precision matching between urban healthcare resources and medical demands, enhancing equitable resource accessibility and fostering a more efficient regional digital healthcare ecosystem. We continue to extend professional medical and nursing services to every household within a city through technological innovation and service upgrades, ensuring the medical services and nursing services in home settings are as safe, reliable and effective as those in hospitals, and realizing a seamless transition of medical and nursing care.

The Uniqueness of “City-Specific Cloud Hospital Platform” Business Model

Anchored by strategic government collaboration to ensure platform credibility: We leverage local governments as policy-makers, regulators and major payers of China’s health industry as the strategic focus. Our “City-Specific Cloud Hospital Platform” model is closely connected and deeply linked with the regional medical and health service system, thus accelerating the cooperation with medical institutions with local governments as the core breakthrough, to ensure the credibility of our platform.

Batch city-level deployment for standardized replication: With the “top-down” urban expansion strategy, we efficiently connect all medical resources within the region, leading to the fast promotion of medical institutions, doctors and nurses joining our platform intensively. This enables rapid establishment of localized cloud hospital platforms, leveraging our full-scenario service ecosystem (Medical + Nursing + Health Management) and validated operational protocols to drive scalable replication and market expansion.

AI-driven innovation for a new smart healthcare ecosystem: Powered by our multimodal AI technology framework, we have established a closed-loop digital healthcare service model encompassing “intelligent matching – precision care – continuous optimization.” Through iterative technological upgrades and scenario expansion, we enable data-driven intelligent decision-making and operational refinement, significantly enhancing the quality and efficiency of medical, nursing, and health management services.

Management Discussion and Analysis

Scalable “Ningbo Model” Drives Nationwide Expansion of Platform Network

Based on the mature experience of successful operation of the first city-specific cloud hospital platform of China in Ningbo, we have built a digital medical service system covering the whole chain of medical, nursing, health management, etc. The “Ningbo model” that has been verified by practice for more than ten years has a high degree of reproducibility, providing a standardized implementation path for national business expansion. By continuously deepening the application of AI technology and the construction of smart medical systems, and cooperating with the deep market cultivation in key regions such as East China, North China and South China, we have achieved rapid growth in the city-specific cloud hospital platform network, and significantly improved the platform coverage and service efficiency. As of June 30, 2025, the number of healthcare institutions connected to our platform network exceeded 36,000, including 3,303 hospitals (as of June 30, 2024: 2,654), representing a year-on-year increase of 24.5%. The platform had 147,000 registered physicians (as of June 30, 2024: 137,000), representing a year-on-year increase of 8.0%, and 145,000 registered nurses (with over five years of clinical experience, as of June 30, 2024: 108,000), representing a year-on-year increase of 34.1%.

Focusing on Core Business to Pioneer Growth in the “Internet + Care Service” Industry

As the leading “Internet + Care Service” platform operator in China, we vigorously focused on our core strategic positioning of “Medical and Nursing Services Delivered to Home.” We continue to strengthen our collaborations with several provincial and municipal governments in China, among which, we helped the governments of Zhejiang Province and Henan Province to form and operate two provincial “Internet + Care Service” platforms. Meanwhile, we are actively expanding home nursing platforms in key cities such as Chongqing, Shenyang, Nanning, Xuancheng, and Changzhou, thus has established a synergistic development model of “Provincial Benchmark Demonstration + Rapid Municipal Replication.” During the Reporting Period, we achieved dual improvements in service efficiency and quality through intelligent and accurate resource allocation and AI full-process monitoring and quality control system by leveraging our AI-powered intelligent dispatch system, and the strategic business has developed strongly and grown significantly. The volume of home care services we provided exceeded 218,000 (same period of 2024: exceeded 142,000), representing a year-on-year increase of 53.1%. The volume of nursing consultation services we provided exceeded 166,000 (same period of 2024: exceeded 147,000), representing a year-on-year increase of 12.9%.

Platform Ecosystem and Specialty Operations Two-wheel Drive Value Maximization

We are advancing the “Medical and Nursing Services Delivered to Home” strategy by deeply integrating AI and big data technologies to establish a full-scenario smart service platform that converges “Medical + Nursing + Health Management.” Through the synergistic combination of technological innovation and specialty-specific operations, we empower healthcare institutions, medical professionals, users, and industry chain partners — forging a collaborative and shared medical and health service ecosystem. Leveraging deep insights into specialized and refined needs, segmented user profiles, and multi-stakeholder value propositions, we continuously refine our in-home specialty medical and care solutions across obstetrics & gynecology, pediatrics, traditional Chinese medicine, rehabilitation medicine and neurology. By integrating premium ecosystem resources, we deliver personalized value-added services through Xikang Care’s professional capabilities and XiKang E-Mall’s diversified product portfolio. This dual approach not only enhances user engagement efficiency but also achieves deepened user value extraction via portfolio innovation within our platform ecosystem.

Management Discussion and Analysis

During the Reporting Period, anchored in our Cloud Hospital Platform model and core business strategy, we deeply integrated AI technologies into key service scenarios. Through continuous urban network expansion, innovative service portfolio development, standardized capability deployment and intelligent operational systems, we achieved substantial growth in business value. The optimization and improvement of operating efficiency and financial structure, as well as the continuous improvement of operating net cash flow, has forged a self-reinforcing virtuous cycle where Technology – Efficiency – Financials – Scale interact multidimensionally, laying a solid foundation for accelerated nationwide scaling replication and profitability.

The following table sets forth the revenue from each business segment during the Reporting Period:

	Six months ended June 30,			
	2025		2024	
	Revenue	%	Revenue	%
<i>(RMB in thousands, except for percentages)</i>				
Medical Services ^(Note 1)	69,827	39.1%	87,615	48.9%
Nursing Services ^(Note 2)	34,624	19.4%	24,478	13.7%
Health Management Services ^(Note 3)	74,154	41.5%	67,121	37.4%
Total	178,605	100.0%	179,214	100.0%

Notes:

1. Revenue generated from our medical services segment decreased by 20.3% to RMB69.8 million for the six months ended June 30, 2025 from RMB87.6 million for the six months ended June 30, 2024, mainly attributable to the implemented structural optimization of certain low-margin business units to maximize the use of existing resources to improve resource efficiency, as well as increasing competition in the market which has reduced project opportunities.
2. Revenue generated from our nursing services segment increased by 41.4% to RMB34.6 million for the six months ended June 30, 2025 from RMB24.5 million for the six months ended June 30, 2024, mainly attributable to the gradual demonstration of economies of scale of nursing services benefiting from our realization of rapid replication by market promotion and professional operation apart from enhancing operational efficiency through information technology, digitization and AI empowerment.
3. Revenue generated from our health management services segment increased by 10.5% to RMB74.2 million for the six months ended June 30, 2025 from RMB67.1 million for the six months ended June 30, 2024, mainly attributable to an increase in the volume of health management services.

Development of Three Major Business Segments

Xikang Cloud Hospital adheres to the health needs of the residents, constantly deepens the collaborative synergy of “Medical + Nursing + Health Management” and continues to lead the development of China’s home medical and nursing market. Our business portfolio takes the city-specific cloud hospital platform as the carrier and builds a full-lifecycle service ecosystem. Our medical service business is dedicated to empowering medical institutions and their practitioners through digitalization, to help them provide patients with “seamless and integrated online and offline, in-and out-of-hospital” online medical services. Our nursing service business extends the nursing services to out-of-hospital scenarios through specialized and standardized systems, providing users with hospital-equivalent home care services and online nursing consultation services. Our health management service business provides individual and institutional users with full-cycle health management services through our self-operated medical institutions. Through the deep integration of these three core businesses, we continuously innovate to meet users’ holistic health needs, strengthen the full-spectrum industrial service ecosystem of our cloud hospital platform, and enhance its market competitiveness.

Management Discussion and Analysis

We leverage AI as our core technological engine to continuously advance a user-centric healthcare service system. Through deep technology integration and innovative scenario applications, we have established an intelligent product portfolio spanning health advisory, diagnostic intelligence, precision nursing and rehabilitation management. An AI-driven closed-loop service model for smart medical care, nursing and health management is established, achieving synergistic optimization of real-time service responsiveness, intelligent resource allocation, personalized user experiences, thereby advancing healthcare services toward intelligent, precise, and human-centric evolution.

During the Reporting Period, we were determined to focus on our strategy of “Medical and Nursing Services Delivered to Home”, consolidated the leading position in the existing markets, strategically explored new regions and developed business growth points. Through the efficient synergy and integration of our three core business domains – Medical, Nursing, and Health management — we have significantly enhanced resource consolidation capabilities. In collaboration with our ecosystem partners, we co-develop full-cycle, multi-tiered healthcare service and product portfolios that focus on the diversified needs of users. By combining service compassion with clinical expertise, we drive dual empowerment: elevating user experiences while advancing commercial value creation.

Medical Services

We insist on the seriousness of medical services, adhere to a patient-oriented approach, and constantly innovate to meet the patients’ inside-hospital to outside-hospital and offline-to-online medical service needs. By deeply integrating urban healthcare ecosystem resources, our city-specific cloud hospital platform provides users with high-quality, efficient, safe, reliable, and clinically equivalent home-based medical services. During the Reporting Period, we intensified our focus on specialty-specific operations for internet healthcare, further enhancing medical service delivery capacity. This enabled continuous extension of healthcare scenarios and expansion of medical resources, solidifying an increasingly mature urban medical service operational network.

With the rapid advancement of AI technologies in enabling precision and intelligence for medical services, we continuously upgrade our technological infrastructure through large-scale models and big data, delivering a digital-intelligent medical service system for both physicians and patients. For physicians, we provide the “Smart Medical Assistant” embedded across all stages of medical service chains, helping doctors enhance diagnostic and treatment efficiency, help medical institutions optimize patients’ medical treatment processes and improve overall clinical experience. For patients, we provide “intelligent guidance” and “AI interpretation of diagnostic reports” and other tools. Leveraging AI, machine learning, and data analytics, we deeply analyze patient data, medical knowledge, and clinical guidelines. Through 24/7 full-time responsiveness, we precisely match patients with high-quality medical resources and service providers.

During the Reporting Period, to maximize the utilization of existing medical resources and enhance resource efficiency, we proactively implemented structural optimization adjustments to certain low-profit business units, resulting in a temporary decline in medical service volumes. The volume of internet medical services was 2,060,000 (same period of 2024: 2,231,000), representing a year-on-year decrease of 7.7%. Among them, the volume of our online consultation services was 942,000 (same period of 2024: 1,033,000), representing a year-on-year decrease of 8.8%. The volume of our e-prescription services was 394,000 (same period of 2024: 373,000), representing a year-on-year increase of 5.6%. The volume of examination services was 288,000 (same period of 2024: 249,000), representing a year-on-year increase of 15.7%. The volume of remote medical services was 436,000 (same period of 2024: 576,000), representing a year-on-year decrease of 24.3%. Through precisely fine-tuning the business structure, we further enhanced the operational quality of our medical services and paved the way for greater future development.

Management Discussion and Analysis

While focusing on optimizing patient experiences and advancing intelligent capabilities, we continuously enhanced our institutional service capacity. We consistently pursued technological iterations, service innovations on our cloud hospital platform, empowering clinical decision support and intelligent patient management. This has significantly strengthened the collaborative efficiency between the platform and medical institutions, markedly improved the convenience and precision of medical service delivery, and considerably deepened our engagement with both government (G-end) and hospital (H-end) clients, providing patients with more cost-effective healthcare services. As of June 30, 2025, we assisted 202 hospitals to establish their internet hospitals through our cloud hospital platform (same period of 2024: 165), representing a year-on-year increase of 22.4%.

During the Reporting Period, the revenue from our medical services business amounted to RMB69.8 million (same period of 2024: RMB87.6 million), representing a year-on-year decrease of 20.3%.

Nursing Services

As an innovative leader in China's home-based medical care industry, we efficiently integrate healthcare resources through our "City-Specific Cloud Hospital Platform" model, accelerating the delivery of at-home medical services. Given that home care service is a serious medical service in China, which is subject to compulsory access management and process supervision by government authorities. Therefore, we have been firmly adhering to the core line of "official platform, regional layout", and complying with the principles of professionalism, safety and trustworthiness to maximize the satisfaction of users' needs for home and extended medical services. In 2016, we took the lead in launching an innovative pilot program for "home care service" in Ningbo City. Accumulated through long-term practice, we have formed a mature and comprehensive operational service system, and we took the opportunity of "Innovation in One Place, Sharing across the Province" in Ningbo as the starting point, to gradually facilitate the replication and expansion of our home care services throughout China. On account of continuous development and experience, we have accumulated a mature experience model and good market recognition in the home care industry and built the "Xikang Care (熙康護理)" brand, with business covering the East, Central, South and Southwest regions of China.

Forging an Industry Benchmark for "Internet + Care Service" Driving Synergistic Growth with Regional Ecosystems

Committed to establishing sound standards and system of home care services, so as to establish a unified urban management system, service model, service standards, operation mechanism, training system to ensure that residents within the business coverage area can enjoy the high-quality and homogeneity of home care services. Centered on the "Care in Zhejiang (浙里護理)" platform, we implemented a province-wide networked management system spanning 664 medical institutions. By eliminating information silos among platforms, hospitals, and primary care facilities, we achieved seamless integration of resources and services, creating an integrated provincial nursing network that optimizes and efficiently utilizes healthcare resources across the province. Concurrently, we actively pursue horizontal integration strategies to deepen convergence between care services and other sectors. Through strengthened collaborations with government, financial, and insurance entities, we pioneered innovative models like nursing vouchers and commercial insurance payment solutions. These initiatives significantly lower accessibility thresholds for premium nursing services, expand business boundaries, and enable cross-sector resource sharing and complementary advantages.

Management Discussion and Analysis

We have fully undertaken the formation and operation of several provincial and municipal official “Internet + Care Service” regional-level platforms, established the home care service network covering Zhejiang, Henan, Chongqing, Liaoning, Guangxi, Anhui, Jiangsu, and other provinces/municipalities. During the Reporting Period, we deepened the service operation of home care platforms such as the “Care in Zhejiang (浙里護理)” in Zhejiang Province, the “YuJian Huli Daojia (豫健護理到家)” in Henan Province, the “Cloud Care in Chongqing (渝悅雲護理)” in Chongqing City, the “Kind Care (盛情護理)” in Shenyang City, Liaoning Province, the “Nanning Cloud Hospital for Home Care (南寧雲醫院居家護理)” in Nanning City, Guangxi Zhuang Autonomous Region, the “Care in Xuan (宣慧護理)” in Xuancheng City, Anhui Province, and the newly expanding platform “Care in Changzhou (常享護理)” in Changzhou City, Jiangsu Province, with covered population growing steadily over 0.2 billion. Among which, the “YuJian Huli Daojia (豫健護理到家)” platform, launched in the first half of 2024, is expanding its reach across Henan Province. As of June 30, 2025, 553 medical institutions (as of June 30, 2024: 391) and 53,000 nurses (with more than 5 years of clinical nursing experience, as of June 30, 2024: 31,000) have joined the platform, representing a year-on-year increase of 41.4% and 70.9%, respectively.

Moving forward, we will continue to advance our dual-track strategy of “regional penetration + nationwide expansion”. We are committed to continuously enhancing our service infrastructure and extending our coverage, bringing convenient and professional home care services to more households across China.

AI-Enabled Professional Operations Driving Comprehensive Enhancement of Home Care Services

Currently, we have established a standardized operating system demonstrating high replicability and adaptability. Through standardized process architecture and intelligent technology enablement, we deepen professional operating capabilities and have built precision operations models to achieve granular market penetration in existing regions while enabling rapid replication in new markets by leveraging AI and big data. In the meanwhile, we strengthen data operations and dynamically optimize service resource allocation by analyzing user behavior and predicting demand patterns. This enhances user engagement, accelerates conversion rates, and delivers substantial growth in paying nursing care subscribers.

Centered around user needs and based on building a standardized management system, we have comprehensively upgraded the home care service platform. By deeply integrating technologies such as Natural Language Processing (NLP) and multimodal interaction, we successfully launched the nursing AI agent “Xiaoxi Assistant.” This forms a service closed-loop covering intelligent prediction, precise matching, and dynamic optimization. Furthermore, we established a three-in-one smart customer service system comprising “AI Smart Customer Service + Enterprise WeChat + Customer Service Hotline,” achieving seamless transition from user inquiry to issue resolution. This has significantly enhanced service efficiency and user experience. As of June 30, 2025, the volume of home care services we provided exceeded 218,000 (same period of 2024: exceeded 142,000), representing a year-on-year increase of 53.1%.

Amid increasing specialization in healthcare services, we have dedicated strategic focus to pioneering innovations within specialized nursing segments while expanding service coverage. Targeting core demographic groups – particularly the elderly, maternal and child populations, chronic disease patients, and post-operative recovery cohorts – we have integrated professional care with intelligent technologies to develop a diversified solution portfolio spanning in-home nursing, rehabilitation services, and medical equipment leasing scenarios. Relying on accurate insights into user needs, we continue to optimize the content and form of services, not only providing basic nursing support, but also extending to specialized medical care, rehabilitation assistance and other professional fields, forming a multi-level and multi-dimensional service ecology, and gradually realizing the upgrade from single nursing to full-cycle health management. As of June 30, 2025, the number of our service items expanded to 220+ (as of December 31, 2024: 200+).

During the Reporting Period, the revenue from our nursing service business amounted to RMB34.6 million (same period of 2024: RMB24.5 million), representing a year-on-year increase of 41.4%.

Management Discussion and Analysis

Health Management Services

We adhere to building an integrated “health and medical” service system from offline to online by focusing on the health of users, and are dedicated to providing users with continuous, closed-loop health management solutions spanning the entire lifecycle. During the Reporting Period, leveraging our 9 medical institutions in 9 cities across the country and the integration advantages of “Medical + Nursing + Health Management” resources, we have established a seamless connection of “products + services” ecosystem. This enables us to deliver diversified, integrated service solutions for both institutional and individual clients.

Capitalizing on efficient business synergies, extensive resource integration, and strong brand recognition, we have deepened our exploration on the requirements of health management scenarios. Anchored by our physical examination services and incorporating cutting-edge technologies such as genetic testing and functional medicine, we deliver one-stop services spanning disease screening to precision diagnostics. This approach has further strengthened service synergies, enabled the development of our distinctive “1+N” Health Management Service Model while continuously exploring new businesses. During the Reporting Period, we comprehensively strengthened ecosystem synergies across our health management services. Through strategic collaboration with specialized third-party diagnostic institutions, we advanced an integrated online-to-offline (O2O) health management solution for “Precision Testing + Precision Nutrition” leveraging genetic testing and big data analytics, driving marked enhancement in service quality.

We continuously intensified the application of multimodal data analytics and AI technologies, upgrading core functionalities including intelligent physical examination interpretation and health record management. We innovatively launched digital tools such as the “Kang AI Assistant” intelligent analytics system and the “Whole-Body Health Map”, enabling end-to-end intelligent tracking across health assessment, intervention planning, and outcome monitoring. This has allowed us to build a technology-infused health management service framework, comprehensively enhancing precision and intelligence levels in health management while elevating user value perception. During the Reporting Period, the volume of our health management services amounted to 205,000 (same period of 2024: amounted to 160,000), representing a year-on-year increase of 28.1%.

During the Reporting Period, the revenue from our health management service business amounted to RMB74.2 million (same period of 2024: RMB67.1 million), representing a year-on-year increase of 10.5%.

II. BUSINESS PROSPECTS

Against the backdrop of intensifying demographic pressures from population aging and declining birth rates, China’s healthcare industry is undergoing profound transformation. Sustained expansion of market demand, accelerated policy tailwinds, and continuous technological empowerment are collectively ushering in exceptional opportunities and challenges across the sector. As the pioneer of the city-specific cloud hospital model and the leader in serious medical digital transformation in China, we will keep up with the core trends of the internet healthcare in “AI + Whole Course Management” and “Inclusive Home Medical” services. We will adhere to our business development strategy empowered by “the providers, the demanders, the payers and the regulators”, and accelerate the construction of the nationwide “Medical and Nursing Services Delivered to Home” network and ecosystem. While ensuring the compliance, safety and professionalism of the services provided on the platform, we are driving boundaryless connectivity of medical resources, precision enhancement of service capabilities, and systematic value realization across the healthcare industry through technological innovation and model optimization. These initiatives ultimately position us as a core enabler of next-generation medical infrastructure.

Management Discussion and Analysis

Leveraging our first-mover advantage in “Internet + Care Service” and validated standardized operational systems, we will accelerate the deployment and expansion of our city-specific cloud hospital platform within the smart healthcare ecosystem. This initiative delivers professional, secure, and comprehensive medical and nursing services to households nationwide with targeted precision, while continuously enhancing resource-demand alignment efficiency. We are developing diversified, scenario-specific home medical and nursing services and delivery formats to establish a scalable service network, accelerating the market conversion efficiency of diversified resources, continuously amplifying economies of scale, and achieving dual enhancement of societal and commercial value.

We will deeply integrate AI and big data technologies to comprehensively upgrade our “Medical and Nursing Services Delivered to Home” ecosystem. By focusing on multimodal AI capabilities, we are building an intelligent closed-loop management system covering the entire disease course spanning prevention, treatment, and rehabilitation. Powered by end-to-end data accumulation, our dynamically optimized intelligent data platform will drive healthcare’s evolution from reactive treatment to proactive health management, from hospital-centric to precision beyond-hospital and home-based settings, from basic care to specialized and personalized solutions. This technology-driven, data-empowered transformation will achieve service precision, process leanness, and sustained product innovation, advancing our core business’s efficient and sustainable development.

We are committed to transcending spatiotemporal constraints of traditional healthcare models, establishing ourselves as ecosystem architects and value enablers in the new medical economy. Through deep integration into the health and wellness industry landscape, we facilitate cross-sector resource synergies while expanding the scope of “Online + At-Home” healthcare services. These initiatives activate new momentum in the silver economy and advance sustainable industrial ecosystem development. We take the City-Specific Cloud Hospital platform and its accumulated “Medical + Nursing + Health Management Services” business resources as the foundation to construct an integrated one-stop medical service ecosystem. This model drives deep integration across governments, medical institutions, commercial insurers, pharmaceutical supply chains, and health management providers – establishing a closed-loop “Care + Payment + Supply Chain + Data” architecture to better serve our C-end users.

Leveraging our City-Specific Cloud Hospital Platform to redefine supply efficiency and professionalized services to secure safety baselines, we have pioneered an arduous yet right and inclusive development path — validated by industry evolution, policy endorsement, and user trust. We are confident that through technological empowerment, ecosystem collaboration, and model innovation, we are striving tirelessly to achieve the vision of “empowering every family with fair, precise, friendly medical, nursing, and home care services.” This commitment positions our premium at-home medical care as an essential health safeguard for multitudes of Chinese families.

III. FINANCIAL REVIEW

Revenue from Contracts with Customers

Our revenue decreased by 0.3% to RMB178.6 million for the six months ended June 30, 2025 from RMB179.2 million for the six months ended June 30, 2024, mainly attributable to a decrease in revenue from medical services.

Medical services

Revenue generated from our medical services segment decreased by 20.3% to RMB69.8 million for the six months ended June 30, 2025 from RMB87.6 million for the six months ended June 30, 2024, mainly attributable to the implemented structural optimization of certain low-margin business units to maximize the use of existing resources to improve resource efficiency, as well as increasing competition in the market which has reduced project opportunities.

Management Discussion and Analysis

Nursing services

Revenue generated from our nursing services segment increased by 41.4% to RMB34.6 million for the six months ended June 30, 2025 from RMB24.5 million for the six months ended June 30, 2024, mainly attributable to the gradual demonstration of economies of scale of nursing services benefiting from our realization of rapid replication by market promotion and professional operation apart from enhancing operational efficiency through information technology, digitization and AI empowerment.

Health management services

Revenue generated from our health management services segment increased by 10.5% to RMB74.2 million for the six months ended June 30, 2025 from RMB67.1 million for the six months ended June 30, 2024, mainly attributable to an increase in the volume of health management services.

Cost of Sales and Services

Our cost of sales and services increased by 1.9% to RMB139.3 million for the six months ended June 30, 2025 from RMB136.7 million for the six months ended June 30, 2024, mainly attributable to an increase in revenue of nursing services and health management services.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit decreased by 7.6% to RMB39.3 million for the six months ended June 30, 2025 from RMB42.6 million for the six months ended June 30, 2024.

During the Reporting Period, the gross margins of medical services, nursing services and health management services were 13.3%, 19.1% and 31.6%, respectively (same period of 2024: 17.7%, 26.6% and 30.5%). Our gross margin decreased to 22.0% for the Reporting Period from 23.7% for the six months ended June 30, 2024, mainly attributable to the high proportion of income from medical services, but the gross margin of which demonstrated a decrease as compared to the same period of last year, resulting in a decrease in the Company's overall gross margin.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 17.0% to RMB31.0 million for the six months ended June 30, 2025 from RMB37.3 million for the six months ended June 30, 2024, mainly attributable to the continuous strengthening of production control and the constant improvement of resource allocation efficiency.

Research and Development Expenses

Our research and development expenses decreased by 8.0% to RMB19.6 million for the six months ended June 30, 2025 from RMB21.3 million for the six months ended June 30, 2024, mainly attributable to the continuous strengthening of production control and the constant improvement of resource allocation efficiency.

Administrative Expenses

Our administrative expenses decreased by 1.0% to RMB43.3 million for the six months ended June 30, 2025 from RMB43.7 million for the six months ended June 30, 2024, mainly attributable to the continuous optimization of organizational effectiveness, resulting in a decrease in manpower and related expenses.

Other Income

Our other income decreased by 74.3% to RMB3.3 million for the six months ended June 30, 2025 from RMB12.8 million for the six months ended June 30, 2024, mainly attributable to a decrease in government grants and investment income from wealth management products.

Management Discussion and Analysis

Other Gains, Net

We recorded net other gains of RMB0.4 million for the six months ended June 30, 2024, compared to the net other gains of RMB4.9 million for the six months ended June 30, 2025, primarily due to an increase in gains from the disposal of associates.

Finance Income and Finance Costs

Our finance costs after deducting net finance income increased by 12.2% to RMB6.2 million for the six months ended June 30, 2025 from RMB5.5 million for the six months ended June 30, 2024, mainly attributable to a decrease in interest income.

Share of Losses of Associates

Our share of losses of associates decreased by 5.2% to RMB4.7 million for the six months ended June 30, 2025 from RMB4.9 million for the six months ended June 30, 2024, mainly attributable to a decrease in losses of associates.

Income Tax Credit

We recorded income tax credit of RMB0.3 million for the six months ended June 30, 2025, compared to income tax credit of RMB0.1 million for the same period of 2024, mainly attributable to an increase in deferred income tax credit.

Loss for the Period

As a result of the foregoing, our loss for the Reporting Period decreased by 17.4% to RMB50.0 million for the six months ended June 30, 2025 from RMB60.5 million for the six months ended June 30, 2024.

Adjusted Net Loss

To supplement our consolidated statements of profit or loss which are presented in accordance with HKFRS, we use adjusted net loss for the Reporting Period (non-HKFRS measure) as non-HKFRS measures, which are not required by, or presented in accordance with, HKFRS. We believe that the presentation of such non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures provides useful information to potential investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of share-based compensation expenses. The use of the non-HKFRS measures has limitations as an analytical tool, and investors should not consider it in isolation from, or as a substitute for or superior to, the analysis of our results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS measures may be defined differently from similar terms used by other companies.

The following table reconciles our adjusted net loss for the period (non-HKFRS measure) to the most directly comparable financial measure in accordance with HKFRS for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Loss for the period	(49,975)	(60,484)
Add: Share-based compensation expenses	11,571	9,182
Adjusted net loss for the period (non-HKFRS measure)	(38,404)	(51,302)

Management Discussion and Analysis

The non-HKFRS measure, adjusted net loss for the period, used by us has been adjusted for share-based compensation expenses. In particular, the share-based compensation expenses are non-cash expenses arising from granting share-based awards to selected employees.

Our adjusted net loss (non-HKFRS measure) decreased by 25.1% from RMB51.3 million for the six months ended June 30, 2024 to RMB38.4 million for the six months ended June 30, 2025. The decrease in our adjusted net loss (non-HKFRS measure) for the six months ended June 30, 2025 was mainly due to (i) during the Reporting Period, the Group's nursing services gradually demonstrated economies of scale, effectively improving organizational effectiveness and resource allocation efficiency, and enhancing operational efficiency through information technology, digitization and AI empowerment, which resulted in a significant decrease in expenses; and (ii) a decrease in net impairment losses on financial assets resulting from the recovery of trade receivables.

Contingent Liabilities

As of June 30, 2025, we were not involved in any material legal, arbitration or administrative proceedings that were expected to materially and adversely affect our financial condition or results of operations, although there can be no assurance that this will not be the case in the future.

As of June 30, 2025, we did not have any significant contingent liabilities (as of December 31, 2024: nil).

Capital Expenditures

During the Reporting Period, we incurred capital expenditures of RMB4.1 million mainly for purchases of property, plant and equipment (for the six months ended June 30, 2024: RMB4.4 million).

Pledge of Assets

As of June 30, 2025, the Group did not pledge any assets.

Future Plans for Material Investments or Capital Assets

Save as disclosed under the section headed "Proceeds from the Global Offering" herein, as of June 30, 2025, the Group did not have any other plans for material investments or capital assets.

Liquidity and Capital Resources

Historically, we have funded our working capital primarily from bank borrowings and equity financing. As of June 30, 2025, we had cash and cash equivalents of RMB490.8 million. We expect to use a portion of the proceeds from the Global Offering (within the meaning of the Prospectus of the Company dated September 18, 2023) to fund our working capital requirements. We currently do not have any plans for material additional external financing.

Management Discussion and Analysis

The following table sets forth our cash flows for the periods indicated:

	For the six months ended June 30,	
	2025 (RMB'000) (unaudited)	2024 (RMB'000) (unaudited)
Cash used in operating activities	(52,376)	(66,726)
Interest received	5,336	8,128
Income taxes paid	(2,921)	(5,708)
Net cash used in operating activities	(49,961)	(64,306)
Net cash used in investing activities	(147,517)	(6,519)
Net cash used in financing activities	(70,843)	(33,783)
Net decrease in cash and cash equivalents	(268,321)	(104,608)
Cash and cash equivalents at the beginning of the period	760,857	676,794
Effects of exchange rate changes on cash and cash equivalents	(1,747)	3,744
Cash and cash equivalents at the end of the period	490,789	575,930

Net cash used in operating activities

Our cash flows from operating activities reflect: (i) cash used in operating activities; and (ii) other cash items (such as interest received and income tax paid).

For the six months ended June 30, 2025, we had net cash used in operating activities of RMB50.0 million, which represents our cash used in operating activities of RMB52.4 million and changes in other cash items of RMB2.4 million.

Net cash used in investing activities

For the six months ended June 30, 2025, we had net cash used in investing activities of RMB147.5 million, which was mainly attributable to (i) subscription amount for our wealth management products of RMB395.0 million, partially offset by the redemption amount for our wealth management products of RMB251.4 million; and (ii) purchase of property, plant and equipment of RMB4.1 million.

Net cash used in financing activities

For the six months ended June 30, 2025, we had net cash used in financing activities of RMB70.8 million, which was mainly attributable to (i) repayments of borrowings of RMB290.8 million, partially offset by proceeds from bank borrowings of RMB244.0 million; (ii) payments of lease liabilities of RMB11.3 million; and (iii) payments of interest of RMB10.4 million.

Borrowings

As of June 30, 2025, the aggregate principal balance of our borrowings was RMB463.1 million (as of December 31, 2024: RMB509.9 million). As of June 30, 2025, RMB30.7 million of our banking facilities remained unutilized (as of December 31, 2024: RMB0.1 million).

As of June 30, 2025, all of our non-current borrowings and substantially all of our current borrowings were bank loans. The maturity dates of our outstanding borrowings fall on or before June 2026.

Management Discussion and Analysis

Significant Investments Held

During the Reporting Period, the details of any significant investments held by the Company are as follows:

Name of the investee company	Principal business	As at June 30, 2025			Percentage of total assets of the Group	For the six months ended June 30, 2025	
		Investment cost (RMB'000)	Shareholding percentage	Carrying amount (RMB'000)		Dividend distributed (RMB'000)	Investment loss in associates (RMB'000)
Neusoft Management Consulting (Shanghai) Co., Ltd.	Business consulting service, including, among others, medical devices	96,436	49.00%	85,330	7.68%	–	(1,190)

Note:

The Group's significant investment in an associate set out above was made before the Listing Date and held during the Reporting Period. Investments in an associate are accounted for using the equity method of accounting, after initially being recognised at cost. The associate is an unlisted company, and there is no quoted price or fair value available.

Neusoft Management Consulting (Shanghai) Co., Ltd. mainly holds a property, which is used by the Group to provide health management services. Accordingly, the Directors believe that investments in Neusoft Management Consulting (Shanghai) Co., Ltd. could bring synergistic effects to our Group, which is conducive to our future development.

For the six months ended June 30, 2025, the Group subscribed for wealth management products issued by Shenwan Hongyuan Financial Products with its idle Proceeds from the Global Offering as part of the Group's cash management to improve the efficiency of capital utilization, increase capital income, and achieve the preservation and appreciation of the Proceeds while maintaining security and flexibility. As at June 30, 2025, the amount of wealth management products held by the Group was US\$20.1 million, with a fair value of US\$20.2 million, and the fair value as a percentage of the Group's total assets was 13.0%, and the unrealised gain or loss was US\$0.1 million during the Reporting Period.

Save as disclosed above, during the Reporting Period, the Company did not hold any other significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as at June 30, 2025).

Capital Commitments

As of June 30, 2025, we did not have any material capital commitments.

Management Discussion and Analysis

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

On May 20, 2025, (i) Xikang Health Technology Co., Ltd. (Xikang Health Technology), a wholly-owned subsidiary of the Company, Neutech Group Limited (Neutech), and Dalian Xikang Yunshe Wellness and Tourism Investment Management Co., Ltd. (Dalian Yunshe) entered into the Equity Transfer Agreement, pursuant to which, Xikang Health Technology disposed of the registered capital of Dalian Yunshe of RMB32,757,364 held by Xikang Health Technology, representing approximately 4.23% of total share capital of Dalian Yunshe, for a consideration of RMB30 million; and (ii) Neutech and Dalian Yunshe entered into the Capital Increase Agreement, pursuant to which, the registered capital of Dalian Yunshe will increase by RMB49,136,047. Following the completion of the equity transfer and capital increase arrangement, the Company holds the registered capital of Dalian Yunshe of RMB58,982,636, representing approximately 7.15% of the total share capital of Dalian Yunshe.

For further details, please refer to the Company's announcement dated May 20, 2025.

Save as disclosed above, our Company did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

RISK MANAGEMENT

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currencies of our Company and the subsidiaries operating in the PRC are the US dollar and Renminbi, respectively. We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures and try to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts when necessary.

We operate mainly in the PRC with most of the transactions settled in Renminbi. Our management considers that our business is not exposed to any significant foreign exchange risk as we have no significant financial assets or liabilities denominated in currencies other than the respective functional currencies of our entities. As of June 30, 2025, our Company did not hold any financial instruments for hedging purposes.

Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities, which are considered as the sum of borrowings and lease liabilities less cash and cash equivalents. As at June 30, 2025, the gearing ratio of the Group was 9.3% (the gearing ratio is not applicable as the Group recorded a net cash position as at December 31, 2024).

Cash Flow and Fair Value Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates and we have no significant interest-bearing assets except for the investments in wealth management products.

Other Information

INTERIM DIVIDENDS

The Board has resolved not to recommend the distribution of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries and consolidated affiliated entities purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury shares). As of the end of the Reporting Period, the Company did not hold treasury shares.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2025, the Company had 834 full-time employees, all of whom are based in China. The following table sets forth the breakdown of the Company's employees by function as of June 30, 2025:

Function	Number of Employees	% of Total
Management and administration	138	16.5
Sales and marketing and operational support	204	24.5
Research and development	151	18.1
Health management	341	40.9
Total	834	100.0

For the six months ended June 30, 2025, the compensation and benefits expenses of the Company paid to its employees were RMB74.9 million (for the six months ended June 30, 2024: RMB86.6 million). Among all of the Company's 834 employees, 459 employees had bachelor's degrees or above, accounting for 55.0% of the Company's total employees.

The Company is committed to establishing competitive and fair remuneration. In order to effectively motivate the employees, the Company continually refines its remuneration and incentive policies through market research. The Company conducts performance evaluation for its employees semi-annually to provide feedback on their performance. Compensation for its employees typically consists of basic salary and a performance-based bonus. We also adopted two Share Option Schemes to enhance enthusiasm, sense of responsibility and sense of mission of our employees, and thereby coordinate interests of the employees with the interests of the Company.

We provide social insurance plans and housing provident funds in accordance with applicable PRC laws and regulations to our employees. We pay great attention to our employees' welfare, and continually improve our welfare system. We offer employees additional benefits such as annual leave, stipend, supplementary medical insurance, health examinations and medical insurance for family members, among other things.

The Group provides employees with adequate job training to equip them with practical knowledge and skills. The Company also conducts introductory training for new staff. As of the date of this report, the Company has not had any strikes, protests or other material labor conflicts that may materially impair the Company's business and image. During the Reporting Period, we did not have any strikes, protests or other material labor conflicts that may materially impair our business and image.

Other Information

INTERESTS AND/OR SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ITS ASSOCIATED CORPORATIONS

As at June 30, 2025, the interests and short positions of the Directors and chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations within the meaning of Part XV of the SFO, which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO; or (c) to be otherwise notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules are set out as follows:

Name of Director	Nature of Interest	Number and Class of Securities	Approximate Percentage of Interest in our Company ⁽¹⁾
Dr. Liu Jiren ⁽²⁾	Interest in controlled corporations	193,252,305 ordinary shares (L)	22.95%
Ms. Zong Wenhong ⁽³⁾⁽⁴⁾	Interest in controlled corporations	21,004,500 ordinary shares (L)	2.49%
	Beneficial owner	14,500,000 ordinary shares (L)	1.72%
Dr. Wang Nan ⁽³⁾	Interest in controlled corporations	21,004,500 ordinary shares (L)	2.49%

Notes:

- (1) The table above is calculated on the basis of a total of 841,876,805 Shares as at the end of the Reporting Period.
- (2) Smartwave, Dongkong International Fifth and Dongkong International Seventh directly held 81,364,000 Shares, 68,384,305 Shares and 22,100,000 Shares of our Company, respectively, in an aggregate of 171,848,305 Shares. Since each of Smartwave, Dongkong International Fifth and Dongkong International Seventh is wholly owned by Neusoft Holdings through various intermediary entities, Neusoft Holdings was deemed to have an interest in an aggregate of 171,848,305 Shares of our Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh by virtue of the SFO.

Neusoft Holdings is a Sino-foreign joint venture with limited liability incorporated in the PRC. As of the end of the Reporting Period, Dalian Kang Ruidao Management Consulting Centre (Limited Partnership) (大連康睿道管理諮詢中心(有限合夥)) (“**Dalian Kang Ruidao Management**”) was the single largest shareholder of Neusoft Holdings, holding 29.65% of its total shares. Neusoft Thinking Technology, the fourth largest shareholder of Neusoft Holdings, held approximately 10.82% of its total shares. Dalian Kang Ruidao Management held 99% of the total shares of Neusoft Thinking Technology. Therefore, Dalian Kang Ruidao Management effectively controlled approximately 40.47% of the total shares of Neusoft Holdings. By virtue of the SFO, Dalian Kang Ruidao Management was deemed to be interested in the Shares of the Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh, which are wholly-owned subsidiaries of Neusoft Holdings.

Dalian Kang Ruidao Management is a limited partnership incorporated in the PRC. As of the end of the Reporting Period, Tianjin Zengdao Management Consultancy Center (Limited Partnership) (天津增道管理諮詢中心(有限合夥)) (“**Tianjin Zengdao**”) held 38.62% of the capital contribution by Dalian Kang Ruidao Management. Shenyang Kang Ruidao Consulting Co., Ltd. (瀋陽康睿道諮詢有限公司) (“**Shenyang Kang Ruidao**”) was the managing partner of both Dalian Kang Ruidao Management and Tianjin Zengdao. Dr. Liu was the representative of managing partner designated by Shenyang Kang Ruidao to Dalian Kang Ruidao Management, and he also held 64.23% partnership interest of Tianjin Zengdao and 60% equity interest in Shenyang Kang Ruidao. Kang Ruidao International Investment Inc. (“**Kang Ruidao International Investment**”) directly holds 21,404,000 Shares of the Company, and Dr. Liu holds 34.76% interest in Kang Ruidao International Investment through his wholly-owned company, Kang Ruidao Education First Investments Ltd. (康睿道教育第一投資有限公司). By virtue of the SFO, Dr. Liu was deemed to be interested in the Shares of the Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh (which are wholly-owned subsidiaries of Neusoft Holdings), and Kang Ruidao International Investment.

Other Information

- (3) 21,004,500 Shares of our Company were held by KangRich, which is wholly owned by Beijing Kangji Management Consulting Partnership (Limited Partnership)* (北京康驤管理諮詢合夥企業(有限合夥)) (“**Beijing Kangji**”). The general partner of Beijing Kangji is Shenyang Ruiqian Business Consulting Co., Ltd.* (瀋陽睿前商務諮詢有限公司) (“**Shenyang Ruiqian**”), which is held as to 50% by Ms. Zong Wenhong, the Company’s executive Director and chief executive officer, and 50% by Dr. Wang Nan, the Company’s non-executive Director, and the limited partners of Beijing Kangji are the five limited partners each holding 19.9975% interest in Beijing Kangji (“**Five LPs of Kangji**”). Shenyang Ruiqian is interested in 0.02% in Beijing Kangji. As of June 30, 2025, the partners of the Five LPs of Kangji are 96 in total (including former employees of the Company), including Ms. Zong Wenhong, the Company’s executive Director and chief executive officer. None of the 96 persons is entitled to significant economic interests in the Five LPs of Kangji. Such 21,004,500 Shares held by KangRich were issued pursuant to the 2016 RSU Scheme of the Company adopted in August 2016 for the benefit of its employees. As of the date of this interim report, all the underlying restricted share units under the 2016 RSU Scheme have been exercised by its grantees, and held by KangRich as the shareholding platform on behalf of these employees and former employees. As such, the 2016 RSU Scheme has come to an end and ceased to be effective. Since each of Ms. Zong Wenhong and Dr. Wang Nan is able to control 50% of the voting power in Shenyang Ruiqian, which is the general partner of Beijing Kangji, Ms. Zong Wenhong and Dr. Wang Nan are deemed to be interested in the 21,004,500 Shares held by KangRich by virtue of the SFO.
- (4) As of the end of the Reporting Period, Ms. Zong Wenhong has been granted 10,500,000 share options under the Pre-IPO SOS and 4,000,000 share options under the Post-IPO SOS. Furthermore, Ms. Zong Wenhong was granted an additional 5,000,000 share options on July 21, 2025.
- (5) (L) denotes a long position.

Save as disclosed herein, as at June 30, 2025, none of the Directors or the chief executives of the Company held or was deemed to hold any interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO; or (c) to be otherwise notified to our Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF OUR COMPANY

So far as the Directors or chief executives of our Company are aware, as at June 30, 2025, the following persons (other than the Directors or chief executives of our Company) had interests and/or short positions in the Shares or underlying Shares of our Company which shall be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept pursuant to Section 336 of the SFO or had otherwise notified to the Company:

Name of Shareholder	Nature of Interest	Number of Shares Held	Approximate Percentage of Interest in our Company ⁽¹⁾
Neusoft (HK) ⁽²⁾	Beneficial interest	206,206,710(L)	24.49%
Smartwave ⁽³⁾	Beneficial interest	81,364,000(L)	9.66%
Dongkong International Fifth ⁽³⁾	Beneficial interest	68,384,305(L)	8.12%
PICC P&C	Beneficial interest	101,653,000(L)	12.07%
Kingset Ventures	Beneficial interest	86,700,000(L)	10.30%
First Care ⁽⁴⁾	Beneficial interest	64,728,790(L)	7.69%
Syn Invest ⁽⁵⁾	Beneficial interest	42,500,000(L)	5.05%

* For identification purpose only

Other Information

Notes:

- (1) The table above is calculated on the basis of a total of 841,876,805 Shares as at the end of the Reporting Period.
- (2) Neusoft (HK) directly held 206,206,710 Shares of our Company. Neusoft (HK) was a wholly-owned subsidiary of Neusoft Corporation. By virtue of the SFO, Neusoft Corporation was deemed to have an interest in the Shares held by Neusoft (HK).
- (3) Smartwave, Dongkong International Fifth and Dongkong International Seventh directly held 81,364,000 Shares, 68,384,305 Shares and 22,100,000 Shares of our Company, respectively, in an aggregate of 171,848,305 Shares. Since each of Smartwave, Dongkong International Fifth and Dongkong International Seventh is wholly owned by Neusoft Holdings through various intermediary entities, Neusoft Holdings was deemed to have an interest in an aggregate of 171,848,305 Shares of our Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh by virtue of the SFO.

Neusoft Holdings is a Sino-foreign joint venture with limited liability incorporated in the PRC. Dalian Kang Ruidao Management was the single largest shareholder of Neusoft Holdings, holding 29.65% of its total shares. Neusoft Thinking Technology, the fourth largest shareholder of Neusoft Holdings, held approximately 10.82% of its total shares. Dalian Kang Ruidao Management held 99% of the total shares of Neusoft Thinking Technology. Therefore, Dalian Kang Ruidao Management effectively controlled approximately 40.47% of the total shares of Neusoft Holdings. By virtue of the SFO, Dalian Kang Ruidao Management was deemed to be interested in the Shares of the Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh, which are wholly-owned subsidiaries of Neusoft Holdings.

Dalian Kang Ruidao Management is a limited partnership incorporated in the PRC. As of the end of the Reporting Period, Tianjin Zengdao held 38.62% of the capital contribution by Dalian Kang Ruidao Management. Shenyang Kang Ruidao was the managing partner of both Dalian Kang Ruidao Management and Tianjin Zengdao. Dr. Liu (the Chairman and non-executive Director of the Company) was the representative of managing partner designated by Shenyang Kang Ruidao to Dalian Kang Ruidao Management, and he also held 64.23% partnership interest of Tianjin Zengdao and 60% equity interest in Shenyang Kang Ruidao. By virtue of the SFO, Shenyang Kang Ruidao, Tianjin Zengdao and Dr. Liu were deemed to be interested in the Shares of the Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh, which are wholly-owned subsidiaries of Neusoft Holdings.

- (4) First Care is owned as to 70% by Suzhou 6 Dimensions Venture Capital Partnership L.P.* (蘇州通和毓承投資合夥企業(有限合夥)) (“**Suzhou 6 Dimensions**”) and 30% by Suzhou Frontline BioVentures Venture Capital Fund II L.P.* (蘇州通和二期創業投資合夥企業(有限合夥)) (“**Suzhou Frontline II**”). Suzhou 6 Dimensions is controlled by its general partner, Suzhou Tongyu Investment Management Partnership (Limited Partnership) (蘇州通毓投資管理合夥企業(有限合夥)) (“**Suzhou Tongyu**”). Suzhou Frontline II is controlled by its general partner, Suzhou Fuyan Venture Capital Management Partnership (Limited Partnership)* (蘇州富沿創業投資管理合夥企業(有限合夥)) (“**Suzhou Fuyan**”). Both of Suzhou Tongyu and Suzhou Fuyan are in turn controlled by Suzhou Yunchang Investment Consulting Co., Ltd.* (蘇州蘊長投資諮詢有限公司) (“**Suzhou Yunchang**”), a company fully owned by Ms. Zhang Qiping. By virtue of the SFO, Suzhou 6 Dimensions, Suzhou Frontline II, Suzhou Tongyu, Suzhou Fuyan, Suzhou Yunchang and Ms. Zhang Qiping were deemed to be interested in the Shares of the Company held by First Care.
- (5) Syn Invest is wholly owned by Shenzhen Synergetic Hechuang Investment Management Partnership (Limited Partnership)* (深圳市協同禾創投資管理合夥企業(有限合夥)) (“**Synergetic Hechuang**”). Synergetic Hechuang is managed by Synergetic Innovation Fund Management Co., Ltd.* (協同創新基金管理有限公司) (“**SIFMC**”) and owned as to 80% by Shanghai Gopher Xinmian Investment Center (Limited Partnership)* (上海歌斐信勉投資中心(有限合夥)) (“**Shanghai Gopher Xinmian**”). SIFMC and Synergetic Hechuang are ultimately beneficially owned by Dr. Li Wanshou, and Shanghai Gopher Xinmian is controlled by Ms. Wang Jingbo. By virtue of the SFO, Synergetic Hechuang, SIFMC, Dr. Li Wanshou, Shanghai Gopher Xinmian and Ms. Wang Jingbo were deemed to be interested in the Shares of the Company held by Syn Invest.
- (6) (L) denotes a long position.

Save as disclosed herein, as at June 30, 2025, there is no other person known to the Directors or chief executive of our Company who, as at June 30, 2025, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 under Part XV of the SFO or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

* For identification purpose only

SHARE OPTION SCHEMES

1. Pre-IPO SOS

(1) Overview

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme, as amended from time to time, as adopted by the Board on March 29, 2019. All the options under the Pre-IPO SOS ("**Pre-IPO SOS Options**") have been granted in full.

(2) Purpose

For the purpose of achieving strategic goals and fueling the development of our Company, by providing participants with the opportunity to acquire proprietary interests in the Company, the Pre-IPO SOS is expected to encourage the participants to enhance their enthusiasm, sense of responsibility and sense of mission while working, and thereby coordinate interests of our employees with the interests of our Company.

(3) Administration

The Pre-IPO SOS will be administered by the Board and its designated human resource department, and the decision of the Board will be final and binding on all parties.

(4) Participants in the Pre-IPO SOS

The eligible participants in the Pre-IPO SOS ("**Pre-IPO SOS Participants**") include, among others, directors, senior management, core members of our Group joined or proposed to join our Group and any other persons as the Board may deem appropriate, subject to the following conditions:

- (a) having been working in our Group for no less than one year;
- (b) having achieved the performance standards as required by the Board; or
- (c) having met the assessment criteria for the grant of Pre-IPO SOS Options as stipulated by the Board.

Subject to approval by our chief executive officer and annual report to our Board, our vice presidents may propose to grant Pre-IPO SOS Options to special participants who fail to satisfy aforesaid requirements (a) or (b), but have made outstanding contributions to our Company or are introduced into our Company as talents. The total Shares granted to these special participants shall not exceed 10% of the total number of Shares that may be issued under this Pre-IPO SOS.

(5) Maximum number of Shares

The total number of Pre-IPO SOS Shares shall be no more than 81,600,000 Shares, representing approximately 9.69% of the total issued share capital (excluding treasury shares) of the Company as at the end of the Reporting Period.

There is no maximum entitlement for each participant under the Pre-IPO SOS.

(6) Duration of Pre-IPO SOS

The Pre-IPO SOS commenced on January 1, 2020 as the first grant date determined by the Board and shall continue in effect for a term of ten years, unless being terminated by the Board in advance of its expiry. As at the date of this report, the remaining life of the Pre-IPO SOS is approximately 4 years.

Other Information

(7) Grant of Pre-IPO SOS Options

The Board will, subject to the performance of our Company, review and determine in each year whether Pre-IPO SOS Options shall be granted.

The grant, vesting and exercise of Pre-IPO SOS Options shall comply with the provisions of the Pre-IPO SOS, the relevant resolutions as passed by the Board and the requirements of applicable laws.

No consideration was required to be paid at the acceptance of the Pre-IPO SOS Options.

(8) Rights attached to Pre-IPO SOS Options and Pre-IPO SOS Shares

A Pre-IPO SOS Participant is not entitled to any right of dividend, voting right or other shareholder's interest or right in respect of any Pre-IPO SOS Options or Pre-IPO SOS Shares before exercise of the Pre-IPO SOS Options and the completion of the registration of the Pre-IPO SOS Participant as a Shareholder of our Company.

(9) Rights are personal to the grantee

A Pre-IPO SOS Option is personal to the grantee and no grantee shall in any way sell, pledge, transfer, mortgage, assign or dispose of any Pre-IPO SOS Option subject to approval of our Board and stipulation in the grant letter. If any Pre-IPO SOS Options are disposed of in breach of the scheme rules of the Pre-IPO SOS, all Pre-IPO SOS Options (whether vested or not) held by the Pre-IPO SOS Participants will be invalidated. Without prejudice to the foregoing provisions, the provisions of Pre-IPO SOS shall be equally binding on the successor or transferee to the Pre-IPO SOS Participants.

(10) Vesting Schedule

Unless otherwise determined by the Board, the Pre-IPO SOS Options granted will be vested in three years upon (A) fulfilment of conditions set in the terms of the Pre-IPO SOS and the relevant grant letter as well as (B) the achievement of performance targets as determined by the Board. The first vesting date will be on the first anniversary of the date of grant of Pre-IPO SOS Options ("**Grant Date**").

(11) Exercise of Pre-IPO SOS Options

Exercise Price

The initial exercise price for Pre-IPO SOS Options shall be US\$2.94 per Share (upon completion of the share subdivision on the Listing Date: US\$0.588 per share), subject to further adjustment as specified by the Board in the grant letter to the participants and by reference of the market practice and the current value of the Shares. The exercise price was determined with reference to the share price in the latest round of financing prior to the grant date multiplied by a discount.

Exercise Period

Unless otherwise provided in the terms of the Pre-IPO SOS, the validity period of the Pre-IPO SOS Options granted under the Scheme shall be 10 years commencing from the Grant Date. All unexercised Pre-IPO SOS Options shall be terminated and invalidated after the validity period has lapsed.

Exercise of Options

Grantees may exercise the Pre-IPO SOS Options in whole or in part by submitting (i) the Application for the Exercise of Option Incentive 《期權激勵行權申請書》 to our Company pursuant to the terms of this Pre-IPO SOS and the grant letter and (ii) any other documents as required by the Board. Each application must be accompanied by a remittance for the aggregate amount of the exercise price multiplied by the number of Shares in respect of which the application is submitted for.

Other Information

(12) Adjustment

If our Company conducts capitalization from capital public reserve, scrip issue, share subdivision, allotment, share split or similar transactions affecting the Shares, leading to an increase or decrease in the number of issued Shares, the Board shall have the sole discretion to adjust the number, price and other aspects of the Pre-IPO SOS Options. The Board shall notify Pre-IPO SOS Participants in due course after such adjustment has been made.

(13) Details of the Pre-IPO SOS Options granted under the Pre-IPO SOS

As of June 30, 2025, the options granted to the Pre-IPO SOS Participants under the Pre-IPO SOS amounted to an aggregate of 63,140,000 Shares, representing approximately 7.50% of the Shares (excluding treasury shares) as at the date of this report pursuant to the Pre-IPO SOS, and all these options remain unexercised.

As of June 30, 2025, 311 Grantees (excluding those whose options have lapsed due to cessation of employment) have been granted options under the Pre-IPO SOS in respect of the Pre-IPO SOS Shares. As of January 1, 2025 and June 30, 2025, the number of options available for grant under the scheme mandate of the Pre-IPO SOS was 10,164,700 shares and 18,460,000 shares, respectively (including lapsed portions, which will not be re-granted).

Director, senior management and other employees

As at June 30, 2025, details of our Director, members of senior management and other employees who were granted Pre-IPO SOS Options are set out as follows:

Name of the grantees	Position held in our Group	Grant date	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting Period	Exercise price (USD/Share)
<i>Director</i>										
Ms. ZONG Wenhong	Executive Director and the chief executive officer	January 1, 2020	2,500,000	0	0	0	0	2,500,000	3 years from the Grant Date	0.588
		January 1, 2021	5,000,000	0	0	0	0	5,000,000		
		April 1, 2023	3,000,000	0	0	0	0	3,000,000		
Employees other than Directors or senior management	/	January 1, 2020	12,192,500	0	0	0	1,425,000	10,767,500	3 years from the Grant Date	0.588
		January 1, 2021	36,509,500	0	0	0	6,079,500	30,430,000		
		July 1, 2021	4,108,300	0	0	0	478,300	3,630,000		
		April 1, 2023	8,125,000	0	0	0	312,500	7,812,500		
Total	/	/	71,435,300	0	0	0	8,295,300	63,140,000		

Notes:

- As at the end of the Reporting Period, Ms. ZONG Wenhong held a total of 10,500,000 options under the Pre-IPO SOS Options, representing 1.25% of the total issued shares (excluding treasury shares) of the Company.
- Save as disclosed above, as at the end of the Reporting Period, (i) there was no other grantees who are directors, chief executives, substantial shareholders, connected persons of the Company or their respective associates; (ii) there was no other grantee that had been granted Pre-IPO SOS Options exceeding 1% of the total number of issued shares (excluding treasury shares) and (iii) there was no related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total number of issued shares (excluding treasury shares) of the Company.
- The exercise period of the options granted under the Pre-IPO SOS is 10 years.
- The vesting of the pre-IPO share options granted is subject to the performance targets set out in the relevant grant notices.

Other Information

2. Post-IPO SOS

(1) Overview

The following is a summary of the principal terms of the Post-IPO SOS ("**Post-IPO SOS Rules**"), as conditionally adopted by the Board on May 27, 2021. The terms of the Post-IPO SOS are subject to Chapter 17 of the Listing Rules.

Application has been made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Shares which may be issued pursuant to the exercise of any Post-IPO SOS Options which may be granted under the Post-IPO SOS.

(2) Purpose

The purpose of the Post-IPO SOS is to provide incentives and rewards to participants for their contributions to, and continuing efforts to, enhance the interest of the Company.

(3) Eligibility

Those eligible to participate in the Post-IPO SOS (the "**Post-IPO Eligible Participant**") include, (i) any employee (whether full time or part time), executives or officers, and directors of any member of the Group, any entity in which any member of our Group holds an equity interest, and shall, for the purpose of the Post-IPO SOS Rules, exclude any members of the Group (the "**Invested Entity**") or any business partner; and (ii) any consultant, advisor or agent of any member of the Group, any Invested Entity or any business partner who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity.

During the Reporting Period, the Company did not grant, nor does it intend to grant any option to any consultant, advisor, service provider or agent of any business partner under the Post-IPO SOS.

(4) Exercise price

The exercise price for the Post-IPO SOS Options ("**Exercise Price**") shall be a price determined by the Board or the Chairman (as the case may be) and notified to any grantee of Post-IPO SOS Option (the "**Grantee**") and will be the highest of:

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Post-IPO Grant Date, which must be a business day;
- (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the Post-IPO Grant Date; and
- (c) the nominal value of a Share on the Post-IPO Grant Date.

(5) Offer of the Grant of an Option

The Board or the Chairman (in accordance with their respective discretion so authorized under the Post-IPO SOS) shall be entitled at any time during the operation of the Post-IPO SOS, at its/his sole and absolute discretion, to make an offer of Post-IPO SOS Options to a Post-IPO Eligible Participant by letter in such form as the Board or the Chairman (as the case may be) may from time to time determine (the "**Grant Letter**").

Other Information

(6) Acceptance of Offer

An offer of Post-IPO SOS Options shall be open for acceptance in writing given by either prepaid post, facsimile transmission, personal delivery or by electronic communication received by the Board or the Chairman (as the case may be), or any person designated by the Board or the Chairman, for such period as the Board or the Chairman (as the case may be) may determine and notified to the Grantee concerned, provided that no such offer shall be open for acceptance after the expiry of the duration of the Post-IPO SOS or after the Post-IPO SOS has been terminated in accordance with the Post-IPO SOS Rules. An offer of Post-IPO SOS Options not accepted within this period shall lapse. An offer may not be accepted unless the Grantee remains a Post-IPO Eligible Participant on acceptance. Upon acceptance of the offer of Post-IPO SOS Options, the Grantee shall pay HK\$1.00 to the Company (unless the Board resolves to waive payment at the time of grant) within the period specified in the offer, which is non-refundable and shall not be considered as a partial payment of the exercise price.

(7) Exercise of Post-IPO SOS Options

The Grant Letter issued by the Company to the relevant Post-IPO Eligible Participant shall specify details of the Post-IPO SOS Options, including the number of Shares under the Post-IPO SOS Options, the Exercise Price, the exercise period and the vesting schedule, etc.

Subject to restrictions which may be imposed by the Board or the Chairman (as the case may be), any Post-IPO SOS Options may be exercised at any time during the exercise period by the Grantee (or in the case of his death, his legal personal representatives) giving notice in writing (in such form as the Company may from time to time specify) to the Company stating that the Post-IPO SOS Options are thereby exercised and the number of Shares in respect of which it is exercised.

(8) Maximum number of Shares

The overall limit on the number of Shares that may be issued upon exercise of all options granted under the Post-IPO SOS (the “**Post-IPO SOS Options**”) shall be no more than approximately 10% of the Shares in issue (being 84,187,680 shares) on the date of the Shares commencing trading on the Stock Exchange and the date of this report (“**Post-IPO Mandate Limit**”). Post-IPO SOS Options lapsed or cancelled in accordance with the Post-IPO SOS Rules (or any other share option schemes of our Company) will not be counted for the purposes of calculating the Post-IPO Mandate Limit.

The maximum number of Shares which may be issued upon exercise of all outstanding Post-IPO SOS Option granted and yet to be exercised under the Post-IPO SOS and any other options granted and yet to be exercised under any other option scheme shall not exceed 30% of the issued share capital of our Company from time to time.

We may refresh the Post-IPO Mandate Limit at any time subject to prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Post-IPO Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the aforesaid approval to refresh the Post-IPO Mandate Limit by our Shareholders in general meeting. Post-IPO SOS Options previously granted under the Post-IPO SOS or any other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised) will not be counted for the purpose of calculating the Post-IPO Mandate Limit as refreshed.

The Company may also seek separate approval of our Shareholders in general meeting for granting options beyond the Post-IPO Mandate Limit to participants specifically identified by our Company before the aforesaid Shareholders’ meeting where such approval is sought.

Other Information

(9) Maximum entitlement of Post-IPO SOS Participants

No Post-IPO SOS Option may be granted to any Post-IPO SOS Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Post-IPO SOS Option already granted or to be granted to such Eligible Participant under the Post-IPO SOS (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such new grant exceeding 1% in aggregate of the issued share capital of the Company as at the date of such new grant ("**Post-IPO Grant Date**"). Any grant of further Post-IPO SOS Option above this limit shall be subject to the requirements provided under the Listing Rules.

(10) Performance target

The Post-IPO SOS Rules do not set out any performance targets that must be achieved before the Post-IPO SOS Options may be exercised. However, the Board may, at its sole discretion, specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the Post-IPO SOS Options can be exercised.

(11) Vesting Schedule and Exercise Period

The Board or the Chairman (as the case may be) may specify the exercise period and the vesting schedule of the Post-IPO SOS Options in the Grant Letter. Unless the Post-IPO SOS Options have been withdrawn and cancelled or been forfeited in whole or in part, the Grantee may exercise his/her rights under the Post-IPO SOS according to the vesting schedule set out in the relevant Grant Letter. The Post-IPO SOS Option must be exercised no more than ten years from the Grant Date. During the Reporting Period, the Company did not grant, nor does it intend to grant any option with a vesting period shorter than 12 months under the Post-IPO SOS.

(12) Duration

The Post-IPO SOS shall take effect upon all of the following having been satisfied:

- (i) the passing of the necessary resolution to adopt the Post-IPO SOS by the Board;
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Post-IPO SOS Options on the Stock Exchange; and
- (iii) the commencement of dealings in the Shares on the Stock Exchange.

The Post-IPO SOS shall be valid and effective for the period of ten years commencing on the date when the Post-IPO SOS takes effect (after which, no further Post-IPO SOS Options shall be offered or granted), but in all other respects the provisions of the Post-IPO SOS Rules shall remain in full force and effective to the extent necessary to give effect to the exercise of any Post-IPO Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO SOS Rules. As at the date of this report, the remaining life of the Post-IPO SOS is about eight years.

(13) Details of the Post-IPO SOS Options granted under the Post-IPO SOS

On July 15, 2024, 216 Grantees have been granted options under the Post-IPO SOS in respect of the Post-IPO SOS Shares, amounting to an aggregate of 29,465,000 Shares, representing approximately 3.50% of the Shares (excluding treasury shares) as at the end of the Reporting Period.

As at June 30, 2025, 193 Grantees have been granted options under the Post-IPO SOS in respect of the Post-IPO SOS Shares. The options granted to the Post-IPO SOS Participants under the Post-IPO SOS amounted to an aggregate of 25,473,000 Shares, representing approximately 3.03% of the Shares (excluding treasury shares) as at the end of the Reporting Period. None of these options has been vested and exercised.

As of January 1, 2025 and June 30, 2025, the options that may be granted under the scheme mandate of the Post-IPO SOS amounted to 58,222,680 Shares and 58,714,680 Shares^{Note}, respectively.

Note: Pursuant to the terms of the Post-IPO SOS, lapsed options may be re-granted; therefore, the number of shares available for grant is 58,714,680 shares (i.e., the scheme grant limit less Shares granted).

Other Information

Directors, senior management and other employees

As at June 30, 2025, details of our Directors, members of senior management and other employees who were granted Post-IPO SOS Options are set out as follows:

Name of the grantees	Position held in our Group	Grant date	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting Period	Exercise price (HK\$/ per share)
<i>Director</i>										
Ms. ZONG Wenhong	Executive Director and the chief executive officer	15/7/2024	4,000,000	0	0	0	0	4,000,000	3 years from the Grant Date	1.14
<i>Senior management</i>										
Mr. LI Ming	Vice president	15/7/2024	2,000,000	0	0	0	0	2,000,000	3 years from the Grant Date	1.14
Ms. ZHAO Shu	Joint company secretary	15/7/2024	1,000,000	0	0	0	0	1,000,000	3 years from the Grant Date	1.14
<i>Employees other than Directors or senior management</i>		15/7/2024	18,965,000	0	0	0	492,000	18,473,000	3 years from the Grant Date	1.14
Total			25,965,000	0	0	0	492,000	25,473,000		

Notes:

- In respect of the 29,465,000 options granted on July 15, 2024, the closing price of the underlying shares immediately preceding the grant date of the share options (i.e., July 12, 2024) was HK\$1.18 per share. The fair value of the relevant options at the grant date was HK\$0.54 per share; the accounting standards and policies adopted are set out in Note 2.4 to the financial report in the 2024 Annual Report of the Company dated April 29, 2025.
- Save as disclosed above, as at the end of the Reporting Period, (i) there was no other grantees who are directors, chief executives, substantial shareholders, or their respective associates of the Company; (ii) there was no other grantee that had been granted Post-IPO SOS Options exceeding 1% of the total number of issued shares (excluding treasury shares) and (iii) there was no related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total number of issued shares (excluding treasury shares) of the Company.
- The exercise period of the options granted under the Post-IPO SOS is 10 years.
- The vesting of the Post-IPO share options granted is subject to the performance targets set out in the relevant grant notices. These targets are formulated with reference to, including but without limitation, the Company's relevant financial metrics and business-related indicators. The Company has established an assessment mechanism that sets individualized performance indicators according to the roles and responsibilities of each director or employee. Such indicators encompass, but are not limited to, the quality, efficiency, and collaboration of work, as well as managerial proficiency and strategic achievement. Only when the Company's assessment confirms that the prescribed vesting conditions have been satisfied will the options scheduled to vest in the relevant period actually vest.

As at the end of the Reporting Period, a total of 88,613,000 shares were available for issuance for options granted under all of the Company's share schemes, representing 10.53% of the weighted average number of shares in issue (excluding treasury shares) during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this report, as of the end of the Reporting Period, our Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Other Information

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On September 28, 2023, the Shares of our Company were listed on the Main Board of the Stock Exchange, with a total of 133,805,500 Shares issued at an offer price of HK\$4.76. The net proceeds from the Global Offering, after deducting the underwriting commissions and other offering expenses payable by us in connection with the Global Offering, were approximately HK\$554.5 million (the over-allotment option was not exercised), which will be used in accordance with the use of proceeds as disclosed in the prospectus from the Listing Date as follows:

- approximately 30% of the net proceeds, for expansion of city-specific cloud hospital platforms to enlarge our medical networks and user base;
- approximately 25% of the net proceeds, for enriching our offerings across the industry value chain to provide more professional and diversified healthcare services;
- approximately 25% of the net proceeds, for research and development on technology infrastructure and data capabilities. We plan to continually improve the technology infrastructure of our platforms and our data processing and security capabilities;
- approximately 10% of the net proceeds, for potential mergers and acquisitions opportunities; and
- approximately 10% of the net proceeds, for working capital and other general corporate purposes.

As of June 30, 2025, the Group's use of the net proceeds is set out in the table below:

Purpose of use	% of use of proceeds	Net proceeds (HK\$ million)	Unutilized	Utilized	Unutilized	Expected timeline of full utilisation
			amount as at January 1, 2025 (HK\$ million)	amount for the six months ended June 30, 2025 (HK\$ million)	amount as at June 30, 2025 (HK\$ million)	
Expansion of city-specific cloud hospital platforms to enlarge our medical networks and user base	30%	166.3	150.1	13.9	136.2	By December 31, 2028
Enriching our offerings across the industry value chain to provide more professional and diversified healthcare services	25%	138.6	128.5	6.4	122.1	By December 31, 2028
Research and development on technology infrastructure and data capabilities	25%	138.6	117.7	19.7	98.0	By December 31, 2028
Potential mergers and acquisitions opportunities	10%	55.5	55.5	0.0	55.5	By December 31, 2028
Working capital and other general corporate purposes	10%	55.5	44.7	7.7	37.0	By December 31, 2028

Other Information

In order to improve the fund utilization efficiency, reasonably utilize the temporarily idle Proceeds, realize value preservation and appreciation of the Proceeds, and protect the interest of shareholders of the Company, the Board respectively resolved on June 13, 2024 and 2025 that, without prejudice to the normal operating activities of the Company, the Proceeds that are expected to remain idle for more than one year are intended to be used in proper purchases of wealth management products that feature high security, sound liquidity, and can be redeemed at any time, and the amount shall be no more than US\$40 million (the equivalent of approximately HK\$312.4 million and HK\$314.0 million, respectively, calculated based on the exchange rate published by the People's Bank of China as at the date of relevant Board meeting), for cash management purpose. Such amount can be utilized on a rolling basis within 12 months from the date of the relevant Board's resolution. The return from cash management is accounted to the Company, which will not affect in substance the normal use of the Proceeds in accordance with the intended purposes as disclosed in the Prospectus and the normal operations of the Company. The Board believes that cash management is in the interest of the Company and its shareholders as a whole.

The subscription of wealth management products pursuant to the aforementioned amount may constitute a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A of the Listing Rules in the future, the Company has complied and will continue to comply with the relevant requirements under the Listing Rules.

MATERIAL LITIGATION

Our Company was not involved in any material litigation or arbitration during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE

During the Reporting Period, our Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions.

Having made specific enquiries to all of the Directors, all Directors confirmed that they have fully complied with all relevant requirements set out in the Model Code during the Reporting Period and up to the date of this report.

The Company has also developed and implemented policies and procedures relating to the disclosure of information (including but not limited to the disclosure of inside information), including monitoring potential inside information, ensuring rapid identification of and assessment to relevant facts and circumstances that may have material impacts on the share price of the Company, and submitting relevant matters to the attention of the Board, if necessary, to determine whether a disclosure is needed. Directors, senior management and relevant employees in possession of inside information or potential inside information are required to take reasonable steps to preserve confidentiality and to ensure that its recipients recognize their obligations to maintain confidentiality.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules as the basis for the Company's corporate governance practices since the Listing Date. The Company is committed to implementing the best corporate governance practices.

The Company has complied with the code provisions under the CG Code during the Reporting Period.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

On April 18, 2025, Dr. Chen Lianying has tendered his resignation as a non-executive Director, a member of the Audit Committee, and a member of the Strategy Committee of the Company, with effect from April 18, 2025 due to other work arrangements. Independent non-executive Director Dr. Qi Guoxian has been appointed as a member of the Audit Committee on the same date. For details, please refer to the Company's announcement dated April 18, 2025.

Other Information

On April 25, 2025, Dr. Liu Jiren, Chairman and non-executive Director of the Company, resigned as chairman of Neusoft Corporation and continued to perform his duties as a director of Neusoft Corporation. At the same time, the board of directors of Neusoft Corporation appointed Dr. Liu Jiren as the honorary chairman of Neusoft Corporation.

Save as disclosed above, as of the date of this report, there are no changes in the information of Directors and chief executives which are required to be disclosed under Rule 13.51B(1) of the Listing Rules.

ADOPTION OF THE NINTH AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

During the Reporting Period, the Company amended and restated its Memorandum and Articles of Association to (i) update the original Eighth Amended and Restated Memorandum and Articles of Association to comply with the relevant amendments to the Listing Rules regarding the expansion of the paperless listing regime; and (ii) make minor adjustments and other corresponding and housekeeping amendments in accordance with applicable laws in the Cayman Islands. The Ninth Amended and Restated Memorandum and Articles of Association have become effective on May 22, 2025.

EVENTS AFTER THE REPORTING PERIOD

On July 21, 2025, pursuant to the Post-IPO SOS, the Company granted an aggregate of 28,990,000 options to 236 eligible participants (the “**Grantees**”) to subscribe for the ordinary Shares with a par value of US\$0.0002 each in the share capital of the Company. Among the Grantees, Ms. Zong Wenhong, executive Director and chief executive officer of the Company, was granted 5,000,000 options. The remaining grantees are employees of the Company. The exercise price of the options granted was HK\$0.904.

For details, please refer to the announcement of the Company dated July 21, 2025.

REVIEW OF INTERIM REPORT BY THE AUDIT COMMITTEE OF OUR COMPANY

The audit committee of our Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Dr. Chen Yan, Dr. Qi Guoxian and Dr. Yin Guisheng. Dr. Chen Yan is the chairwoman of the Audit Committee. The Audit Committee of our Company has reviewed and approved the unaudited interim results and the interim report of our Company for the six months ended June 30, 2025.

REVIEW OF INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim financial information of our Company for the six months ended June 30, 2025 has been reviewed by the auditor of our Company, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to our Company and to the knowledge of the Directors of our Company, during the Reporting Period, our Company has maintained sufficient public float as required by the Listing Rules.

APPRECIATION

Our Company would like to express its appreciation to all the staff for their outstanding contribution towards our overall development. The Board wishes to sincerely thank the management for their dedication and diligence, which are the key factors for our Company to maintain its success in the future. Also, our Company wishes to extend its gratitude for the continued support from its shareholders, customers, and business partners. Our Company will continue to deliver sustainable business development, so as to create more value for all its shareholders.

Independent Review Report



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To the board of directors of Xikang Cloud Hospital Holdings Inc.

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 34 to 61, which comprises the condensed consolidated statement of financial position of Xikang Cloud Hospital Holdings Inc. (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong
27 August 2025

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	178,605	179,214
Cost of sales		(139,292)	(136,658)
Gross profit		39,313	42,556
Selling and distribution expenses		(31,008)	(37,345)
Research and development expenses		(19,570)	(21,270)
Administrative expenses		(43,268)	(43,727)
Reversal of impairment losses/(impairment losses) on financial and contract assets, net		7,781	(3,619)
Other income	4	3,293	12,831
Other expenses		(866)	–
Other gains, net		4,921	417
Finance income	6	5,715	8,498
Finance costs	6	(11,933)	(14,041)
Share of losses of associates		(4,670)	(4,927)
LOSS BEFORE TAX	5	(50,292)	(60,627)
Income tax credit	7	317	143
LOSS FOR THE PERIOD		(49,975)	(60,484)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods			
Exchange differences:			
Exchange differences on translation of a foreign operation		165	(622)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		165	(622)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of the Company's financial statements into presentation currency		(2,741)	4,758
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		(2,741)	4,758
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF INCOME TAX		(2,576)	4,136
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(52,551)	(56,348)

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss attributable to:			
Owners of the parent		(48,886)	(59,559)
Non-controlling interests		(1,089)	(925)
		(49,975)	(60,484)
Total comprehensive loss attributable to:			
Owners of the parent		(51,462)	(55,423)
Non-controlling interests		(1,089)	(925)
		(52,551)	(56,348)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	8		
Basic and diluted (RMB)		(0.06)	(0.07)

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	28,218	31,684
Right-of-use assets	10	53,430	60,689
Intangible assets		2,639	2,532
Investments in associates	11	85,330	169,559
Equity investments designated at fair value through other comprehensive income	12	54,018	–
Long-term trade receivables	13	3,314	5,860
Other receivables	14	2,982	3,251
Prepayments		326	–
Deferred tax assets		7,918	6,950
Total non-current assets		238,175	280,525
CURRENT ASSETS			
Inventories		20,649	17,268
Assets recognised from costs to fulfil contracts		7,826	6,000
Trade receivables	15	87,799	101,974
Contract assets		5,532	6,217
Prepayments		6,560	7,557
Other receivables	14	65,608	35,309
Other current assets	16	6,547	7,873
Financial assets at fair value through profit or loss	17	181,167	36,842
Restricted deposits		–	12
Cash and cash equivalents		490,789	760,857
Total current assets		872,477	979,909
CURRENT LIABILITIES			
Trade payables	18	162,721	201,137
Contract liabilities		31,814	29,013
Other payables and accruals		47,645	63,923
Interest-bearing bank borrowings	19	463,606	510,305
Lease liabilities		24,270	24,326
Tax payables		1,028	2,660
Other current liabilities		76	66
Total current liabilities		731,160	831,430
NET CURRENT ASSETS		141,317	148,479
TOTAL ASSETS LESS CURRENT LIABILITIES		379,492	429,004

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Contract liabilities	15,374	14,145
Lease liabilities	32,966	39,839
Deferred income	4,420	4,420
Deferred tax liabilities	1,840	2,478
Total non-current liabilities	54,600	60,882
Net assets	324,892	368,122
EQUITY		
Equity attributable to owners of the parent		
Share capital	1,125	1,125
Share premium	2,543,431	2,543,431
Reserves	367,035	359,083
Accumulated losses	(2,589,216)	(2,540,330)
	322,375	363,309
Non-controlling interests	2,517	4,813
Total equity	324,892	368,122

Liu Jiren
Director

Zong Wenhong
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Reserves	Accumulated losses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 (audited)	1,125	2,543,431	359,083	(2,540,330)	363,309	4,813	368,122
Loss for the period	–	–	–	(48,886)	(48,886)	(1,089)	(49,975)
Other comprehensive loss for the period:							
Exchange differences	–	–	(2,576)	–	(2,576)	–	(2,576)
Total comprehensive loss for the period	–	–	(2,576)	(48,886)	(51,462)	(1,089)	(52,551)
Acquisition of non-controlling interests	–	–	(1,038)	–	(1,038)	(1,212)	(2,250)
Share-based compensation	–	–	11,566	–	11,566	5	11,571
At 30 June 2025 (unaudited)	1,125	2,543,431	367,035	(2,589,216)	322,375	2,517	324,892
At 31 December 2023 (audited)	1,125	2,543,431	340,865	(2,457,277)	428,144	5,589	433,733
Loss for the period	–	–	–	(59,559)	(59,559)	(925)	(60,484)
Other comprehensive income for the period:							
Exchange differences	–	–	4,136	–	4,136	–	4,136
Total comprehensive loss for the period	–	–	4,136	(59,559)	(55,423)	(925)	(56,348)
Share-based compensation	–	–	9,184	–	9,184	(2)	9,182
At 30 June 2024 (unaudited)	1,125	2,543,431	354,185	(2,516,836)	381,905	4,662	386,567

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	20	(52,376)	(66,726)
Interest received		5,336	8,128
Income taxes paid		(2,921)	(5,708)
Net cash flows used in operating activities		(49,961)	(64,306)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases for property, plant and equipment		(4,062)	(4,352)
Proceeds from disposal of property, plant and equipment		117	69
Purchase of wealth management products		(394,999)	(174,700)
Proceeds from disposal of wealth management products		251,427	172,464
Net cash flows used in investing activities		(147,517)	(6,519)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		243,990	50,000
Repayments of bank borrowings		(290,750)	(49,840)
Acquisition of non-controlling interests		(2,250)	–
Payments for interest		(10,445)	(12,080)
Payments of lease liabilities		(11,326)	(15,269)
Payments for lease deposits		(25)	–
Payments of listing expenses		(37)	(6,594)
Net cash flows used in financing activities		(70,843)	(33,783)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(268,321)	(104,608)
Cash and cash equivalents at the beginning of the period		760,857	676,794
Effects of exchange rate changes on cash and cash equivalents		(1,747)	3,744
CASH AND CASH EQUIVALENTS AT END OF PERIOD		490,789	575,930
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		490,789	576,163
Less: Restricted deposits		–	(233)
Cash and cash equivalents as stated in the consolidated statements of financial position and cash flows		490,789	575,930

Notes to the Interim Condensed Consolidated Financial Information

1. GENERAL INFORMATION

Xikang Cloud Hospital Holdings Inc. (the “**Company**”) was incorporated in the Cayman Islands on 12 May 2011 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company, an investment holding company, and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of the following services: (i) medical services; (ii) nursing services; and (iii) health management services in the People’s Republic of China (the “**PRC**”).

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with 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 annual consolidated financial statements for the year ended 31 December 2024.

The Company does not have legal ownership in the equity of certain entities. However, under certain contractual agreements (including power of attorney agreement, loan agreement, equity option agreement, equity interest pledge agreement and exclusive technical consulting and services agreement) entered into with the registered owners of the entities, the Company through its indirectly wholly-owned subsidiary controls the entities by way of controlling the voting rights, governing the financial and operating policies, appointing or removing the majority of the members of their controlling authorities, and casting the majority of votes at meetings of such authorities. In addition, such contractual agreements also transfer the risks and rewards of the entities to the Group’s indirect wholly-owned subsidiary. As a result, the entities are treated as subsidiaries of the Company and their financial statements have been consolidated by the Company.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and the impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2025	Medical services RMB'000 (Unaudited)	Nursing services RMB'000 (Unaudited)	Health management services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment information (note 4)				
Sales to external customers	69,827	34,624	74,154	178,605
Cost of sales	(60,521)	(28,023)	(50,748)	(139,292)
Segment gross profit	9,306	6,601	23,406	39,313
<i>Reconciliation:</i>				
Selling and distribution expenses				(31,008)
Research and development expenses				(19,570)
Administrative expenses				(43,268)
Reversal of impairment losses on financial and contract assets, net				7,781
Other income				3,293
Other expenses				(866)
Other gains, net				4,921
Finance income				5,715
Finance costs				(11,933)
Share of losses of associates				(4,670)
Loss before tax				(50,292)
Six months ended 30 June 2024				
Segment information (note 4)				
Sales to external customers	87,615	24,478	67,121	179,214
Cost of sales	(72,079)	(17,955)	(46,624)	(136,658)
Segment gross profit	15,536	6,523	20,497	42,556
<i>Reconciliation:</i>				
Selling and distribution expenses				(37,345)
Research and development expenses				(21,270)
Administrative expenses				(43,727)
Impairment losses on financial and contract assets, net				(3,619)
Other income				12,831
Other gains, net				417
Finance income				8,498
Finance costs				(14,041)
Share of losses of associates				(4,927)
Loss before tax				(60,627)

Notes to the Interim Condensed Consolidated Financial Information

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	178,605	179,214

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2025

Segments	Medical services RMB'000 (Unaudited)	Nursing services RMB'000 (Unaudited)	Health management services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Geographical market				
Mainland China	69,827	34,624	74,154	178,605
Timing of revenue recognition				
Recognised at a point in time	67,210	34,500	74,009	175,719
Recognised over time	2,617	124	145	2,886
Total	69,827	34,624	74,154	178,605

Notes to the Interim Condensed Consolidated Financial Information

4. REVENUE AND OTHER INCOME (continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2024

Segments	Medical services RMB'000 (Unaudited)	Nursing services RMB'000 (Unaudited)	Health management services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Geographical market				
Mainland China	87,493	24,479	67,120	179,092
Other regions	122	–	–	122
Total	87,615	24,479	67,120	179,214
Timing of revenue recognition				
Recognised at a point in time	79,372	24,027	66,752	170,151
Recognised over time	8,243	452	368	9,063
Total	87,615	24,479	67,120	179,214

An analysis of other income is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants*	1,620	7,732
Investment return on wealth management products	1,568	4,872
Value added tax ("VAT") refund and VAT reduction	–	127
Refund of service fee for withholding individual income tax	105	91
Other items	–	9
Total	3,293	12,831

* Government grants mainly include one-time incentives for listed companies and project-based subsidies to support regional development, encourage innovation, and promote digital transformation.

Notes to the Interim Condensed Consolidated Financial Information

5. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales of hardware, software, raw materials and others	108,619	110,765
Depreciation of property, plant and equipment	4,222	4,046
Depreciation of right-of-use assets	10,442	10,824
Amortisation of intangible assets	313	344
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	58,497	66,484
Share-based compensation expenses	11,571	9,182
Social security costs and housing benefits	14,222	15,961
Other employee benefits	2,149	4,136
Total	86,439	95,763
Foreign exchange differences, net***	(275)	(527)
(Reversal of impairment of)/impairment of financial and contract assets, net:		
Impairment of/(reversal of impairment of) long-term trade receivables, net	3,346	(1,495)
(Reversal of impairment of)/impairment of trade receivables, net	(11,144)	6,892
Impairment of/(reversal of impairment of) other receivables, net	201	(1,993)
(Reversal of impairment of)/impairment of contract assets, net	(184)	215
Total	(7,781)	3,619
Impairment loss on inventories*	357	133
Service fee for purchase of wealth management products**	866	–
Fair value gains on financial assets at fair value through profit or loss, net***	(592)	(1,311)
Gain on partial disposal of equity interest in an associate***	(4,459)	–
Loss on disposal of property, plant and equipment, net***	473	758
(Gain)/loss on partial or full termination of the lease, net***	(103)	92

* These items are included in "Administrative expenses" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

** This item is included in "Other expenses" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

*** These items are included in "Other gains, net" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

Notes to the Interim Condensed Consolidated Financial Information

6. FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income	5,715	8,498
Finance costs		
Interest on bank borrowings	(10,506)	(11,945)
Interest on lease liabilities	(1,427)	(2,080)
Interest on long-term payables	–	(16)
	(11,933)	(14,041)

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

In Mainland China, the companies are subject to the PRC corporate income tax rate of 25% (for the six months ended 30 June 2024: 25%) except for one (for the six months ended 30 June 2024: One) PRC subsidiary which is entitled to a preferential tax rate of 15% because it is accredited as a High and New Technology Enterprise.

The income tax credit of the Group is analysed as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the period	1,028	306
Underprovision in prior periods	261	16
Deferred	(1,606)	(465)
Total tax credit	(317)	(143)

Notes to the Interim Condensed Consolidated Financial Information

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 841,876,805 (2024: 841,876,805) outstanding during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of loss per share is based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the loss per share calculation	(48,886)	(59,559)
	Number of shares For the six months ended 30 June	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the period used in the loss per share calculation	841,876,805	841,876,805

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at an aggregate cost of RMB1,201,000 (for the six months ended 30 June 2024: RMB4,920,000) and disposed of assets with an aggregate book value of RMB593,000 (for the six months ended 30 June 2024: RMB896,000), resulting in a net loss on disposal of RMB473,000 (for the six months ended 30 June 2024: RMB758,000).

Notes to the Interim Condensed Consolidated Financial Information

10. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group acquired assets at an aggregate cost of RMB5,426,000 (for the six months ended 30 June 2024: Nil) and partially or fully terminated assets with an aggregate book value of RMB2,243,000 (for the six months ended 30 June 2024: RMB8,180,000), resulting in a net gain of RMB103,000 (for the six months ended 30 June 2024: Net loss of RMB92,000).

11. INVESTMENTS IN ASSOCIATES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of the period	169,559	186,993
Share of losses of associates	(4,670)	(17,434)
Partial disposal of equity interest in an associate	(79,559)	–
At end of the period	85,330	169,559

On 20 May 2025, Xikang Healthcare Technology Co., Ltd. ("Xikang Technology"), which is a wholly-owned subsidiary of the Group, Neutech Group Limited and Dalian Xikang Yunshe Kang Travel Investment Management Co., Ltd. ("Dalian Yunshe") entered into an equity transfer agreement. Pursuant to the agreement, Xikang Technology agreed to transfer its 4.23% equity interest in Dalian Yunshe to Neutech Group Limited at a consideration of RMB30,000,000. In addition, Dalian Yunshe and Neutech Group Limited entered into a share subscription agreement pursuant to which they agreed to subscribe for the increased share capital of Dalian Yunshe. On 18 June 2025, the above-mentioned equity transfer and share subscription were completed. Accordingly, the Group's shareholding in Dalian Yunshe was reduced from approximately 11.83% to 7.15%. According to the latest articles of association of Dalian Yunshe, the Group no longer has the right to nominate directors to Dalian Yunshe, and hence the Group has since been unable to exercise significant influence over Dalian Yunshe, which has been reclassified as an equity investment designated at fair value through other comprehensive income since then. Pursuant to the equity transfer agreement, the consideration for the equity transfer is scheduled to be collected in a lump sum on 30 September 2025. The fair value of the remaining equity interest is determined using the recent transaction method and the gain on partial disposal of equity interest in an associate is RMB4,459,000.

Notes to the Interim Condensed Consolidated Financial Information

12. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Unlisted equity investment, at fair value		
Dalian Yunshe	54,018	–

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

13. LONG-TERM TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Long-term trade receivables	14,658	18,169
Less: Impairment	(8,002)	(4,655)
	6,656	13,514
Less: Long-term trade receivables due within one year (note 16)	(3,342)	(7,654)
Net carrying amount	3,314	5,860

The Group signed contracts with medical institutions, governments and enterprises in relation to the sale of smart healthcare products. According to the payment terms in the contracts, the total consideration for the sale of smart healthcare products will be collected within 13 months to 10 years.

Notes to the Interim Condensed Consolidated Financial Information

13. LONG-TERM TRADE RECEIVABLES (continued)

An ageing analysis of the long-term trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	–	6,202
4 months to 1 year	4,138	–
1 to 2 years (excluding 1 year)	–	370
2 to 3 years (excluding 2 years)	5,596	5,082
3 to 4 years (excluding 3 years)	4,924	6,515
	14,658	18,169
Less: Impairment	(8,002)	(4,655)
	6,656	13,514
Less: Long-term trade receivables due within one year (note 16)	(3,342)	(7,654)
Net carrying amount	3,314	5,860

14. OTHER RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current		
Deposits*	3,004	3,277
Impairment allowance	(22)	(26)
Total	2,982	3,251
Current		
Deposits*	31,464	31,133
Equity transfer receivables	45,310	15,310
Advance to staff	891	758
Others	5,648	5,595
	83,313	52,796
Impairment allowance	(17,705)	(17,487)
Total	65,608	35,309

* Deposits primarily consist of deposits for business development projects and deposits for rental.

Notes to the Interim Condensed Consolidated Financial Information

15. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	205,663	230,982
Less: Impairment	(117,864)	(129,008)
Net carrying amount	87,799	101,974

The credit terms given to trade customers are determined on an individual basis. The normal credit period of trade receivables related to comprehensive health management services (included in health management services) is mainly within 90 days, while the normal credit period of trade receivables related to medical services, nursing services and health management services (excluding comprehensive health management services) is mainly within one year. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables as at 30 June 2025 are amounts due from the Group's related parties of RMB5,429,000 (31 December 2024: RMB6,004,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	30,126	58,592
4 months to 1 year	47,189	29,035
1 to 2 years (excluding 1 year)	27,861	40,945
2 to 3 years (excluding 2 years)	34,841	45,768
3 to 4 years (excluding 3 years)	24,215	15,666
4 to 5 years (excluding 4 years)	7,034	5,162
Over 5 years	34,397	35,814
	205,663	230,982
Less: Impairment	(117,864)	(129,008)
Total	87,799	101,974

Notes to the Interim Condensed Consolidated Financial Information

15. TRADE RECEIVABLES (continued)

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of period	129,008	94,429
Impairment losses (reversed)/recognised	(11,144)	6,892
Amount written off as uncollectible	–	(526)
At end of period	117,864	100,795

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

16. OTHER CURRENT ASSETS

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Deductible input VAT	3,205	219
Long-term trade receivables within one year (note 13)	3,342	7,654
Total	6,547	7,873

Notes to the Interim Condensed Consolidated Financial Information

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Investment in wealth management products	181,167	36,842

The wealth management products were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. During the six months ended 30 June 2025, the investment return and the net fair value gain arising from wealth management products recognised in profit or loss amounted to RMB1,568,000 (for the six months ended 30 June 2024: RMB4,872,000) and RMB592,000 (for the six months ended 30 June 2024: RMB1,311,000), respectively.

18. 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:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	56,054	99,535
4 to 6 months	14,929	11,185
7 months to 1 year	28,630	16,987
1 to 2 years (excluding 1 year)	19,622	34,656
2 to 3 years (excluding 2 years)	30,166	26,528
3 to 4 years (excluding 3 years)	8,451	10,823
4 to 5 years (excluding 4 years)	3,526	916
Over 5 years	1,343	507
Total	162,721	201,137

Notes to the Interim Condensed Consolidated Financial Information

19. INTEREST-BEARING BANK BORROWINGS

	30 June 2025			31 December 2024		
	Effective Interest rate (%)	Maturity	RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	RMB'000 (Audited)
Bank loans – secured	3.20-4.00	2026	344,361	3.80-4.20	2025	180,187
Bank loans – secured	Loan Prime Rate ("LPR") +0.85&1.375	2025	89,254	LPR +0.75&0.85	2025	60,070
Current portion of long term bank loans – secured	LPR+0.93	2025	29,991	LPR+0.78&0.93	2025	150,108
Current portion of long term bank loans – unsecured	–	–	–	LPR+0.3	2025	119,940
Total			463,606			510,305

Notes:

- (a) All of the Group's borrowings are denominated in RMB.
- (b) As at 30 June 2025, the principal portion of the secured bank loans of approximately RMB390,000,000 and RMB43,140,000 were guaranteed by the Company's shareholder, Dalian Neusoft Holdings Co., Ltd. ("Neusoft Holdings") and Xikang Technology, respectively.

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Fixed interest rate	344,361	180,187
Variable interest rate	119,245	330,118
Total	463,606	510,305

Notes to the Interim Condensed Consolidated Financial Information

20. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss before tax:	(50,292)	(60,627)
Adjustments for:		
Depreciation and amortisation	14,977	15,214
Share-based compensation	11,571	9,182
Fair value gains on financial assets at fair value through profit or loss, net	(592)	(1,311)
Investment income on wealth management products	(1,568)	(4,872)
Loss on disposal of property, plant and equipment, net	473	758
(Gains)/loss on partial or full termination of leases, net	(103)	92
Gain on partial disposal of equity interest in an associate	(4,459)	–
Service fee for purchase of wealth management products	866	–
Share of losses of associates	4,670	4,927
Finance income	(5,715)	(8,498)
Finance costs	11,933	14,041
Foreign exchange gain	(275)	(527)
(Reversal of provisions)/provisions of financial and contract assets	(7,781)	3,619
	(26,295)	(28,002)
(Increase)/decrease in inventories	(6,529)	16,397
Decrease in other operating assets	28,791	39,672
Decrease in other operating liabilities	(48,343)	(94,793)
Cash used in operations	(52,376)	(66,726)

Notes to the Interim Condensed Consolidated Financial Information

21. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

		For the six months ended	
		30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
<i>Purchases of medical consumable and smart healthcare products</i>			
Neusoft Medical Systems Co., Ltd. ("Neusoft Medical") and its subsidiaries		–	582
<i>Purchases of technical services, maintenance services and other services</i>			
Neusoft Group Co., Ltd. ("Neusoft Corporation") and its subsidiaries	(i)	905	967
Neusoft Medical and its subsidiaries	(i)	–	869
		905	1,836
<i>Provision of technical services, maintenance services and other services</i>			
Neusoft Medical and its subsidiaries	(i)	–	3,791
<i>Provision of health management services</i>			
Neusoft Corporation, its subsidiaries and associates	(i)	1,650	1,456
Neusoft Holdings	(i)	191	131
Neusoft Medical, its subsidiaries and an associate	(i)	–	159
PICC Property and Casualty Company Limited ("PICC P&C") and its subsidiaries	(i)	31	32
Associate, its parent and subsidiaries	(i)	–	18
		1,872	1,796
<i>Right-of-use assets relating to the rental contracts with related parties</i>			
Neusoft Corporation and its subsidiaries	(ii)	36	–
<i>Lease expenses and property services</i>			
Neusoft Corporation and its subsidiaries	(ii)	504	453

Notes:

- (i) The purchases from the related parties and the sales and provision of services to the related parties were determined based on mutual negotiations between the relevant parties.
- (ii) The transactions with related parties for leases were determined on the basis of negotiations between the parties.

Notes to the Interim Condensed Consolidated Financial Information

21. RELATED PARTY TRANSACTIONS (continued)**(b) Other transactions with related parties:**

- (i) The Group's shareholder has guaranteed the principal of certain bank loans made to the Group of up to RMB390,000,000 (31 December 2024: RMB390,000,000) as at the end of the reporting period.
- (ii) On 20 May 2025, the Group entered into an equity transfer agreement to dispose of its partial interest in Dalian Yunshe, an associate as at 31 December 2024, to a related party. Further details of the transaction are included in note 11 to the interim condensed consolidated financial information.
- (iii) On 10 April 2025, Liaoning Xikang Healthcare Management Co., Ltd. ("Liaoning Xikang") which is a wholly-owned subsidiary of the Group and Dandong Jinxuan Hospital Co., Ltd. ("Dandong Jinxuan") entered into a share purchase agreement. Pursuant to the agreement, Dandong Jinxuan agreed to transfer its 10% equity interest in Dandong Xikang Fenghuang Clinic Co., Ltd. ("Dandong Xikang") to Liaoning Xikang at a consideration of RMB2,250,000. On 30 April 2025, the above transaction was completed. Accordingly, the Group's shareholding in Dandong Xikang increased from 60% to 70%.

(c) Outstanding balances with related parties:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables		
Neusoft Corporation, its subsidiaries and associates	5,025	5,113
Neusoft Holdings and its subsidiaries	296	743
PICC P&C and its subsidiaries	102	108
A company controlled by the Company's director	6	6
	5,429	5,970
Contract assets		
Neusoft Corporation and its subsidiaries	98	892
Other receivables		
Neusoft Holdings, its subsidiaries and an associate	30,075	–
Neusoft Corporation, its subsidiaries and associates	826	836
PICC P&C and its subsidiaries	–	188
	30,901	1,024
Prepayments		
Neusoft Corporation and its subsidiaries	84	89

Notes to the Interim Condensed Consolidated Financial Information

21. RELATED PARTY TRANSACTIONS (continued)**(c) Outstanding balances with related parties: (continued)**

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables		
Neusoft Corporation, its subsidiaries and associates	17,970	19,647
Neusoft Holdings and its subsidiaries	18	3
	17,988	19,650
Other payables		
Neusoft Holdings and its subsidiaries	7	–
PICC P&C and its subsidiaries	3	–
Neusoft Corporation and its subsidiaries	–	144
	10	144
Contract liabilities		
Neusoft Holdings, its subsidiaries and associates	443	232
PICC P&C and its subsidiaries	175	144
Neusoft Corporation, its subsidiaries and associates	97	131
Associate, its parent and subsidiaries	–	25
	715	532
Right-of-use assets		
Neusoft Corporation and its subsidiaries	6,222	7,987
Associate, its parent and subsidiaries	4,991	6,687
	11,213	14,674
Lease liabilities		
Neusoft Corporation and its subsidiaries	6,316	8,025
Associate, its parent and subsidiaries	4,386	6,695
	10,702	14,720

These balances are unsecured and interest-free.

Notes to the Interim Condensed Consolidated Financial Information

21. RELATED PARTY TRANSACTIONS (continued)**(d) Compensation of key management personnel of the Group:**

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages, salaries and bonuses	1,544	1,421
Pension costs – defined contribution plans	79	49
Other social security costs	49	22
Housing benefits	63	22
Share-based compensation	2,470	5,274
Total compensation paid to key management personnel	4,205	6,788

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Financial assets				
Equity investments designated at fair value through other comprehensive income	54,018	–	54,018	–
Long-term trade receivables	6,656	13,514	6,808	14,060
Other receivables, non-current portion	2,982	3,251	2,711	2,866
Financial assets at fair value through profit or loss	181,167	36,842	181,167	36,842
Total	244,823	53,607	244,704	53,768

Notes to the Interim Condensed Consolidated Financial Information

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the long-term trade receivables and non-current other receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2025 were assessed to be insignificant.

The fair values of wealth management products in financial assets at fair value through profit or loss have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the unlisted equity investments designated at fair value through other comprehensive income have been determined using the recent transaction method.

Below is a summary of significant unobservable input to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Equity investments designated at fair value through other comprehensive income	Recent transaction method	The latest price of financing	RMB0.92 per registered capital	5% increase/decrease in the latest price of financing would result in increase/decrease in fair value by RMB2 million
Wealth management products	Discounted cash flow valuation model	Expected rate of return	1% to 8% (31 December 2024: 12%)	5% (31 December 2024: 5%) increase/decrease in expected rate of return would result in increase/decrease in fair value by RMB5 million (31 December 2024: RMB6 million)

Notes to the Interim Condensed Consolidated Financial Information

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy**

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Equity investments designated at fair value through other comprehensive income	–	–	54,018	54,018
Financial assets at fair value through profit or loss	–	–	181,167	181,167
	–	–	235,185	235,185

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Financial assets at fair value through profit or loss	–	–	36,842	36,842

Notes to the Interim Condensed Consolidated Financial Information

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy (continued)**

The movements in fair value measurements within Level 3 during the period are as follows:

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Equity investments designated at fair value through other comprehensive income:		
At 1 January	–	–
Addition	54,018	–
At 30 June	54,018	–
Financial assets at fair value through profit or loss:		
At 1 January	36,842	144,205
Purchases	394,133	174,700
Disposal	(251,427)	(172,464)
Fair value changes recognised in profit or loss	592	1,311
Investment return recognised in profit or loss	1,568	4,872
Exchange realignment	(541)	921
At 30 June	181,167	153,545

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 and 31 December 2024.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).

23. EVENTS AFTER THE REPORTING PERIOD

On 21 July 2025, 28,990,000 share options were granted to 236 employees of the Group at a consideration of HKD0.904 per share. Under the employee incentive plan, the 236 employees are granted options which only vest if certain service and performance conditions are met.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 27 August 2025.

Definitions

In this interim report, the following expressions have the meanings set out below unless the context requires otherwise.

“2016 RSU Scheme”	a restricted share unit scheme of the Company adopted in August 2016 for the benefit of its employees
“Alps Alpine”	Alps Alpine Co., Ltd., a company established in Japan whose shares are listed on the Tokyo Stock Exchange (stock code: 6770)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board” or “Board of Directors”	the board of Directors of our Company
“BVI”	the British Virgin Islands
“Company”, “our Company”, “We” or “the Company”	Xikang Cloud Hospital Holdings Inc. (熙康雲醫院控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on May 12, 2011
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of our Company
“Dongkong International Fifth”	Dongkong International Fifth Investment Inc., a company incorporated under the laws of the BVI on June 23, 2015, and a Shareholder of our Company wholly owned by Neusoft Holdings
“Dongkong International Seventh”	Dongkong International Seventh Investment Inc., a company incorporated under the laws of the BVI on June 23, 2015, and a Shareholder of our Company wholly owned by Neusoft Holdings
“Dr. Liu”	Dr. Liu Jiren (劉積仁), the chairperson of the Board and a non-executive Director of our Company
“First Care”	First Care (第一關愛), one of our Pre-IPO Investors, a company incorporated in the Cayman Islands
“Global Offering”	the Hong Kong public offering and the international offering as described in the prospectus
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	our Company, its subsidiaries and the consolidated affiliated entities controlled through contractual arrangements (or our Company and any one or more of its subsidiaries and the consolidated affiliated entities controlled through contractual arrangements, as the context may require)

Definitions

“HK\$”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	the Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“KangRich”	KangRich Investments Limited, a company incorporated under the laws of BVI on July 8, 2015, and an employee shareholding platform and a Shareholder of our Company
“Kingset Ventures”	Kingset Ventures Limited, one of our Pre-IPO Investors, a company incorporated in the BVI
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	September 28, 2023 on which the Shares are listed on The Hong Kong Stock Exchange and from which dealings in the Shares are permitted to commence on the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Neusoft (HK)”	Neusoft (HK) Limited, a company incorporated under the laws of Hong Kong on August 25, 2000 and a Shareholder of our Company wholly-owned by Neusoft Corporation
“Neusoft Corporation”	Neusoft Corporation (東軟集團股份有限公司), a company incorporated under the laws of the PRC on June 17, 1991, which is listed on the Shanghai Stock Exchange (stock code: 600718) on June 18, 1996
“Neusoft Holdings”	Dalian Neusoft Holdings Co., Ltd. (大連東軟控股有限公司), a company incorporated under the laws of the PRC on November 15, 2011
“Noble Investment”	Noble Investment Holdings Limited, one of our Pre-IPO Investors, a company incorporated in the Cayman Islands
“PICC P&C”	PICC Property and Casualty Company Limited (中國人民財產保險股份有限公司), established in the PRC in July 2003, was listed on the Main Board of the Stock Exchange on November 6, 2003 (stock code: 02328), one of our Pre-IPO Investors and a connected person of our Company

Definitions

"Post-IPO SOS"	the share option scheme adopted by our Company on May 28, 2021, as amended or otherwise modified from time to time, and detailed in "Other Information – Share Option Schemes – 2. Post-IPO SOS" in this interim report
"PRC" or "China"	the People's Republic of China. For the purposes of this document only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
"Pre-IPO Investor(s)"	Kingset Ventures, Noble Investment, Syn Invest, PICC P&C, Alps Alpine and First Care
"Pre-IPO SOS"	the share option scheme adopted by our Company on March 29, 2019, as amended or otherwise modified from time to time, and detailed in "Other Information – Share Option Schemes – 1. Pre-IPO SOS" in this interim report
"prospectus"	the prospectus of the Company dated September 18, 2023
"province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
"Reporting Period"	the six months ended June 30, 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of US\$0.0002 each
"Share Option Scheme(s)"	Pre-IPO SOS and/or Post-IPO SOS
"Shareholder(s)"	holder(s) of our Shares
"Smartwave"	Smartwave Holdings Inc., a company incorporated under the laws of BVI on March 15, 2011, and a Shareholder of our Company wholly-owned by Neusoft Holdings
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance