



海吉亚医疗控股有限公司

Hygeia Healthcare Holdings Co., Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6078

Interim Report 2025



CONTENTS

2	Corporate Information
4	Financial Highlights
5	Corporate Profile
6	Management Discussion and Analysis
27	Corporate Governance and Other Information
37	Report on Review of Condensed Consolidated Financial Statements
38	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
39	Condensed Consolidated Statement of Financial Position
41	Condensed Consolidated Statement of Changes in Equity
42	Condensed Consolidated Statement of Cash Flows
43	Notes to the Condensed Consolidated Financial Statements
65	Definitions and Glossaries



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Zhu Yiwen (朱義文)
(Chairman and Chief Executive Officer)
Mr. Ren Ai (任愛)
Ms. Cheng Huanhuan (程歡歡)
Mr. Zhang Wenshan (張文山)
Ms. Jiang Hui (姜蕙)

Independent Non-executive Directors

Mr. Liu Yanqun (劉彥群)
(Retired on May 29, 2025)
Mr. Ye Changqing (葉長青)
Mr. Zhao Chun (趙淳)
Mr. Zhang Guozhong (張國忠)
(Appointed on May 29, 2025)

AUDIT COMMITTEE

Mr. Ye Changqing *(Chairman)*
Mr. Liu Yanqun
(Retired on May 29, 2025)
Mr. Zhao Chun
Mr. Zhang Guozhong
(Appointed on May 29, 2025)

REMUNERATION COMMITTEE

Mr. Zhao Chun *(Chairman)*
Mr. Ren Ai
Mr. Liu Yanqun
(Retired on May 29, 2025)
Mr. Zhang Guozhong
(Appointed on May 29, 2025)

NOMINATION COMMITTEE

Mr. Liu Yanqun *(Chairman)*
(Resigned on May 29, 2025)
Mr. Zhang Guozhong *(Chairman)*
(Appointed on May 29, 2025)
Mr. Ren Ai
(Stepped down on March 27, 2025)
Ms. Cheng Huanhuan
(Appointed on March 27, 2025)
Mr. Zhao Chun

JOINT COMPANY SECRETARIES

Mr. Ren Ai
Mr. Lau Kwok Yin

AUTHORIZED REPRESENTATIVES

Mr. Ren Ai
Mr. Lau Kwok Yin

REGISTERED OFFICE

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

HEADQUARTERS IN THE PRC

Unit 1605/1606
Building 1
Fuyuan Zhidi Square
38 Yuanshen Road
Pudong New Area, Shanghai
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1608, New World Tower 1
16-18 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Fiduciary (Cayman) Limited
4th floor, Harbour Place
103 South Church Street
P.O. Box 10204
Grand Cayman, KY1-1002
Cayman Islands

Corporate Information

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

China Merchants Bank Co., Ltd.
Shanghai Huaizhong Sub-branch
1/F, 18/F, Boyin International Building
No. 398 Middle Huaihai Road
Huangpu District, Shanghai
the PRC

Ping An Bank Co., Ltd.
Shanghai Sub-branch
No. 1333, Lujiazui Ring Road
Pudong New Area, Shanghai
the PRC

Bank of Communications Co., Ltd.
Shanghai Jinshan Sub-branch
No. 68 West Weiqing Road
Jinshan District, Shanghai
the PRC

China CITIC Bank Co., Ltd.
Shanghai Branch
No. 138 Shibo Guan Road,
Pudong New Area, Shanghai
the PRC

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F One Pacific Place
88 Queensway
Hong Kong

HONG KONG LEGAL ADVISOR

Fangda Partners
26/F, One Exchange Square
8 Connaught Place, Central
Hong Kong

STOCK CODE

6078

COMPANY'S WEBSITE

www.hygeia-group.com.cn



Financial Highlights

	Unaudited Six months ended June 30,		
	2025 (RMB'000)	2024 (RMB'000)	Percentage of change (%)
Operating Results			
Revenue	1,989,654	2,381,880	(16.5)
Gross profit	528,670	756,439	(30.1)
Operating profit	344,477	513,662	(32.9)
Profit before income tax	309,990	476,833	(35.0)
Net profit	245,820	385,174	(36.2)
Non-IFRS adjusted net profit ⁽¹⁾	262,503	400,590	(34.5)
Basic earnings per share (in RMB)	0.40	0.61	(34.4)

Note:

- (1) Adjustments to net profit for the six months ended June 30, 2025 include: (i) share-based compensation expenses of RMB4,279 thousand; (ii) depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals of RMB6,638 thousand; and (iii) net foreign exchange losses of RMB5,766 thousand. Adjustments to the net profit for the six months ended June 30, 2024 include: (i) share-based compensation expenses of RMB8,702 thousand; (ii) depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals of RMB6,696 thousand; and (iii) net foreign exchange losses of RMB18 thousand.

	Unaudited As of June 30, 2025 (RMB'000)	Audited As of December 31, 2024 (RMB'000)	Percentage of change (%)
Financial Position			
Total current assets	1,747,314	1,825,749	(4.3)
Total non-current assets	9,197,338	9,103,506	1.0
Total current liabilities	1,816,048	1,795,838	1.1
Total non-current liabilities	2,227,756	2,459,013	(9.4)
Total equity	6,900,848	6,674,404	3.4

Corporate Profile

As an oncology-focused healthcare group, we endeavor to make healthcare services more accessible and affordable (讓醫療更溫暖), addressing unmet demand of oncology patients in China.

Since we started our business in 2009, we have built a nationwide footprint of oncology-focused hospitals through a combination of organic growth and strategic acquisitions. As of the date of this report, we managed or operated 16 oncology-focused hospitals covering 13 cities in eight provinces in China. We believe our nationwide footprint has enabled us to benefit from network effects and synergies and achieve economies of scale, which has laid a solid foundation for our sustainable and profitable growth and future expansion into new geographic markets.

We are committed to providing one-stop comprehensive treatment services for oncology patients in non-first tier cities. There is a big gap in oncology healthcare services in China. There is a huge demand for oncology treatment in non-first-tier cities in China, but high-quality oncology treatment resources are mainly concentrated in first-tier cities. We believe that by leveraging strict quality control, high-standard diagnosis and treatment technology and considerate diagnosis and treatment services, we are able to provide services to more oncology patients.

We adhere to the development of one-stop comprehensive oncology diagnosis and treatment services, and carry out multi-disciplinary medical services centered around the core oncology business. Specifically, we provide various oncology healthcare services including radiotherapy, chemotherapy, surgery, and targeted therapy, and gradually cover cancer diagnosis, treatment, and rehabilitation, to provide full life cycle diagnosis and treatment services for oncology patients.

We expand our nationwide network through standardized management models and matrix management systems. The standardized management model supports endogenous growth, and the process from hospital construction, operation to profitability is fast. The standardized management model also supports extended growth, and the Group's strong integration capabilities have led to rapid growth in performance.

We are committed to cultivating a high-level, multi-disciplinary team of medical professionals. We continue to enrich our team through internal training and external recruitment.



Management Discussion and Analysis

BUSINESS REVIEW

The Group is a leading professional medical group in China and carries out multi-disciplinary diagnosis and treatment services centered around its core oncology business. Adhering to its corporate vision of “making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖·讓生命更健康)”, the Group has always put the interests of patients first, continuously improving its clinical diagnostic and treatment capabilities and the quality of its medical services, continually expanding the depth and breadth of its hospital network and fulfilling the growing needs of patients. As of June 30, 2025, the Group managed or operated 16 hospitals with oncology services as the core business, as well as two additional hospitals under construction designed as Class III hospitals, located in 13 cities in eight provinces in China, helping the Group effectively reduce regional differences and develop extremely strong survival and adaptability skills.

The Group adheres to a patient-first approach and the benevolence of medical professionals, continuously optimizing service processes to enhance patient experience. The Group has implemented innovative service models such as the “Credit + Medicine (信用+醫療)” digital application service of “diagnosis and treatment first, payment later (先診療、後付費)”, launched various convenience initiatives benefiting the patients such as year-round outpatient service as well as morning-time, midday-time and night-time outpatient service on weekdays, and implemented the “90-minute outpatient experience (90分鐘門診就診體驗)”, providing more choices of time for patients to seek medical treatment. The Group also embraces artificial intelligence (AI) technologies and data-driven decision-making to refine patient treatment processes, its supply chain operations and financial workflows, thereby elevating patient satisfaction and the Group’s overall operational efficiency. In the first half of 2025, the Group’s patient satisfaction rate reached 97.40%, representing an increase of 0.5 percentage point over the same period of last year. The Group will pursue the goal of 100% satisfaction and continue to optimize its service system.

During the Reporting Period, the Group continued to deepen the connotative medical construction, with continuous advancements in disciplinary expertise and clinical diagnostic and treatment capabilities. The Group now has three national-level chest pain centers, one provincial-level stroke center, seven national-level and provincial-level key clinical specialties (projects)/centers, and 23 municipal-level key clinical specialties (projects). Its medical talent pool continued to expand, now comprising 94 high-level talents, including those enjoying special government subsidies awarded by the State Council as well as those holding chairman and deputy chairman positions of specialty societies at all levels; additionally, the Group has 909 full-time medical professionals with advanced qualifications, representing an increase of 52 as compared to December 31, 2024.

During the six months ended June 30, 2025, the Group’s revenue amounted to RMB1,989.7 million, representing a decrease of 16.5% over the same period in 2024 and a decrease of 3.6% as compared with the second half of 2024; EBITDA was RMB461.3 million, representing a decrease of 28.7% over the same period in 2024 and an increase of 0.5% as compared with the second half of 2024; non-IFRS adjusted net profit was RMB262.5 million, representing a decrease of 34.5% over the same period in 2024 and an increase of 30.1% as compared with the second half of 2024.

For the six months ended June 30, 2025, the number of patient visits the Group’s in-network hospitals was approximately 2.2 million, quite stable as compared to the same period of last year. The Group’s revenue from its hospital business, including inpatient and outpatient services, was RMB1,942.2 million, representing a decrease of 15.8% over the same period in 2024 and a decrease of 3.6% as compared with the second half of 2024. The Group has continued to improve its diagnostic and treatment technologies and services. For the six months ended June 30, 2025, the Group’s proportion of revenue from technical services increased by 2.3 percentage points as compared to the same period of last year, and the volume of minimally invasive and interventional surgeries increased by 7.1% as compared to the same period of last year.

Management Discussion and Analysis

The Group continuously strengthens the development of its oncology discipline, and is committed to providing oncology patients with one-stop comprehensive treatment services. For the six months ended June 30, 2025, the proportion of revenue from the Group's oncology-related business was 44.1%, quite stable as compared to the same period of last year.

Since last year, in the face of changes in the macroeconomic and industry landscape, the Group has adopted a series of measures to maintain its stable operations and preserve its competitiveness in the industry:

1. Optimizing the Group's capital allocation

The Group has passed the peak period of capital expenditure, with sufficient reserve of bed production capacity, and reduced total liabilities and interest-bearing liabilities, with a significantly increased free cash flow. During the six months ended June 30, 2025, the capital expenditure was RMB241.9 million, representing a decrease of 28.5% over the same period in 2024. The free cash flow amounted to RMB213.9 million, representing an increase of 1,611.2% over the same period in 2024. As of June 30, 2025, the Group's total liabilities decreased by RMB211.0 million or 5.0% as compared to December 31, 2024, while its gearing ratio decreased by 7.1 percentage points as compared to December 31, 2024. The interest-bearing liabilities decreased by RMB142.2 million or 5.1% as compared to December 31, 2024. The Group has conducted Share repurchase and cancellation. Since September 2024, the Group has cumulatively repurchased 13,025,200 Shares, representing 2.06% of the total number of issued Shares before cancellation. All the Shares repurchased have been cancelled, which has enhanced the Company's intrinsic value. For the six months ended June 30, 2025, the Company's earnings per share was RMB0.4, representing a decrease of 34.4% compared to the same period of last year and an increase of 17.6% as compared with the second half of 2024.

2. Enhancing technological capabilities and exploring new business models

With deepening DRG/DIP payment reforms that standardize and enhance medical insurance management, innovative and high-technical-value diagnosis and treatment items now receive more support. Meanwhile, intensifying population aging in China elevates the incidence rates of age-related diseases such as oncology and cardio-cerebral-vascular diseases. Aligning with the requirements of DRG/DIP reforms and patient needs, the Group has been strengthening disciplinary characteristics of its hospitals and enhancing its technological capabilities. It actively promoted the construction of multidisciplinary treatment of oncology and three major centers (chest pain, stroke and trauma), and increased CMI and numbers of cases with $RW \geq 2$ of its in-network hospitals, with steady growth in the number of level 3 or 4 surgeries and minimally invasive surgeries. These initiatives have strengthened capabilities of the Group's hospitals in diagnosing and treating complex, critical-care, and severe cases, and steadily boosted the regional ranking of their technical strength.

In response to the diversified and growing medical needs of patients, the Group actively explored strategic cooperation with commercial insurance companies to expand payment channels. Its in-network hospitals have cumulatively signed agreements with nearly 50 commercial insurance companies, and several hospitals have become designated hospitals for insurance claims and are gradually rolling out direct settlement services. In addition, the Group has begun to undertake the needs of overseas oncology diagnosis and treatment since this year. Chongqing Hygeia Hospital has provided international diagnosis and treatment services to oncology patients in regions such as Malaysia and Indonesia, with plans to further develop overseas medical services in the future. The Group has also continuously developed and enriched self-paid services in its hospitals, including cancer screening, integration of medical-elderly care, medical weight management, medical aesthetics, optometry, and dental care, so as to meet the diversified and personalized health needs of patients.

Management Discussion and Analysis

3. Strengthening refined management

The Group continues to strengthen refined management to enhance operational efficiency, optimizing staffing in non-medical positions through AI-enabled intelligent systems and digitalization. As of June 30, 2025, the Group's employees in management, administrative and other non-medical positions decreased by 67 or 5.6%, as compared to December 31, 2024. The Group continues to optimize supply chain management and proactively responds to national centralized procurement to maintain the stability of supply chain efficiency. The Group has adopted a more scientific and competitive performance management system to fully motivate the enthusiasm of key employees, and optimize the revenue structure and reduce operating costs as well. During the Reporting Period, the Group's net cash generated operating activities was RMB455.7 million, representing an increase of 29.9% over the same period in 2024.

The Group actively engages in medical public welfare activities, fulfilling the corporate's social responsibilities and contributing to local economic and social development, while continuously enhancing its brand reputation and social impact. Hezhou Guangji Hospital was honored by the Central Committee of the Communist Party of China as a "National Advanced Grass-roots Party Organization (全國先進基層黨組織)" and recognized by the All-China Federation of Trade Unions with the honorary title of the "Pioneer of Workers (工人先鋒號)". Chongqing Hygeia Hospital was recognized as an "Outstanding Private Enterprise in Chongqing (重慶市優秀民營企業)" by the Chongqing Municipal Committee of the Communist Party of China and the Chongqing Municipal People's Government. Chang'an Hospital was awarded the title of "Five-Star Party Organization (五星級黨組織)" by the Organization Department of the Shaanxi Provincial Committee of the Communist Party of China and was awarded the "Excellence Award for Foreign-Invested Enterprises in Xi'an for 2024 (2024年西安市外商投資突出貢獻企業)".

The Group's ESG performance has been assessed by authoritative rating agencies including MSCI, FTSE Russell, Wind, and S&P Global. Notably, it was awarded an "A" rating by Wind ESG, ranking advanced within Hong Kong-listed healthcare services companies. The Group is also a constituent stock of the FTSE4Good Index Series (FTSE4GOOD) and other institutional social responsibility indices, demonstrating recognition of the Group's ESG commitment.

Management Discussion and Analysis

BUSINESS DEVELOPMENT

Since commencing operations in 2009, the Group has consistently focused on its core business of oncology medical services, with an emphasis on the enhancement of the long-term competitiveness of its hospitals and patient satisfaction.

1. Strengthening the construction of oncology and related disciplines

The construction of academic disciplines is the key to the sustainable development of hospitals and is also an important symbol of the comprehensive strength and academic status of hospitals and the core engine of the Group's high-quality development. The Group has attached great importance to discipline development, fully leveraging its resources and technological advantages. With oncology as the core focus, all disciplines have advanced in parallel, achieving a new high in the number of key clinical specialties (as shown in the table below).

No.	Hospital	Discipline	Key specialties and centers
1	Chang'an Hospital (Class III Grade A hospital)	Demonstration center for national standardized chest pain center	
2		Abdominal Pain Center	Certified by the Emergency and Critical Care Surgery Expert Working Group of the Chinese Medical Doctor Association's Surgeons Branch
3		Department of psychosomatics	Clinical key specialty development project in Shaanxi Province
4		Department of oncology	Clinical key specialty development project in Xi'an City
5		Department of intensive care unit	Clinical key specialty development project in Xi'an City
6		Clinical Nursing Specialties	Clinical key specialties in Xi'an City
7	Chongqing Hygeia Hospital (Class III hospital)	Department of oncology	National key discipline with respect to clinical capability construction of medical institutions
8		Department of general surgery	Clinical key specialties in High-tech District, Chongqing
9		Department of intensive care unit	Clinical key specialties in High-tech District, Chongqing
10	Hezhou Guangji Hospital (Class III hospital)	National Standardized Metabolic Disease Management Center (MMC)	
11		National chest pain center (basic)	
12		Provincial Level Secondary Stroke Center	
13		Department of general surgery	Clinical key specialties in Hezhou City
14		Department of intensive care unit	Clinical key specialties in Hezhou City
15		Department of orthopedics	Clinical key specialty development project in Hezhou City
16		Department of nephrology	Clinical key specialty development project in Hezhou City
17		Department of neurology	Clinical key specialty development project in Hezhou City
18		Department of pediatrics	Clinical key specialty development project in Hezhou City
19		Department of urinary surgery	Clinical key specialty development project in Hezhou City

Management Discussion and Analysis

No.	Hospital	Discipline	Key specialties and centers
20	Suzhou Yongding Hospital	Department of hematology	Clinical key specialty founding unit in Suzhou City
21		Department of ultrasound	Clinical key specialties in Wujiang District, Suzhou City
22		Department of orthopedics	Clinical key specialties in Wujiang District, Suzhou City
23		Department of medical imaging	Clinical key specialties in Wujiang District, Suzhou City
24		Department of gastroenterology	"Develop the healthcare through science and education" project in Wujiang District, Suzhou City
25	Shanxian Hygeia Hospital	National chest pain center (standard)	
26		National Standardized Extracorporeal Counterpulsation Center	
27		Department of orthopedics	Clinical key specialties in Heze City
28	Longyan Boai Hospital	Department of ophthalmology	Clinical key specialty founding unit in Heze City
29		Department of oncology	County-level clinical key specialties in Longyan City
30		Department of endocrine	County-level clinical key specialties in Longyan City
31	Yixing Hygeia Hospital	Department of proctology	Wuxi City's specialties
32		Department of gynecology	Wuxi City's specialties
33		Department of gastroenterology	Wuxi City's specialties
34		Department of anesthesiology	Wuxi City's specialties

2. Strengthening the construction of hospital talent system

Medical talents remains a key driver of competitiveness in the healthcare service industry. Over the years, the Group has continuously strengthened its recruitment of professional talents, enhanced the talent training system, and cultivated a high-quality talent team comprising experienced and highly-skilled medical talents. As of June 30, 2025, the Group had a total of 909 full-time professionals with advanced qualifications, representing an increase of 52 from December 31, 2024. A total of 627 medical professionals of the Group were promoted to a higher professional grade in the first half of the year, and the recruitment of professional talents with advanced qualifications and the talent training system laid a solid foundation for the long-term development of the Group's hospitals.

The Group currently has 94 high-level talents, including experts enjoying special government subsidies awarded by the State Council as well as the chairmen and deputy chairmen of specialty societies at all levels. Among them, there are 5 experts who enjoy special governmental subsidies of the State Council; 6 experts who are the chairman and deputy chairman of respective national specialty societies; 3 experts who are the chairman and deputy chairman of respective military specialty societies; 80 experts who are the chairman and deputy chairman of respective provincial and municipal specialty societies.

Management Discussion and Analysis

In recent years, through relentless efforts and perseverance, employees of the Group have achieved numerous significant honors and gained widespread social recognition. Professor Zhu Yiwen, the founder of the Group, was elected as the Vice Chairman of the Sixth Committee of the Private Hospital Branch of the Chinese Hospital Association. Li Daliang (李大亮), director of Hezhou Guangji Hospital, was named a “National Model Worker (全國勞動模範)”, while Jiang Jinbai (蔣勁柏), the head of the emergency and intensive care unit department of the hospital, was named a “Model Worker of Guangxi Zhuang Autonomous Region (廣西壯族自治區勞動模範)”. Yu Fengzhen (于鳳珍), deputy director of Shanxian Hygeia Hospital, was named a “Model Worker in Shandong Province (山東省勞動模範)”. Liu Hongbin (劉宏斌), deputy director and Professor Wang Yangmin (王養民) of Chang’an Hospital were awarded the 2024 Gansu Provincial Progress Prize in Scientific (二零二四年度甘肅省科技進步獎). Zhang Hongfei (張鴻飛), director of Chongqing Hygeia Hospital, was awarded the Chongqing May Day Award (重慶五一勞動獎章), while six professors of the hospital, including Zhang Xianquan (張獻全), were selected for the Chongqing Municipal Project Evaluation Expert Pool (重慶市市級項目評審專家庫), 12 experts of the hospital, including Tong Jianguo (童建國), were included in the “Chongqing Labor Appraisal Expert Pool (重慶市勞動鑒定評審專家庫)”, and Hu Peng (胡鵬), Luo Kuo (羅闊), and others were recognized as Leading Medical Talents in District and County Healthcare by the Chongqing Municipal Health Commission. Li Xiaohong (李小紅), director of Suzhou Canglang Hospital, was awarded the title of “May Day Women’s Pacesetter (五一巾幗標兵)” in Suzhou City.

3. Enhancing scientific research and academic excellence in hospitals

The Group attaches great importance to scientific research innovation and academic development, and continues to increase investment in scientific research to build a high-level academic platform for medical personnel. The influence of the experts of its in-network hospitals in the industry has been continuously increasing, evidenced by the publication of a cumulative total of 859 academic papers published in renowned domestic and international journals since the Listing of the Group. The Group continues to promote the synergistic development of the “medicine, education and research” system, deepens cooperation with universities and research institutions, steadily improves the medical research capability through clinical diagnosis and treatment, actively undertakes and implements national, provincial and municipal key scientific research projects, and has been granted a number of national utility model patents and invention patents.

Chongqing Hygeia Hospital has become the teaching hospital of the School of Life Sciences (生命科學學院) and the teaching base of the Bioengineering College (生物工程學院) of Chongqing University, respectively, and the first medical institution in Chongqing Hi-Tech District to be certified as a Good Clinical Practice (GCP) medical institution; Suzhou Yongding Hospital has established the institute of clinical medicine of Soochow University-Suzhou Yongding Hospital and cooperated with the School of Rehabilitation of the Shanghai University of Traditional Chinese Medicine in the field of cancer rehabilitation medicine; Hezhou Guangji Hospital has undertaken multiple scientific research projects assigned by the Municipal Science and Technology Bureau and successfully passed its acceptance reviews. Additionally, it has hosted several autonomous region-level continuing education training sessions; Shanxian Hygeia Hospital organized a county-wide training program to enhance the diagnostic and treatment capabilities of grassroots medical institutions, establishing high-quality academic exchange platforms, and driving the high-quality development of discipline construction; Chang’an Hospital attended the 8th China Healthcare Industry Development & Investment Conference (第八屆中國醫療健康產業發展與投資年會), hosted the special academic session on “Oncology Discipline High-Quality Development and Service Model Innovation Forum (MDT) (腫瘤學科高質量發展與服務模式創新論壇(MDT))”, and held all-around, multi-level and unique academic lectures. The papers of the hospital’s imaging department published at the Radiological Society of North America (RSNA), the top academic conference in the field of radiology, for many times, thereby expanding the hospital’s influence in the field of radiology at home and abroad. In the future, the Group will further strengthen and enhance its scientific research and academic capabilities, drive improvements in the quality of medical services through scientific research and innovation, and provide patients with more advanced diagnostic and treatment technologies and services.

Management Discussion and Analysis

4. Continuing to improve medical level

Medical quality and safety are directly linked to patient health and represent the lifeline of hospital development. Upholding the service philosophy of “patient-first”, the Group places high importance on medical quality control management, and is committed to optimizing and upgrading its medical quality control system through optimizing the medical quality management system, improving the management policies as well as diagnostic and treatment protocols, enhancing the prevention and control of medical risks, improving clinical pathway management, and implementing 18 core systems and diagnostic and treatment protocols. The Group has established a medical quality control committee inspection system, regularly carrying out comprehensive inspections on its in-network hospitals, during which the inspectors will supervise, inspect on and provide guidance and support for the quality control system of the hospitals covering medical care, nursing and healthcare experience, thereby constantly improving the management capabilities and quality standards of its in-network hospitals, and achieving full-process standardization of medical services.

5. Innovating medical service models to meet the diversified health needs of the public

The Group actively explores and advances strategic collaborations with commercial insurance companies to enhance the payment system of its hospitals, with an aim of optimizing its service process leveraging commercial insurance data and precisely meet multi-level health needs. The in-network hospitals of the Group has signed agreements with nearly 50 insurance companies, in particular, hospitals such as Chongqing Hygeia Hospital, Chang'an Hospital, Suzhou Yongding Hospital, and Yixing Hygeia Hospital have already launched commercial insurance settlement services, providing more convenient medical services for patients with commercial insurance.

The Group actively responds to overseas demand for oncology diagnosis and treatment, in particular, Chongqing Hygeia Hospital has successfully providing oncology diagnosis and treatment to international oncology patients from overseas regions such as Malaysia and Indonesia since the beginning of this year. It will continue to expand the overseas healthcare business in the future.

With the deepening application of artificial intelligence (AI) technology, the Group actively embraces AI technologies, explores and lays out the use of AI technologies in various medical scenarios, to further enhance the intelligence of the Group and its in-network hospitals. Leveraging the cutting-edge AI technologies and focusing on aging population, the Group has built the “1+N” disciplinary models including AI-assisted personalized precision radiotherapy and AI-assisted imaging diagnostics, empowering the public education, diagnostic and treatment, training, and health management of oncology MDT and related expanded disciplines. The in-network hospitals of the Group has launched the AI-based customer service system that serves various scenarios including virtual guidance, medical consultation, health education and brand promotion. For example, Chang'an Hospital has launched “Xiao'an”, the intelligent customer service, which has further diversified the serving forms and content, improved service efficiency and enhanced customer satisfaction. AI technology has assisted the Group in better supply chain management by optimizing the inventory level through big data and reducing shortages or excess of clinical supplies, it has also supported the Group in financial management by offering digital operational analysis, empowering the Group to achieve refined management and outstanding cost reduction and efficiency enhancement. With big data driving the decision optimization, the overall operational efficiency of the Group was improved.

Management Discussion and Analysis

In addition to consolidating basic medical services, the Group develops multi-tiered health management services to meet the diversified health needs of the public. The in-network hospitals of the Group are equipped with a comprehensive range of original and imported medications to address patients' multi-level medication needs. Shanxian Hygeia Hospital has partnered with Ruijin Hospital of Shanghai Jiao Tong University School of Medicine to establish a joint infertility medical consortium. Chang'an Hospital is continuously improving the quality of consumer medical services such as optometry, medical aesthetics, and dental care. Longyan Boai Hospital and Hezhou Guangji Hospital implemented the "Healthy Weight Management Special Action" of the National Health Commission, and integrated multi-disciplinary resources to establish a medical weight-loss center. A number of the Group's hospitals are also opening medical and nursing care centers, which will provide one-stop medical treatment for geriatric diseases and integrated healthcare and wellness services by leveraging on the high-quality medical resources of such hospitals.

The Group will continue to promote the construction of the internet healthcare service network that combines "online + offline (線上+線下)" to provide patients with convenient services such as online consultation, online follow-up consultation for chronic diseases and delivery of medicines to their homes. During the Reporting Period, the Group's internet hospitals registered over 100 thousand attendances. The Group has also launched the "Internet + Nursing (互聯網+護理)" services to deliver professional nursing services to the patients' homes, so that patients can enjoy scientific and professional on-site nursing care services without leaving their homes.

6. Construction progress of hospitals

The Group is deeply committed to the long-term brand establishment of its hospitals. Those who have immovable property are equipped with perseverance. The Group's hospitals are all self-owned, with a total of approximately 1,200 mu of land for medical and sanitary use and approximately 940,000 square meters of medical facilities. The stability of the properties provide a guarantee for the sustainable development of the Group.

Newly built hospitals including Wuxi Hygeia Hospital, Kaiyuan Jiehua Hospital Phase II, and new hospital area of Qufu Hospital will be put into operation in 2025. By the end of 2025, the Group will only have one hospital under construction, Changshu Hygeia Hospital, which is planned to be put into use in 2026.

7. Continuously improving environmental, social and governance (ESG) construction

The Group has always adhered to long-termism and the benevolence of medical professionals, actively organizing public welfare activities such as voluntary blood donation, hematopoietic stem cell donation, community service, health lectures, and breast and cervical cancer screening, actively contributing to the development of local economy and society, thereby continuously enhancing the hospitals' brand and social influence.

Management Discussion and Analysis

Hezhou Guangji Hospital was honored by the Central Committee of the Communist Party of China as a “National Advanced Grass-roots Party Organization (全國先進基層黨組織)”, recognized by the All-China Federation of Trade Unions with the honorary title of the “Pioneer of Workers (工人先鋒號)” and was also awarded as the “First Batch of Western Social Medical Benchmark Hospitals (首批西部社會辦醫標桿醫院)”. Chongqing Hygeia Hospital was awarded as the “Outstanding Private Enterprise in Chongqing (重慶市優秀民營企業)” by the Chongqing Municipal Committee of the Communist Party of China and the Chongqing Municipal People’s Government. Chang’an Hospital was awarded as the title of “Five-Star Party Organization (五星級黨組織)” and recognized as “Enterprise Fulfilling Social Responsibility in Xi’an for 2023 (2023年西安市履行社會責任企業)” and “Outstanding Contribution Enterprises of Foreign Investment in Xi’an for 2024 (2024年西安市外商投資突出貢獻企業)” by the organization department of Shaanxi Provincial Party Committee of the Communist Party of China. Suzhou Canglang Hospital was awarded the “Outstanding Unit of Elderly-Friendly Healthcare Institution (老年友善醫療機構優秀單位)” in Jiangsu Province and the “Suzhou May Day Labour Award (蘇州市五一勞動獎)”. Shanxian Hygeia Hospital was awarded the “Shanxian Economic Development Contribution Award for 2023 (2023年度單縣經濟發展貢獻獎)”.

The Group attaches great importance to medical insurance management, ensuring the proper utilization of medical insurance funds through the establishment of a dedicated research committee on medical insurance funds. It also strengthens education on relevant medical insurance policies and engages in monthly analysis of medical insurance management across its hospitals, adhering to set standards and pursuing a meticulous management approach. The medical insurance work of the Group has been commended by the competent authorities on multiple occasions. Shanxian Hygeia Hospital was awarded the honorary title of “Shandong Province Advanced Medical Insurance Department for Healthcare Security (山東省醫療保險先進醫保科室)”. Suzhou Canglang Hospital was rated as a Suzhou Advanced Medical Insurance Designated Unit (蘇州市先進醫保定點單位) by the Suzhou Healthcare Security Administration multiple times. Additionally, several heads of medical insurance departments from the Group’s hospitals were honored as provincial-level advanced individuals in medical insurance management. The medical insurance heads of multiple hospitals of the Group have been selected as members of the national and provincial medical insurance flying inspection expert pool.

The Group attaches great importance to investor relations management, continuously improves its corporate governance and protects the legitimate rights and interests of the Shareholders, especially the minority Shareholders. Mr. Zhu Yiwen, the founder, Chairman of the Board and chief executive officer of the Group, and parties acting in concert with him have never reduced their shareholdings in the Company, and have increased their shareholdings in the Group for 21 times since the Listing of the Company, holding a total of over 4 million Shares, demonstrating their firm commitment to standing together with the broad base of public Shareholders. Since its Listing in 2020, the Group has consistently valued Shareholder returns and has distributed accumulative dividends of approximately RMB170 million. In addition, the Company repurchased and cancelled a total of 1,275,800 Shares in 2022, and cumulatively repurchased and cancelled 13,025,200 Shares from September 2024 to January 2025. Also, the Group was selected among the “Top 50 Hong Kong Stock Connection (港股通50強)” in the 10th Hong Kong Stock Top 100 Selection (第十屆港股100強), and awarded among the “6th New Fortune Best IR of Hong Kong Listed Companies List (第六屆新財富最佳IR港股公司)” and the “Most Promising Healthcare Sector Hong Kong Listed Companies (醫療產業最具成長性港股公司)” by New Fortune. Mr. Zhu Yiwen, the founder, Chairman of the Board and chief executive officer of the Group, was awarded the title of “Wei Lan Award — Entrepreneur of the Year (蔚藍獎 • 年度風雲企業家)”.

Management Discussion and Analysis

The Group established and continuously optimized a sound system of labor protection, remuneration and benefits to protect the legitimate rights and interests of its employees; it also established the Hygeia Healthcare Teaching and Researching Institute to continuously enrich its training system and enhance the core competitiveness of its staff, and adopted a “dual-track promotion” system to fully simulate the enthusiasm of its staff, realizing the mutual development of the Group and its staff.

In terms of environment, the Group regards the environmental protection as a material strategic issue. It monitors resources usage in its in-network hospitals through a standardized management model and continues to improve the operational model through an AI-based data analysis system. The Group strictly complies with relevant environmental regulations and corresponding standards for effective and comprehensive treatment of wastewater, air emissions and waste residues. The Group has also set targets and actions for 2030 in respect of the intensity of greenhouse gas emissions, water use and energy consumption, to continuously improve its environmental performance.

In terms of governance, the Group maintains strict compliance with relevant laws and regulations, continuously improving its corporate governance structure. The general meetings, the Board and its committees as well as the management have clear responsibilities, fulfilling their respective roles and coordinating operations effectively, thus laying a solid foundation for the Company’s ongoing, stable and robust development. The Group is committed to upholding the values of “telling the truth, being pragmatic and acting with integrity (說實話、辦實事、講誠信)”, and is resolutely against any forms of corruption and has formulated and implemented the “Management Rules on Anti-Corruption and Anti-Bribery”, established various reporting channels, as well as internal complaint channel, and conducted anti-corruption training sessions, consistently striving to foster a corporate culture of transparency, honesty and integrity, and maintaining a clean and healthy environment in the medical field. The Group attaches great importance to establishing good public relations with all parties in the community, being monitored by governments and authorities at all levels, regulating the use of medical insurance funds, fulfilling its obligations as a taxpayer and contributing to the development of the local economy.

The Group’s ESG performance has been recognized by authoritative institutions such as MSCI, FTSE Russell, WIND and S&P. In particular, the Group received an “A” ESG rating from WIND, ranking advanced among Hong Kong-listed healthcare service providers. The Group’s stock is also a constituent of the FTSE4Good Index Series and other social responsibility indices, reflecting the recognition the Group has received in ESG.



Management Discussion and Analysis

BUSINESS OUTLOOK

The long-term support of national policies creates a favorable external environment for private medical institutions and oncology medical services industry.

In recent years, as the reform of China's pharmaceutical and healthcare system continues to deepen, the government has proposed several policy recommendations to encourage the introduction of social capital into the medical field, to increase the supply in the medical service sector, to allocate medical resources rationally, and to improve efficiency. This aims to address the issues of insufficient total medical resources and uneven allocation in the country:

- (1) In July 2025, the eleventh batch of national organized drug collection and procurement reporting has started, with the four principles of “stabilizing clinical supply, ensuring quality, preventing bid collusion, and opposing vicious competition” becoming the key words for this round of collection and procurement. The bidding rules have been optimized to better respect clinical drug selection and special needs, and the winning bid will no longer simply use the lowest bid as a reference;
- (2) In April 2025, the fifteenth session of the 14th National People's Congress (NPC) Standing Committee passed the “Private Economy Promotion Law (《民營經濟促進法》)”, effective from May 20, 2025. This law provides solid legal guarantees for optimizing the development environment of the private economy, ensuring fair market competition for all types of economic organizations, and promoting the healthy development of the private economy as well as the healthy growth of private entrepreneurs;
- (3) In March 2025, Premier Li Qiang delivered the “Report on the Work of the Government (《政府工作報告》)” at the third session of the 14th NPC. He pointed out that China will take solid steps to implement policies and measures designed to spur the growth of the private sector, effectively protect the lawful rights and interests of private enterprises and entrepreneurs in accordance with the law..... under the health-first strategy, the government will promote the coordinated development and governance of medical services, medical insurance, and pharmaceuticals..... it will increase the supply of quality medical resources, channel them toward the community level, and ensure a more balanced distribution among regions, while implementing projects to strengthen the foundations of medical and health care. The standards of per capita financial subsidy for residents' medical insurance and basic public health services will be raised by a further RMB30 and RMB5, respectively;
- (4) In February 2025, General Secretary Xi Jinping attended a symposium on private enterprises and delivered an important speech. He emphasized that the Party and the state's basic principles and policies for the development of the private economy have been incorporated into the system of socialism with Chinese characteristics, and will be consistently upheld and implemented, which cannot and will not change. The private sector enjoys broad prospects and great potential on the new journey in the new era. It is a prime time for private enterprises and entrepreneurs to give full play to their capabilities. We must unify our thinking and reinforce our resolve to advance the sound and high-quality development of the private economy. It is hoped that the vast number of private enterprises and entrepreneurs will embrace the ambition to contribute to the nation, remain steadfast in their pursuit of development, operate within the law with adept management, and lead the way in prosperity to promote common wealth, thereby making new and greater contributions to advancing the modernization of China;
- (5) In November 2024, the National Healthcare Security Administration and the Ministry of Finance jointly issued the “Notice on Improving the Pre-payment of Medical Insurance Funds (《關於做好醫保基金預付工作的通知》)”, aiming to assist designated medical institutions in alleviating the financial pressure of advancing medical expenses;

Management Discussion and Analysis

- (6) In September 2024, the Ministry of Commerce, the National Health Commission and the National Medical Products Administration issued the “Notice on Expanding Pilots of Opening-up in the Healthcare Sector (關於在醫療領域開展擴大開放試點工作的通知)”, permitting the establishment of wholly foreign-owned hospitals in the pilot cities;
- (7) In July 2024, the National Healthcare Security Administration issued the “Notice on Printing and Issuing the Version 2.0 Grouping Scheme for Payment of Fees According to the Value of Disease Groups and Types of Diseases and Deepening the Related Work (《關於印發按病組和病種分值付費2.0版分組方案並深入推進相關工作的通知》)”, pointing out that it will accelerate the implementation of the version 2.0 grouping scheme, improve the standardization and uniformity of the payment reform, enhance the level of the settlement of the medical insurance funds, and encourage the use of fund pre-payment to alleviate the pressure on the capital of the medical institutions, and comprehensively clear up the outstanding fees due under medical insurance funds;
- (8) In July 2024, the third plenary session of the 20th Central Committee of the Communist Party of China announced the “Decision on Further Deepening Reforms and Promoting Chinese-Style Modernization (《關於進一步深化改革·推進中國式現代化的決定》)”, which states that it would adhere to the principle and policy of creating a favorable environment and providing more opportunities for the development of non-publicly-owned economy, formulate a law on the promotion of privately-owned economy, break down the barriers to market access in depth, and improve the long-term effective mechanism for the participation of privately-owned enterprises in the construction of major national projects;
- (9) In March 2024, Premier Li Qiang, on behalf of the State Council, delivered the “Report on the Work of the Government (《政府工作報告》)” at the second session of the 14th NPC, proposing to improve the capacity of medical and health services as one of the government’s work tasks in 2024, to increase the standard of per capita financial subsidy for residents’ medical insurance by RMB30, and to promote the synergistic development and governance of medical insurance, medical care and medicine;
- (10) In February 2024, the Ministry of Justice, in conjunction with relevant departments, accelerated the legislative process of the Private Economy Promotion Law. This is to provide a solid legal foundation for promoting the healthy development of the private economy and to better foster a first-class business environment that is market-oriented, rule-of-law-based, and internationalized;

The above policies fully reflect the China’s determination and confidence in supporting private medical institutions and promoting the development of the private economy, creating a fair and transparent development environment for non-public medical institutions.



Management Discussion and Analysis

The expanding market demand for oncology medical services lays a solid foundation for the rapid development of the industry

The “2024 Statistical Bulletin on the National Economic and Social Development of the People’s Republic of China (《中華人民共和國2024年國民經濟和社會發展統計公報》)” shows that: by the end of 2024, the elderly population in China aged 60 and above reached 310 million, with the proportion of the elderly population in the total population rising to 22.0%; the population aged 65 and above reached 220 million, accounting for 15.6% of the total population. According to the estimation of the National Health Commission, in the coming period, the degree of aging will continue to intensify, and it is expected that the elderly population aged 60 and above will exceed 400 million by 2035, accounting for more than 30% of the total population, and entering the stage of severe aging. Therefore, it can be expected that the incidence of tumors and other age-related diseases brought on by the aging population will continue to grow and the demand for relevant diagnosis and treatment services will continuously increase.

According to Frost & Sullivan’s analysis, the market size of China’s oncology healthcare services market (measured by revenue) will continue to increase from RMB768.7 billion in 2026 to RMB1,121.4 billion in 2030, and the market size of the private oncology healthcare services market for the same period will increase from RMB109.2 billion to RMB207.5 billion, with a compound annual growth rate of 17.4%. The Group will enhance construction of academic disciplines and improve diagnosis and treatment technology and services continuously, to provide one-stop comprehensive diagnosis and treatment services to more oncology patients and satisfy their unmet needs.

Looking forward, the Group will:

Continue to uphold the cultural values of “making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖·讓生命更健康)” and “telling the truth, being pragmatic and acting with integrity (說實話·辦實事·講誠信)”, improve patient satisfaction, enable medical professionals to work with greater dignity, and create long-term value for Shareholders.

Continue to promote the long-term brand building of its hospitals, strengthen the development system of talent, improve its standardized and refined hospital management system, improve the comprehensive diagnostic and treatment technology of its in-network hospitals, and enhance the core competitiveness of its in-network hospitals, so as to maintain its competitive advantages in the industry.

Continue to develop non-medical insurance items to meet the diversified needs of patients for medical treatment, further promote the group’s strategic cooperation with commercial insurance companies, and gradually improve the healthcare payment system that combines medical insurance and commercial insurance, so as to provide patients with better and more convenient diagnostic and treatment service processes.

Actively embrace innovative technologies and initiative. Conduct a smart healthcare system assisted by AI to improve patients’ healthcare experience and enhance the overall operational efficiency of the Group.

Continue to reserve potential high-quality hospital targets, so as to strive for more favorable merger and acquisition conditions and create long-term value for Shareholders.

Continue to enhance our ESG construction by reinforcing the regulatory measures on the environment, fulfilling social responsibilities, continuously improving and refining corporate governance and standardized governance of listed companies, so as to safeguard the rights and interests of all stakeholders.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue was primarily from healthcare services. For the six months ended June 30, 2025, the revenue of the Group was RMB1,989.7 million, representing a decrease of 16.5% over the same period in 2024 and a decrease of 3.6% as compared with the second half of 2024.

Cost of Sales

During the Reporting Period, the Group's cost of sales primarily consisted of cost of pharmaceuticals, medical consumables, employee benefits expenses, depreciation and amortization, consultancy and professional service fees.

For the six months ended June 30, 2025, the Group's cost of sales was RMB1,461.0 million, representing a decrease of 10.1% over the same period in 2024.

Gross Profit and Gross Profit Margin

For the six months ended June 30, 2025, the Group's gross profit was RMB528.7 million, and the gross profit margin was 26.6%.

Selling Expenses

During the Reporting Period, the Group's selling expenses primarily consisted of consultancy and professional service fees, marketing and promotion expenses, as well as employee benefits expenses.

For the six months ended June 30, 2025, the Group's selling expenses were RMB25.9 million, representing a decrease of 12.2% over the same period in 2024 and accounting for 1.3% of the total revenue.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses primarily consisted of employee benefits expenses, consultancy and professional service fees, depreciation and amortization, travelling expenses, vehicle and office expenses, utilities, cleaning and afforestation expenses, repair and maintenance expenses and taxation expenses.

For the six months ended June 30, 2025, the Group's administrative expenses was RMB219.6 million, representing a decrease of 7.7% over the same period of 2024.

Other Income

During the Reporting Period, the Group's other income was primarily composed of government grants.

For the six months ended June 30, 2025, the Group's other income was RMB35.8 million, representing an increase of 63.5% over the same period in 2024.

Management Discussion and Analysis

Other Gains or Losses, Net

During the Reporting Period, the Group's other gains or losses, net mainly included net fair value gains on financial assets/liabilities at fair value through profit or loss.

For the six months ended June 30, 2025, the Group's other gains or losses, net was RMB25.6 million, representing an increase of 884.6% over the same period in 2024, primarily due to the increase of RMB32.1 million in the net fair value gains on financial assets/liabilities at fair value through profit or loss.

Finance Income and Costs

During the Reporting Period, the Group's finance income was interest income on bank savings. For the six months ended June 30, 2025, the Group's finance income was RMB2.7 million, representing an increase of 237.5% over the same period in 2024.

During the Reporting Period, the Group's finance costs were mainly composed of interest expenses on bank borrowings. For the six months ended June 30, 2025, the Group's finance costs recorded in profit or loss was RMB37.2 million, representing a decrease of 1.1% over the same period in 2024.

During the Reporting Period, the Group's finance costs, net decreased by RMB2.3 million as compared to the last year.

Income Tax Expense

For the six months ended June 30, 2025, the Group's income tax expense was RMB64.2 million, representing a decrease of 30.0% over the same period in 2024.

Net Profit and Non-IFRS Adjusted Net Profit

As a result of the foregoing, for the six months ended June 30, 2025, the Group's net profit was RMB245.8 million, representing a decrease of 36.2% over the same period in 2024 and an increase of 15.3% as compared with the second half of 2024. The Group defined non-IFRS adjusted net profit as profit and total comprehensive income for the period adjusted for items which are non-recurring or extraordinary, including share-based compensation expenses, depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals, net foreign exchange losses. For the six months ended June 30, 2025, the Group's non-IFRS adjusted net profit was RMB262.5 million, representing a decrease of 34.5% over the same period in 2024 and an increase of 30.1% as compared with the second half of 2024.

Management Discussion and Analysis

Non-IFRS Measures

To supplement the Group's condensed consolidated statement of profit or loss and other comprehensive income which is presented in accordance with IFRS Accounting Standards, the Company has provided adjusted net profit as non-IFRS measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors in understanding and evaluating the Group's condensed consolidated statement of profit or loss and other comprehensive income in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's financial and operating performance from period to period by eliminating impacts of items that the Group does not consider as indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies as they do not share a standardized meaning. The use of these non-IFRS measures has limitations as an analytical tool, as such, they should not be considered in isolation from, or as substitute for analysis of, the Group's condensed consolidated statement of profit or loss and other comprehensive income as reported under IFRS Accounting Standards. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS Accounting Standards.

The following tables set forth the reconciliations of the Group's non-IFRS financial measures for the six months ended June 30, 2024 and 2025 to the nearest measures prepared in accordance with IFRS:

	Unaudited Six months ended June 30,	
	2025 (RMB'000)	2024 (RMB'000)
Net profit	245,820	385,174
Adjustments:		
Depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals	6,638	6,696
Net foreign exchange losses	5,766	18
Share-based compensation expenses	4,279	8,702
Non-IFRS adjusted net profit	262,503	400,590

Liquidity and Capital Resources

As of June 30, 2025, the Group had cash and cash equivalents of RMB606.8 million, wealth management products of RMB65.5 million, and restricted deposits of RMB25.2 million, for a total of RMB697.6 million, representing an increase of RMB44.7 million or 6.8% from December 31, 2024.

Management Discussion and Analysis

Cash Flows

Operating Activities

During the Reporting Period, the Group derived its cash inflow primarily through provision of healthcare services. Cash outflow from operating activities was primarily composed of payments for procurement of pharmaceuticals and medical consumables, employee benefits expenses, and other operating expenses.

For the six months ended June 30, 2025, the Group's net cash generated from operating activities was RMB455.7 million, representing an increase of 29.9% over the same period in 2024 and an increase of 27.9% as compared with the second half of 2024.

For the six months ended June 30, 2025, the Group's net cash generated from operating activities to net profit ratio was 185.4%, representing an increase of 94.3 percentage points over the same period in 2024 and an increase of 18.2 percentage points as compared with the second half of 2024.

For the six months ended June 30, 2025, the Group's free cash flow was RMB213.9 million, representing an increase of 1,611.2% over the same period in 2024 and an increase of 169.1% as compared with the second half of 2024.

Investing Activities

During the Reporting Period, the Group's cash used in investing activities mainly comprised of payments for purchases of financial instruments at fair value through profit or loss and payments for purchases of property and equipment. The Group's cash generated from investing activities was mainly composed of proceeds from disposal of financial instruments at fair value through profit or loss.

For the six months ended June 30, 2025, the Group's net cash used in investing activities was RMB4.6 million, representing a decrease of 99.3% over the same period in 2024. The decrease in net cash used in investing activities of RMB617.2 million was primarily attributable to (i) the net increase in the proceeds from the Group's purchase and disposal of financial instruments at fair value through profit or loss of RMB546.7 million; and (ii) the decrease in capital expenditures of RMB96.4 million.

Financing Activities

During the Reporting Period, cash inflow from financing activities was mainly composed of proceeds from bank borrowings. Cash outflow from the Group's financing activities was mainly composed of repayment of bank borrowings, payment for repurchases of ordinary Shares and payment of interests on bank borrowings.

For the six months ended June 30, 2025, the Group's net cash used in financing activities was RMB212.9 million, representing an increase of 406.9% over the same period in 2024. The increase in net cash used in financing activities of RMB170.9 million was mainly due to (i) the net increase in the Group's net repayment of bank borrowings of RMB155.9 million; and (ii) the accumulated payments for repurchasing Shares of RMB23.7 million in 2025.

Significant Investments, Material Acquisitions and Disposals

As at June 30, 2025, there was no significant investment held by the Company, nor were any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Capital Expenditures

During the Reporting Period, the Group's capital expenditures were primarily composed of expenditures on (i) property, plant and equipment, mainly comprising construction in progress and medical equipment; and (ii) intangible assets. For the six months ended June 30, 2025, the Group's capital expenditures was RMB241.9 million, representing a decrease of 28.5% over the same period in 2024.

Management Discussion and Analysis

FINANCIAL POSITION

Total Assets and Total Liabilities

The Group's total assets were mainly composed of cash and cash equivalents, trade, other receivables and prepayments, property, plant and equipment, inventories and intangible assets. As of June 30, 2025, the Group's total assets were RMB10,944.7 million, representing an increase of 0.1% from December 31, 2024.

The Group's total liabilities were mainly composed of borrowings, trade and other payables, current income tax liabilities, deferred income tax liabilities, deferred income and contract liabilities. As of June 30, 2025, the Group's total liabilities were RMB4,043.8 million, representing a decrease of RMB211.0 million or 5.0% from December 31, 2024.

Inventories

The Group's inventories were mainly composed of pharmaceuticals, medical consumables and spare parts. As of June 30, 2025, the Group's inventories were RMB178.1 million, representing a decrease of 17.5% from December 31, 2024.

Trade, Other Receivables and Prepayments

The Group's trade receivables mainly represented the balances of the receivables arising from the provision of healthcare services. As of June 30, 2025, the Group's trade receivables were RMB734.6 million, representing a decrease of 10.7% from December 31, 2024.

The Group's other receivables mainly represented deposits receivables. As of June 30, 2025, the Group's other receivables were RMB53.5 million, representing an increase of 8.5% from December 31, 2024.

The Group's prepayments for current assets mainly represented prepayments to suppliers. As of June 30, 2025, the Group's prepayments to suppliers were RMB60.2 million, representing a decrease of 1.5% from December 31, 2024.

The Group's prepayments for non-current assets included prepayments for property, plant and equipment. As of June 30, 2025, the Group's prepayments for property, plant and equipment were RMB16.1 million, representing a decrease of 49.8% from December 31, 2024, primarily due to the decrease in prepayments for large-scale medical equipment purchased upon acceptance and commissioning.

Intangible Assets

The Group's intangible assets were primarily comprised of goodwill, medical licenses, software, and contractual rights to provide management services. As of June 30, 2025, the Group's intangible assets were RMB3,937.4 million, representing a decrease of 0.2% from December 31, 2024.

Trade and Other Payables

The Group's trade payables primarily represented outstanding amounts due to the suppliers of pharmaceuticals and medical consumables as well as the providers of radiotherapy center services. As of June 30, 2025, the Group's trade payables were RMB526.6 million, representing a decrease of 4.1% from December 31, 2024.

The Group's other payables primarily represented salaries payable, other taxes payable and payables for construction projects. As of June 30, 2025, the Group's other payables were RMB556.9 million, representing a decrease of 5.2% from December 31, 2024.

Management Discussion and Analysis

Borrowings

As of June 30, 2025, the Group had outstanding short-term borrowings of RMB620.5 million and long-term borrowings of RMB2,016.6 million, representing a decrease of RMB142.2 million or 5.1% from December 31, 2024.

Pledge of Assets

The Group's borrowings as of June 30, 2025 of approximately RMB933.3 million were secured by certain buildings, right-of-use for lands and construction in progress with total carrying values of approximately RMB1,340.7 million, while the borrowings of RMB1,171.5 million were secured by 100% equity of Suzhou Yongding Medical Management Service Co., Ltd., 100% equity of Etern Healthcare (HK) Limited, 100% equity of Etern Group Ltd., 98% equity of Suzhou Yongding Hospital, 70% equity of Chang'an Hospital Co., Ltd. and 70% equity of Yixing Hygeia Hospital.

Contract Liabilities

The Group's contract liabilities represented advance payments from the Group's customers while the underlying services have not been provided. As of June 30, 2025, the Group's contract liabilities were RMB59.6 million, representing an increase of 9.0% from December 31, 2024.

Capital Commitments

Capital commitments that were contracted but not provided for primarily represented commitments arising out of a contractual relationship where the relevant property, plant and equipment or intangible assets were not provided as of the relevant dates. The Group's capital commitments are primarily related to commitments for (i) the construction and renovation of its in-network hospitals; and (ii) the purchase of large equipment. As of June 30, 2025, the Group's capital commitments were RMB443.4 million, representing a decrease of 4.3% from December 31, 2024.

Contingent Liabilities

As of June 30, 2025, the Group did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, liabilities under acceptance or acceptance credits, or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities.

Financial Instruments

The financial instruments were mainly composed of cash and cash equivalents, amounts due from related parties, trade and other receivables excluding non-financial assets, financial assets/liabilities at fair value through profit and loss, trade and other payables excluding non-financial liabilities, lease liabilities and borrowings.

Debt to Asset Ratio

The debt to asset ratio is calculated as total borrowings divided by total assets and multiplied by 100%. As of June 30, 2025, the debt to asset ratio of the Group was 24.1%, representing a decrease of 1.3 percentage points from December 31, 2024.

Gearing Ratio

Gearing ratio is calculated as net debt divided by total equity and multiplied by 100%. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents and restricted deposits. As of June 30, 2025, the gearing ratio of the Group was 29.2%, representing a decrease of 7.1 percentage points from December 31, 2024.

Management Discussion and Analysis

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 Group's businesses are principally conducted in RMB. The majority of non-RMB assets are bank deposits denominated in USD and Hong Kong dollars, and all liabilities are denominated in RMB. The Group's monetary assets denominated in foreign currency as of June 30, 2025 amounted to RMB198.3 million. If the RMB had strengthened/weakened by 5% against the USD with all other variables held constant, the pre-tax profit for the six months ended June 30, 2025 would have been RMB9.7 million lower/higher.

Interest Rate Risk

The Group's interest rate risk arises from interest-bearing borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group currently does not use any interest rate swap contracts or other financial instruments to hedge against interest rate exposure.

Credit Risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, financial assets at fair value through profit or loss, trade and other receivables and amounts due from related parties. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets. Management of the Group puts in place a credit policy and the exposure to these credit risks is monitored on an on-going basis.

To manage this risk, financial assets/liabilities at fair value through profit or loss, cash and cash equivalents and restricted deposits are mainly placed with state-owned financial institutions in the PRC and reputable international financial institutions outside the PRC. There has been no recent history of default in relation to these financial institutions.

The Group's trade receivables are mainly from providing medical service to patients. The Group, being a provider of healthcare service to patients, has a highly diversified customer base, without any single customer contributing significant revenue. However, the Group has concentrated debtor's portfolio, as most of the patients will claim their medical bill from public medical insurance program. The reimbursement from these organizations may take one to twelve months. The Group has policy in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with respective organizations' policy, fulfilling all ethics and moral responsibilities as a healthcare provider. The Group also has controls to closely monitor the patients' billings and claim status to minimize the credit risk.

For other receivables and amounts due from related parties, the management makes periodic collective assessments as well as individual assessment on the recoverability of such receivables based on historical settlement records and past experience. The Directors believe that there is no significant credit risk inherent in the Group's outstanding balance of other receivables and amounts due from related parties as the Group closely monitors their repayment.

Liquidity Risk

The Group manages liquidity risk by closely and continuously monitoring its financial position. The Group aims to maintain adequate cash and cash equivalents to meet its liquidity requirements.

Management Discussion and Analysis

INTERIM DIVIDENDS

The Board has resolved not to recommend payment of interim dividend for the six months ended June 30, 2025.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2025, the Group had 8,017 full-time employees, among whom 79 were employees at the headquarters level and 7,938 were employees of self-owned hospitals. The following table shows a breakdown of the employees by function:

Functions	Number of Employees	
	June 30, 2025	December 31, 2024
Headquarters level		
Operations	47	49
Manufacturing	14	14
Management, administrative and others	18	19
Sub-total	79	82
Self-owned hospitals		
Physicians	2,361	2,400
Other medical professionals	4,521	4,567
Management, administrative and others	1,056	1,120
Sub-total	7,938	8,087
Total	8,017	8,169

The Group believes it has maintained good relationship with its employees. Employees of the Group's in-network hospitals are not represented by a labor union. As of the date of this report, the Group did not experience any strikes or any labor disputes with its employees which have had or are likely to have a material effect on its business.

The employees of the Group typically enter into standard employment contracts with the Group. Each in-network hospital independently recruits and enters into employment contracts with its own employees.

The Group provides both in-house and external trainings for its employees to improve their skills and knowledge. Remuneration packages for the employees of the Group were mainly composed of a base salary and performance-related bonus. The Group sets performance targets for its employees primarily based on their position and department and periodically review their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals. During the Reporting Period, the Group contributed to social insurance and housing provident funds for its employees in accordance with applicable PRC laws, rules and regulations.

For details of the share schemes of the Company, please refer to the paragraphs headed "Pre-IPO Share Award Scheme", "Pre-IPO Restricted Share Scheme" and "Share Option Scheme" of this report.

The unaudited employees benefit expenses were approximately RMB680.9 million for the six months ended June 30, 2025 (for the six months ended June 30, 2024: RMB765.9 million).

Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with all the applicable code provisions of the CG Code throughout the six months ended June 30, 2025 (except as disclosed below).

On July 6, 2021, the Company appointed Mr. Zhu Yiwen as the Chairman of the Board and on August 23, 2021, the Company re-designated Mr. Zhu Yiwen from a non-executive Director to an executive Director and appointed him to be the chief executive officer of the Company. Upon the appointment, Mr. Zhu Yiwen assumes the dual role as the Chairman of the Board and the chief executive officer of the Company. Accordingly, notwithstanding that the code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, the Board is of the view that with support of the mature structure of the Company with a strict operational system and a set of procedural rules for the Board meetings, the Chairman does not have any power different from that of other Directors in relation to the decision making process. Moreover, the Company has also implemented an integrated system and a structured procedure to daily operations of the Group which ensure the diligence and efficiency of the chief executive officer of the Company. As such, the Board believes that the management structure of the Company will ensure management efficiency and at the same time, protect the rights and interests of all Shareholders of the Company to the greatest extent. The Board will continue to review the effectiveness of the corporate governance structure to consider whether any further improvement to the above personnel arrangements is required.

In view of the above, the Board considers that such structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will continue to review the corporate governance structure and practices from time to time and shall make necessary arrangement when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding director's securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the required standard as set out in the Model Code during the six months ended June 30, 2025.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Audit Committee consists of three independent non-executive Directors, being Mr. Ye Changqing (chairman of the Audit Committee), Mr. Zhao Chun and Mr. Zhang Guozhong. The primary duties of the Audit Committee include, among others, reviewing the Company's compliance, accounting policies and financial reporting procedures, supervising the implementation of the Company's internal audit system, advising on the appointment or replacement of external auditors, liaising between internal audit department and external auditors, and other responsibilities as authorized by the Board.

Corporate Governance and Other Information

CHANGE OF AUDITOR

PricewaterhouseCoopers has retired as the auditor of the Company with effect from June 27, 2025 as a consensus on the proposed auditor's remuneration for the financial year ending December 31, 2025 could not be reached. Deloitte Touche Tohmatsu has been appointed as the new auditor of the Company with effect from June 27, 2025 to hold office until the conclusion of the next annual general meeting of the Company. For details regarding the change of auditor of the Company, please refer to the announcements of the Company dated May 29, 2025 and June 27, 2025 and the circular of the Company dated June 3, 2025. Save as disclosed above, there were no other changes in auditor of the Group during the past three years.

REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The independent auditor of the Company, namely Deloitte Touche Tohmatsu, has carried out a review of the interim financial information in accordance with the International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. The Audit Committee has jointly reviewed with the management and the independent auditor of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters in relation to the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2025 and considered that the interim results and interim report are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rules 13.51B(1) of the Listing Rules, the changes in Directors' information during the Reporting Period are set out below:

- (1) Mr. Liu Yanqun retired from his positions as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee with effect from May 29, 2025 due to his desire to devote more time to his personal commitments;
- (2) Mr. Zhang Guozhong was appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee with effect from May 29, 2025;
- (3) Ms. Cheng Huanhuan stepped down from her role as the Co-chief Executive Officer due to a redesignation of duties in the Group. Ms. Cheng remains as an executive Director and was appointed as the secretary to the Board and a member of the Nomination Committee with effect from March 27, 2025;
- (4) Mr. Ren Ai was appointed as the Co-chief Executive Officer and stepped down from his role as the secretary to the Board and a member of the Nomination Committee with effect from March 27, 2025; and
- (5) Mr. Ye Changqing was appointed as an independent non-executive director of Hang Sang (Siu Po) International Holding Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3626) with effect from June 13, 2025.

Corporate Governance and Other Information

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2025, the interest or short position of the Directors or chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code to be notified to the Company and the Stock Exchange are as follows:

Interests in Shares and Underlying Shares of the Company**(a) Ordinary Shares of the Company**

Name of Director/ Chief Executive	Nature of interest	Number of Shares ⁽²⁾	Approximate percentage of total issued Shares ⁽¹⁾
Mr. Zhu	Beneficial interest/Founder of a discretionary trust ⁽³⁾ /Interest of concert parties ⁽⁴⁾	284,566,615 (L)	46.01%
Mr. Ren Ai ⁽³⁾⁽⁴⁾	Beneficial interest/Interest in a controlled corporation ⁽⁵⁾ /Interest of spouse ⁽⁶⁾	284,566,615 (L)	46.01%
Mr. Zhang Wenshan	Beneficial interest	32,235 (L)	0.01%

(b) Share Options granted by the Company

Name of Director	Number of underlying Shares held pursuant to the Share Option Scheme	Approximate percentage of shareholding in the Company ⁽¹⁾
Mr. Zhu	224,000	0.04%
Mr. Cheng Huanhuan	64,000	0.01%
Mr. Ren Ai	96,000	0.02%
Mr. Zhang Wenshan	48,000	0.01%
Ms. Jiang Hui	48,000	0.01%

Notes:

- (1) As of June 30, 2025, the total number of issued Shares was 618,499,000.
- (2) The letter "L" denotes the entity's long position in the Shares.
- (3) On September 30, 2024, Mr. Zhu and Ms. Zhu respectively established discretionary family trusts, namely Ewen Legacy Trust and Ewen Eternity Trust (the "**Family Trusts**"). TMF (Cayman) Ltd. Acts as trustee of the Family Trusts and holds an aggregate of 279,736,818 Shares through Ewen Legacy Limited, Century River Holdings Limited, Ewen Eternity Limited, Amber Tree Holdings Limited and Red Palm Holdings Limited. Mr. Zhu is the settlor of Ewen Legacy Limited while Ms. Zhu is the settlor of Ewen Eternity Limited. Mr. Zhu and Ms. Zhu are the beneficiaries of the Family Trusts.
- (4) Pursuant to the establishment of the Family Trusts, Mr. Zhu, Ms. Zhu and TMF (Cayman) Ltd. (as trustee of the Family Trusts) entered into a concert party confirmation on September 30, 2024 and confirmed that they had and would continue to, for so long as they remain interested in the Shares, directly or indirectly, act in concert by aligning their votes at the shareholders' meetings of the Company. As such, Mr. Zhu and Ms. Zhu, together with TMF (Cayman) Ltd., are all deemed to be interested in the total Shares directly and indirectly held by Ewen Legacy Limited, Century River Holdings Limited, Ewen Eternity Limited, Amber Tree Holdings Limited and Red Palm Holdings Limited.
- (5) Mr. Ren Ai wholly-owns Spruce Wood Investment Holdings Limited and is therefore deemed to be interested in the Shares directly held by Spruce Wood Investment Holdings Limited.
- (6) Mr. Ren Ai is the spouse of Ms. Zhu, and is therefore deemed to be interested in the Shares which are interested by Ms. Zhu.

Corporate Governance and Other Information

Interests in the associated corporation

Name of Director/ Chief Executive	Nature of interest	Name of associated corporation	Approximate percentage of shareholding
Mr. Zhu	Interest in a controlled corporation	Hygeia Hospital Management ⁽¹⁾	100% ⁽²⁾
		VIE Hospitals ⁽³⁾	30% ⁽⁴⁾
		Managed Hospital ⁽⁵⁾	30% ⁽⁶⁾
Mr. Ren Ai	Interest of spouse	Hygeia Hospital Management ⁽¹⁾	100% ⁽²⁾⁽⁷⁾
		VIE Hospitals ⁽³⁾	30% ⁽⁴⁾⁽⁷⁾
		Managed Hospital ⁽⁵⁾	30% ⁽⁶⁾⁽⁷⁾

Notes:

- (1) Hygeia Hospital Management is a subsidiary of the Company by virtue of the contractual arrangements and therefore, is an associated corporation of our Group.
- (2) Mr. Zhu and his daughter, Ms. Zhu holds 40% and 60% equity interest, respectively, in Xiangshang Investment which in turn holds 100% equity interest in Hygeia Hospital Management, and therefore, Mr. Zhu and Ms. Zhu are deemed to be interested in the equity interest in Hygeia Hospital Management held by Xiangshang Investment.
- (3) Each of the VIE Hospitals is a subsidiary of the Company and therefore, is an associated corporation of the Group.
- (4) Hygeia Hospital Management holds 30% equity interest in each of the VIE Hospitals, and therefore, Mr. Zhu and Ms. Zhu are deemed to be interested in the equity interest of the VIE Hospitals held by Hygeia Hospital Management.
- (5) The organizer's interest of the Managed Hospital was held by us and Xiangshang Investment as to 70% and 30%, respectively, and therefore the Managed Hospital is an associated corporation of the Group. The change of 30% organizer's interest in the Managed Hospital has not been filed with the competent authorities due to practical difficulties. The Managed Hospital will complete such filings as soon as practicable under applicable laws.
- (6) Xiangshang Investment holds 30% organizer's interest in the Managed Hospital, and therefore, Mr. Zhu and Ms. Zhu are deemed to be interested in the organizer's interest in the Managed Hospital held by Xiangshang Investment.
- (7) Mr. Ren Ai is the spouse of Ms. Zhu and therefore, is deemed to be interested in the equity interest which is interested by Ms. Zhu.

Save as disclosed above, as of June 30, 2025, so far as it was known to the Directors or chief executive of the Company, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the 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 taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information

DIRECTOR'S RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Other than the Share Option Scheme (as defined below) as disclosed in the paragraph headed "Share Option Scheme" of this report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

INTERESTS AND SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF THE PART XV OF THE SFO

As of June 30, 2025, so far as was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares held ⁽²⁾	Approximate percentage of shareholding in the Company ⁽¹⁾
Ms. Zhu	Founder of a discretionary trust ⁽³⁾ /Interest of concert parties ⁽⁴⁾ /Interest of spouse ⁽⁵⁾	284,566,615 (L)	46.01%
TMF (Cayman) Ltd.	Trustee/Interest of concert parties ⁽⁴⁾	284,566,615 (L)	46.01%
FIL Limited	Interest in a controlled corporation	37,495,000 (L)	6.06%
Pandanus Associates Inc.	Interest in a controlled corporation	37,495,000 (L)	6.06%
Pandanus Partners L.P.	Interest in a controlled corporation	37,495,000 (L)	6.06%

Notes:

- (1) As of June 30, 2025, the total number of issued Shares was 618,499,000.
- (2) The letter "L" denotes the entity's long position in the Shares.
- (3) On September 30, 2024, Mr. Zhu and Ms. Zhu respectively established the Family Trusts. TMF (Cayman) Ltd. Acts as trustee of the Family Trusts and holds an aggregate of 279,736,818 Shares through Ewen Legacy Limited, Century River Holdings Limited, Ewen Eternity Limited, Amber Tree Holdings Limited and Red Palm Holdings Limited. Mr. Zhu is the settlor of Ewen Legacy Limited while Ms. Zhu is the settlor of Ewen Eternity Limited. Mr. Zhu and Ms. Zhu are the beneficiaries of the Family Trusts.
- (4) Pursuant to the establishment of the Family Trusts, Mr. Zhu, Ms. Zhu and TMF (Cayman) Ltd. (as trustee of the Family Trusts) entered into a concert party confirmation on September 30, 2024 and confirmed that they had and would continue to, for so long as they remain interested in the Shares, directly or indirectly, act in concert by aligning their votes at the shareholders' meetings of the Company. As such, Mr. Zhu and Ms. Zhu, together with TMF (Cayman) Ltd., are all deemed to be interested in the total Shares directly and indirectly held by Ewen Legacy Limited, Century River Holdings Limited, Ewen Eternity Limited, Amber Tree Holdings Limited and Red Palm Holdings Limited.
- (5) Spruce Wood Investment Holdings Limited is wholly-owned by Mr. Ren Ai. Therefore, Mr. Ren Ai is deemed to be interested in the Shares directly held by Spruce Wood Investment Holdings Limited. Ms. Zhu is the spouse of Mr. Ren Ai, and is therefore deemed to be interested in the Shares which are interested by Mr. Ren Ai by virtue of the SFO.

Corporate Governance and Other Information

Save as disclosed above, as of June 30, 2025, the Directors were not aware of any persons (who were not directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

PRE-IPO SHARE AWARD SCHEME

The Company approved and adopted the pre-IPO share award scheme (the “**Pre-IPO Share Award Scheme**”) on July 17, 2019 to reward the participants Shares pursuant to the applicable awarded share subscription agreement (“**Awarded Share**”) or awards of restricted shares unit (“**RSU**”), in order to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors, and consultants and to promote the success of the Company’s business by offering these individuals an opportunity to acquire a proprietary interest in the success of the Company or to increase this interest, by permitting them to acquire Shares of the Company.

All of the Shares under the Pre-IPO Share Award Scheme including 16,440 Awarded Shares (which was subdivided into 164,400 Shares after a share subdivision on September 18, 2019) and RSUs in respect of 6,578 Shares (which was subdivided into 65,780 Shares after a share subdivision on September 18, 2019) had been issued or granted to one Director, one senior management member of the Company and one employee or consultant. The Pre-IPO Share Award Scheme was terminated upon the Listing and no Shares or RSUs have been and would be issued or granted under the Pre-IPO Share Award Scheme after the Listing.

For more details of the Pre-IPO Share Award Scheme, please refer to the “D. Pre-IPO Share Incentive Plans — 2. Pre-IPO Share Award Scheme” of Appendix IV to the Prospectus.

PRE-IPO RESTRICTED SHARE SCHEME

The Company approved and adopted the pre-IPO restricted share scheme (the “**Pre-IPO Restricted Share Scheme**”) on July 17, 2019 to reward the participants for their contributions in the development of the Group, provide the participants with the opportunity to receive proprietary interests in the Shares and to encourage the participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. Persons eligible to receive the restricted shares under the Pre-IPO Restricted Share Scheme are the core employees or consultant of any member of the Group whom the Board considers, in its sole discretion, to have contributed or will contribute to the growth and development of the Group. The Pre-IPO Restricted Share Scheme was terminated upon the Listing and no Shares have been and would be issued or granted under the Pre-IPO Restricted Share Scheme after the Listing.

For more details of the Pre-IPO Restricted Share Scheme, please refer to “D. Pre-IPO Share Incentive Plans — 1. Pre-IPO Restricted Share Scheme” of Appendix IV to the Prospectus.

SHARE OPTION SCHEME

In order to improve the governance structure of the Company and to effectively attract, motivate and retain talents, the Company has adopted a share option scheme on October 15, 2021 (the “**Share Option Scheme**”). The participants of the Share Option Scheme include any director or employee of the Group and any medical expert who in the sole discretion of the Board has contributed or will contribute to the Group.

Corporate Governance and Other Information

Under the Share Option Scheme, the Company is authorized to issue up to 18,540,000 Shares ("**Share Options**" or "**Option(s)**"), which represents 3% of the total number of issued Shares of the Company as at October 15, 2021. No Options shall be granted to any eligible person ("**Relevant Eligible Person**") if the number of Shares issued and to be issued upon the exercise of all Options granted and to be granted (including exercised, cancelled and outstanding options) to the Relevant Eligible Person in the 12-month period up to and including the offer date of the relevant Option would exceed 1% of the total number of Shares in issue at such time. The Share Option Scheme will be valid and effective for a period of 10 years commencing from October 15, 2021. The exercise period of the granted options will be ten (10) years from the date of grant. During the Reporting Period, no Share Options were exercised. As of the date of this report, 5,069,600 Share Options are available for issue under the Share Option Scheme upon exercise of all Share Options which had been granted and yet to be exercised under the Share Option Scheme, representing approximately 0.8% of the total number of issued Shares of the Company.

An offer shall be deemed to have been granted and the Option to which the offer relates shall be deemed to have been accepted when the Company receives the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance of the Option price, being HK\$1.00 payable for each acceptance of grant of an Option, to the Company. The exercise price of the Share Options shall be a price determined by the Board and the basis of which shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; (b) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date; and (c) the nominal value of a Share.

The Share Option Scheme does not stipulate a minimum period for which an Option must be held before an Option may be exercised. However, under the Share Option Scheme, the board may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making an Offer to the Relevant Eligible Person (including, without limitation, as to any performance targets which must be satisfied by the Relevant Eligible Person and/or the Company and/or its subsidiaries, and any minimum period for which an Option must be held, before an Option may be exercised, if any), provided that such conditions shall not be inconsistent with any other terms and conditions of the Share Option Scheme.

The exercise price of the Share Options granted is HK\$66.80 per Share, representing the highest of: (i) the closing price of HK\$66.80 per Share as stated in the Stock Exchange's daily quotations sheet on the grant date; (ii) the average closing price of HK\$63.96 per Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date; and (iii) the nominal value of US\$0.00001 per Share.

Share Options granted under the Share Option Scheme shall be valid and effective for a period of 10 years from the date of grant and vest over a five-year period, with 20%, 20%, 20%, 20% and 20% of total Share Options vesting on March 31 each year from 2023 to 2027. Details of the movements of the Options granted and outstanding during the Reporting Period, the exercise price, the vesting date and the impact of Options granted under the Share Option Scheme on the financial statements are set out in the announcement of the Company dated August 24, 2021 and circular of the Company dated September 23, 2021 and under Note 21 to the interim financial information.

The number of Share Options available for grant under the Share Option Scheme was 10,657,000 and 10,657,000 as of January 1, 2025 and June 30, 2025, respectively. During the Reporting Period, the number of Shares underlying the Share Options that granted under the Share Options Scheme divided by the weighted average number of total Shares in issue during the Reporting Period is nil.

Corporate Governance and Other Information

The table below shows details of the movements in the Share Options granted and outstanding under the Share Option Scheme during the Reporting Period:

Category and name of participants	Date of grant	Exercise price per share	Closing price of Shares immediately before the date of grant	Closing price (weighted average) of Shares immediately before the date of exercise/vest	Fair value at the date of grant (Note 5)	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Exercise Period	Cancelled during the Reporting Period (Note 4)	Lapsed/ forfeited during the Reporting Period (Note 4)	Outstanding as at June 30, 2025 (Note 6)	Vesting Date (Note 3)
Directors or chief executive and their associate														
Mr. Zhu Ywen	November 12, 2021	HK\$66.80	HK\$66.05	–	HK\$6,740,146	168,000	–	–	–	10 years	–	56,000	112,000	(Note 1)
Ms. Cheng Huanhuan	November 12, 2021	HK\$66.80	HK\$66.05	–	HK\$1,925,756	48,000	–	–	–	10 years	–	16,000	32,000	(Note 1)
Mr. Ren Ai	November 12, 2021	HK\$66.80	HK\$66.05	–	HK\$2,888,634	72,000	–	–	–	10 years	–	24,000	48,000	(Note 1)
Mr. Zhang Wenshan	November 12, 2021	HK\$66.80	HK\$66.05	–	HK\$1,444,317	36,000	–	–	–	10 years	–	12,000	24,000	(Note 1)
Ms. Jiang Hui	November 12, 2021	HK\$66.80	HK\$66.05	–	HK\$1,444,317	36,000	–	–	–	10 years	–	12,000	24,000	(Note 1)
Sub-total						360,000	–	–	–	–	–	120,000	240,000	
Substantial shareholders and their associates														
								N/A						
Participants with options in excess of 1% individual limit								N/A						
Related entity participants or service providers with options granted and to be granted during the year exceeding 0.1% individual limited								N/A						
Other employees participants (in aggregate) 557 employees	November 12, 2021	HK\$66.80	HK\$66.05	–	HK\$153,656,830	3,652,200	–	–	–	10 years	–	1,321,400	2,330,800	(Note 2)
Sub-total						3,652,200	–	–	–	–	–	1,321,400	2,330,800	
Other related entity participants								N/A						
Other service providers								N/A						
Total						4,012,200	–	–	–	–	–	1,441,400	2,570,800	

Corporate Governance and Other Information

Notes:

Note 1

As of June 30, 2025, the vesting dates of the Share Options granted to the Directors are as follows:

Number of Share Options	Vesting Date
20% of the total Share Options	March 31, 2023;
20% of the total Share Options	March 31, 2024;
20% of the total Share Options	March 31, 2025;
20% of the total Share Options	March 31, 2026; and
20% of the total Share Options	March 31, 2027.

Note 2

As of June 30, 2025, the vesting dates of the Share Options granted to the employees are as follows:

Number of Share Options	Vesting Date
20% of the total Share Options	March 31, 2023;
20% of the total Share Options	March 31, 2024;
20% of the total Share Options	March 31, 2025;
20% of the total Share Options	March 31, 2026; and
20% of the total Share Options	March 31, 2027.

Note 3

The vesting of the Share Options is conditional on the fulfillment of vesting conditions, including certain performance targets (including individual performance based on periodic performance assessment as well as annual performance of the Company), which are set out in the respective letter of offer of each grantee.

Note 4

Where the Share Options are lapsed due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such share options are reversed on the effective date of the forfeiture.

Note 5

The fair value of Share Options at the date of grant has been prepared in accordance with all applicable IFRS Accounting Standards and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622. For details of the basis of calculation, please refer to Note 21 to the interim financial information.

Note 6

The number of unvested Share Options, which will be vested to the grantees according to the vesting schedule, subject to fulfilment of the vesting conditions applicable to such grantees.

Corporate Governance and Other Information

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 1,928,000 Shares on the Stock Exchange at an aggregate amount of approximately HK\$25.58 million. The reason for repurchase is to demonstrate the Company's confidence in its own business outlook and prospects as the Company believes that the current trading price of the Shares does not reflect their intrinsic value or the actual prospects of the Company. As of the date of this report, all Shares repurchased during the Reporting Period have been cancelled by the Company.

Details of the Shares repurchased during the Reporting Period are as follows:

Month of repurchases	Number of Shares repurchased on the Stock Exchange	Price paid per Share		Aggregate purchase price (HK\$ million)
		Highest (HK\$)	Lowest (HK\$)	
January 2025	1,928,000	14.14	12.44	25.58

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury Shares) during the Reporting Period. As of June 30, 2025, the Company did not hold any treasury Shares.

EVENT AFTER THE REPORTING PERIOD

There was no significant event that might affect the Group after the Reporting Period.

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF HYGEIA HEALTHCARE HOLDINGS CO., LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Hygeia Healthcare Holdings Co., Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 38 to 64, which comprise the condensed consolidated statement of financial position as at June 30, 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. 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 International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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 International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements 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 International 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, comparative condensed consolidated statement of changes in equity and comparative condensed consolidated statement of cash flows for the six-month period ended June 30, 2024 and the relevant notes included in these condensed consolidated financial statements were extracted from the interim financial information of the Group for six-month period ended June 30, 2024 reviewed by another auditor who expressed an unmodified conclusion on the interim financial information on August 29, 2024. The comparative condensed consolidated statement of financial position as at December 31, 2024 was extracted from the consolidated financial statements of the Group for the year ended December 31, 2024 audited by the same auditor who expressed an unmodified opinion on those statements on March 27, 2025.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
August 28, 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	NOTES	Six months ended June 30,	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	3	1,989,654	2,381,880
Cost of sales		(1,460,984)	(1,625,441)
Gross profit		528,670	756,439
Other income	4	35,751	21,933
Other gains or losses, net	5	25,636	2,590
Selling expenses		(25,944)	(29,477)
Administrative expenses		(219,636)	(237,823)
Operating profit		344,477	513,662
Finance income		2,693	797
Finance costs		(37,180)	(37,626)
Finance costs, net	6	(34,487)	(36,829)
Profit before income tax	8	309,990	476,833
Income tax expense	7	(64,170)	(91,659)
Profit and total comprehensive income for the period		245,820	385,174
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		247,066	384,571
Non-controlling interests		(1,246)	603
		245,820	385,174
Earnings per share			
Basic (RMB)	10	0.40	0.61
Diluted (RMB)	10	0.40	0.61

Condensed Consolidated Statement of Financial Position

	NOTES	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	11	5,182,820	5,079,050
Intangible assets	12	3,937,433	3,943,417
Prepayments for non-current assets	14	16,138	32,133
Deferred income tax assets	13	60,947	48,906
		9,197,338	9,103,506
Current Assets			
Inventories		178,053	215,833
Trade, other receivables and prepayments	14	848,248	933,417
Amounts due from related parties	24	23,436	23,552
Financial assets at fair value through profit or loss ("FVPL")	15	65,534	282,522
Restricted deposits		25,197	1,355
Cash and cash equivalents	16	606,846	369,070
		1,747,314	1,825,749
Total Assets		10,944,652	10,929,255
EQUITY AND LIABILITIES			
Non-current Liabilities			
Deferred income tax liabilities	13	159,615	158,427
Borrowings	18	2,016,553	2,247,211
Lease liabilities		7,554	8,987
Deferred income		34,951	35,425
Other non-current liabilities		9,083	8,963
		2,227,756	2,459,013

Condensed Consolidated Statement of Financial Position

	NOTES	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Current Liabilities			
Trade and other payables	17	1,083,495	1,136,535
Financial liabilities at FVPL	19	5,471	—
Current income tax liabilities		43,698	69,376
Borrowings	18	620,464	531,999
Lease liabilities		3,277	3,246
Contract liabilities		59,643	54,682
		1,816,048	1,795,838
Total Liabilities		4,043,804	4,254,851
Capital and Reserves			
Share capital	20	42	42
Reserves		6,880,292	6,652,602
Equity attributable to owners of the Company		6,880,334	6,652,644
Non-controlling interests		20,514	21,760
Total Equity		6,900,848	6,674,404
Total Equity and Liabilities		10,944,652	10,929,255

The condensed consolidated financial statements on page 38 to 64 were approved and authorised for issue by the board of directors on August 28, 2025 and signed on its behalf by:

Zhu Yiwen
Director

Ren Ai
Director

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000		
At January 1, 2025 (audited)	42	7,484,623	(18,394)	(2,810,146)	1,996,519	6,652,644	21,760	6,674,404
Profit (loss) for the period	—	—	—	—	247,066	247,066	(1,246)	245,820
Total comprehensive income (expense) for the period	—	—	—	—	247,066	247,066	(1,246)	245,820
Share-based compensation	—	—	—	4,279	—	4,279	—	4,279
Repurchase of ordinary shares (note a)	—	—	(23,655)	—	—	(23,655)	—	(23,655)
Cancellation of shares	—*	(42,049)	42,049	—	—	—	—	—
At June 30, 2025 (unaudited)	42	7,442,574	—	(2,805,867)	2,243,585	6,880,334	20,514	6,900,848

	Attributable to owners of the Company						Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000		
At January 1, 2024 (audited)	43	7,634,305	—	(2,805,189)	1,404,037	6,233,196	21,678	6,254,874
Profit for the period	—	—	—	—	384,571	384,571	603	385,174
Total comprehensive income for the period	—	—	—	—	384,571	384,571	603	385,174
Share-based compensation	—	—	—	8,702	—	8,702	—	8,702
At June 30, 2024 (unaudited)	43	7,634,305	—	(2,796,487)	1,788,608	6,626,469	22,281	6,648,750

* Amount less than RMB1,000

Note a: During the six months ended June 30, 2025, the Company repurchased 1,928,000 ordinary shares at an aggregate consideration of RMB23,655,000, including the transaction costs paid by the Company and 3,272,200 repurchased ordinary shares were cancelled by the Company.

Condensed Consolidated Statement of Cash Flows

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
NET CASH FROM OPERATING ACTIVITIES	455,728	350,789
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(237,545)	(330,755)
Proceeds on disposal of property, plant and equipment	2	280
Purchases of intangible assets	(4,333)	(7,563)
Payments for acquisition of subsidiaries, net of cash acquired	—	(10,314)
Payments for purchases of financial instruments at FVPL	(160,000)	(975,000)
Proceeds from disposals of financial instruments at FVPL	421,161	689,487
(Increase) decrease in restricted deposits	(23,842)	12,104
NET CASH USED IN INVESTING ACTIVITIES	(4,557)	(621,761)
FINANCING ACTIVITIES		
Borrowing interest paid	(45,350)	(55,436)
Repayments of bank borrowings	(260,876)	(302,041)
Proceeds from bank borrowings	118,683	315,752
Payments of lease liabilities, including interest	(1,744)	(243)
Payments for repurchase of ordinary shares	(23,655)	—
NET CASH USED IN FINANCING ACTIVITIES	(212,942)	(41,968)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	238,229	(312,940)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	369,070	549,742
Effect of foreign exchange rate changes	(453)	(18)
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	606,846	236,784

Notes to the Condensed Consolidated Financial Statements

1. GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

Hygeia Healthcare Holdings Co., Limited (the “Company”) was incorporated in the Cayman Islands on September 12, 2018 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 Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of healthcare services through self-owned private for-profit hospitals which are variable interest entities owned by the Group in the People’s Republic of China (the “PRC”).

The Company completed its initial public offerings and listed its shares on Main Board of the Stock Exchange of Hong Kong Limited on June 29, 2020.

The interim condensed consolidated financial information is presented in Renminbi (“RMB”) and rounded to nearest thousand yuan, unless otherwise stated.

1.2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at June 30, 2025, the Group’s current liabilities exceeded its current assets and the Group also has substantial capital commitments which were disclosed in Note 22. After taking into account of the Group’s cash flow projection, expected working capital requirements, capital commitments, as well as financing plans, including unused credit facilities, the directors of the Company are satisfied that the Group is able to have sufficient capital to finance its operations and to meet its financial obligations for at least twelve months after June 30, 2025. Thus the interim condensed consolidated financial statements were prepared on a going concern basis.



Notes to the Condensed Consolidated Financial Statements

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2024.

2.1 Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION AND REVENUE

(a) Description of segments and principal activities

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-makers ("CODMs"). The CODMs, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Co-chief Executive Officers and executive Directors of the Company that make strategic decisions. The CODMs have decided to change the reporting structure from current year to provide more focused and relevant information to reflect the Group's growth drivers. After the change, the CODMs review the operating performance and allocate the resources of the Group as a whole, and therefore no longer assess the operating performance of business activities previously listed separately in the other business operating segment. Therefore, the CODMs consider the Group only has one operating segment in this period. This change only affects the presentation of segment reporting and does not affect the financial statement data and presentation.

The CODMs review the overall results and financial position of the Group as a whole prepared based on the same accounting policies as set out in Note 2 and no further analysis of the single segment is presented. Prior period's segment disclosures have been restated to conform with the current period's presentation.

Notes to the Condensed Consolidated Financial Statements

3. SEGMENT INFORMATION AND REVENUE (CONTINUED)

(b) Revenue by nature

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Inpatient services	1,219,784	1,494,617
Outpatient services	722,427	812,840
Others	47,443	74,423
	1,989,654	2,381,880
Including revenue from contracts with customers	1,979,889	2,363,797

The Group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Over time		
— Inpatient services	98,730	92,192
— Others	27,795	36,939
	126,525	129,131
At a point in time		
— Inpatient services	1,121,054	1,402,425
— Outpatient services	722,427	812,840
— Others	9,883	19,401
	1,853,364	2,234,666
Revenue from contracts with customers	1,979,889	2,363,797

(c) Geographical information

The Company is domiciled in the Cayman Islands while the Group's non-current assets and revenues are substantially located in and derived from the PRC, therefore, no geographical segments are presented.

(d) Information about major customers

All the revenues derived from single external customers were less than 10% of the Group's total revenues during the six months ended June 30, 2025 and 2024.

Notes to the Condensed Consolidated Financial Statements

4. OTHER INCOME

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Government grants	28,143	15,980
Others	7,608	5,953
	35,751	21,933

5. OTHER GAINS OR LOSSES, NET

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fair value gains on financial assets/liabilities at FVPL, net	38,702	6,572
Losses on disposal of property, plant and equipment	(1,528)	(1,281)
Net foreign exchange losses	(5,766)	(18)
Others	(5,772)	(2,683)
	25,636	2,590

6. FINANCE COSTS, NET

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance income:		
Interest income of bank savings	2,693	797
Finance costs:		
Interest on borrowings	(45,582)	(51,589)
Interest expenses on lease liabilities	(342)	(97)
	(45,924)	(51,686)
Amount capitalised (i)	8,744	14,060
Finance costs expensed	(37,180)	(37,626)
Finance costs — net	(34,487)	(36,829)

- (i) The capitalisation rate of the Group's general borrowings during the six months ended June 30, 2025 was 3.57% (the six months ended June 30, 2024: 4.06%) per annum.

Notes to the Condensed Consolidated Financial Statements

7. INCOME TAX EXPENSE

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Current income tax		
— PRC corporate income tax	75,023	80,260
Deferred income tax (Note 13)	(10,853)	11,399
	64,170	91,659

The Group's principal applicable taxes and tax rates are as follows:

Cayman Islands

Under the prevailing laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, no Cayman Islands withholding tax is payable on dividend payments by the Company to its shareholders.

British Virgin Islands

The Group's entity incorporated in the British Virgin Islands is not subject to tax on income or capital gains.

Hong Kong

The Group's entity incorporated in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5%.

PRC corporate income tax ("CIT")

PRC CIT was made on the estimated assessable profits of the entities within the Group incorporated in the PRC and was calculated in accordance with the relevant tax rules and regulations of the PRC after considering the available tax refunds and allowances. The general PRC CIT rate is 25%.

The Company's subsidiaries, Chongqing Hygeia Hospital Co., Ltd., Hezhou Guangji Hospital Co., Ltd., Kaiyuan Jiehua Hospital Co., Ltd., Qihai (Chongqing) Pharmaceutical Co., Ltd., Chang'an Hospital Co., Ltd. and Hygeia (Xi'an) Medical Management Co., Ltd. were established in the western region of the PRC. Pursuant to the relevant laws and regulations from 2021 to 2030, entities located in the western region of the PRC and engaged in the business encouraged by the PRC government are entitled to a concession rate of 15% if the operating revenue of the encouraged business in a year accounted for more than 60% of the total income in that year. The business of the above entities comply with the aforementioned policies and therefore are entitled to the preferable tax rate of 15% in the current period.

The Company's subsidiary, Shanghai Gamma Star Technology Development Co., Ltd. ("Gamma Star Tech"), was approved as "High and New Technology Enterprise" in November 2023. Under the relevant tax rules and regulations of the PRC, Gamma Star Tech is subjected to a reduced preferential CIT rate of 15% from 2023 to 2025. Based on management's self-assessment and track record of success in obtaining such types of qualifications, Gamma Star Tech is expected to qualify as a "High and New Technology Enterprise" after the expire date and thus is expected to further be subjected to a 15% preferential tax rate.

Notes to the Condensed Consolidated Financial Statements

7. INCOME TAX EXPENSE (CONTINUED)

Withholding tax on undistributed profits

According to the relevant tax rules and regulations of the PRC Mainland, distribution to foreign investors of profits earned by PRC Mainland companies since January 1, 2008 is subject to withholding tax of 5% or 10%, depending on the country or region of incorporation of foreign investors. As at June 30, 2025, the retained profits of the Group's PRC Mainland subsidiaries not yet remitted to holding companies incorporated outside the PRC Mainland, for which no deferred income tax liability had been provided, were approximately RMB2,597,539,000 (as at December 31, 2024: RMB2,494,271,000). Such earnings are expected to be retained by the PRC Mainland subsidiaries for reinvestment purposes and would not be remitted to their overseas holding companies in the foreseeable future based on management's best estimates of the Group's overseas funding requirements.

8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging the following items:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Depreciation of property, plant and equipment	147,028	132,511
Amortization of intangible assets	10,317	9,865
Total depreciation and amortization	157,345	142,376
Capitalised in construction in progress	(1,852)	(2,494)
	155,493	139,882
Employees benefit expenses	680,886	765,915

9. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

Notes to the Condensed Consolidated Financial Statements

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended June 30,	
	2025 (unaudited)	2024 (unaudited)
Earnings for the purpose of basic and diluted earnings per share (RMB'000)	247,066	384,571
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ('000)	618,624	631,524

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. In November 2021, the Company granted share options to employees (Note 21). For the six months ended June 30, 2025 and 2024, the outstanding share options issued under the Company's share option scheme are potential dilutive ordinary shares. During the six months ended June 30, 2025 and 2024, the potential dilutive ordinary shares were not included in the calculation of diluted earnings per share as their inclusion would be anti-dilutive. Accordingly, diluted earnings per share for the six months ended June 30, 2025 and 2024 are the same as basic earnings per share.

Notes to the Condensed Consolidated Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Right-of- use for properties RMB'000	Right-of-use for lands RMB'000	Medical equipment RMB'000	Transportation equipment RMB'000	Furniture, fixtures and equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
As at December 31, 2024 (audited):									
Cost	3,001,419	27,477	834,788	1,397,333	17,983	135,155	124,588	456,971	5,995,714
Accumulated depreciation	(215,598)	(14,791)	(84,414)	(463,657)	(12,092)	(73,566)	(52,546)	—	(916,664)
Closing net book amount	2,785,821	12,686	750,374	933,676	5,891	61,589	72,042	456,971	5,079,050
Six months ended June 30, 2025 (unaudited):									
Opening net book amount	2,785,821	12,686	750,374	933,676	5,891	61,589	72,042	456,971	5,079,050
Additions	3,235	—	82	30,340	59	3,441	1,065	214,106	252,328
Transfers upon completion	694	—	—	937	—	—	911	(2,542)	—
Disposals	—	—	—	(1,493)	(16)	(21)	—	—	(1,530)
Depreciation	(38,395)	(1,807)	(9,570)	(74,812)	(1,205)	(7,608)	(13,631)	—	(147,028)
Closing net book amount	2,751,355	10,879	740,886	888,648	4,729	57,401	60,387	668,535	5,182,820
As at June 30, 2025 (unaudited):									
Cost	3,005,348	27,477	834,870	1,416,941	17,716	136,507	126,564	668,535	6,233,958
Accumulated depreciation	(253,993)	(16,598)	(93,984)	(528,293)	(12,987)	(79,106)	(66,177)	—	(1,051,138)
Closing net book amount	2,751,355	10,879	740,886	888,648	4,729	57,401	60,387	668,535	5,182,820
As at December 31, 2023 (audited):									
Cost	2,326,991	15,488	833,245	1,215,548	19,176	114,660	87,812	678,669	5,291,589
Accumulated depreciation	(149,201)	(11,736)	(65,441)	(337,568)	(12,111)	(58,816)	(26,248)	—	(661,121)
Closing net book amount	2,177,790	3,752	767,804	877,980	7,065	55,844	61,564	678,669	4,630,468
Six months ended June 30, 2024 (unaudited):									
Opening net book amount	2,177,790	3,752	767,804	877,980	7,065	55,844	61,564	678,669	4,630,468
Additions	74,628	—	1,544	117,612	1,644	13,164	4,918	145,226	358,736
Transfers upon completion	189,125	—	—	13,365	—	—	—	(202,490)	—
Disposals	(313)	—	—	(1,173)	(35)	(40)	—	—	(1,561)
Depreciation	(31,551)	(570)	(9,485)	(71,801)	(1,410)	(8,886)	(8,808)	—	(132,511)
Closing net book amount	2,409,679	3,182	759,863	935,983	7,264	60,082	57,674	621,405	4,855,132
As at June 30, 2024 (unaudited):									
Cost	2,590,352	15,488	834,789	1,337,900	18,855	127,458	92,730	621,405	5,638,977
Accumulated depreciation	(180,673)	(12,306)	(74,926)	(401,917)	(11,591)	(67,376)	(35,056)	—	(783,845)
Closing net book amount	2,409,679	3,182	759,863	935,983	7,264	60,082	57,674	621,405	4,855,132

The Group's borrowings as at June 30, 2025 of RMB933,279,000 (December 31, 2024: RMB909,029,000) were secured by certain buildings, right-of-use for lands and construction in progress with total carrying values of RMB1,340,711,000 (December 31, 2024: RMB988,282,000).

Notes to the Condensed Consolidated Financial Statements

12. INTANGIBLE ASSETS

	Goodwill RMB'000	Software RMB'000	Contractual rights to provide management services RMB'000	Medical licenses RMB'000	Total RMB'000
As at December 31, 2024 (audited):					
Cost	3,724,449	79,966	27,920	183,398	4,015,733
Accumulated amortization	—	(39,326)	(9,423)	(23,567)	(72,316)
Net book amount	3,724,449	40,640	18,497	159,831	3,943,417
Six months ended June 30, 2025 (unaudited):					
Opening net book amount	3,724,449	40,640	18,497	159,831	3,943,417
Additions	—	4,333	—	—	4,333
Amortization	—	(6,715)	(349)	(3,253)	(10,317)
Net book amount	3,724,449	38,258	18,148	156,578	3,937,433
As at June 30, 2025 (unaudited):					
Cost	3,724,449	84,299	27,920	183,398	4,020,066
Accumulated amortization	—	(46,041)	(9,772)	(26,820)	(82,633)
Net book amount	3,724,449	38,258	18,148	156,578	3,937,433
As at December 31, 2023 (audited):					
Cost	3,724,449	62,435	27,920	183,398	3,998,202
Accumulated amortization	—	(26,589)	(8,725)	(17,061)	(52,375)
Net book amount	3,724,449	35,846	19,195	166,337	3,945,827
Six months ended June 30, 2024 (unaudited):					
Opening net book amount	3,724,449	35,846	19,195	166,337	3,945,827
Additions	—	7,563	—	—	7,563
Amortization	—	(6,263)	(349)	(3,253)	(9,865)
Net book amount	3,724,449	37,146	18,846	163,084	3,943,525
As at June 30, 2024 (unaudited):					
Cost	3,724,449	69,998	27,920	183,398	4,005,765
Accumulated amortization	—	(32,852)	(9,074)	(20,314)	(62,240)
Net book amount	3,724,449	37,146	18,846	163,084	3,943,525

Notes to the Condensed Consolidated Financial Statements

13. DEFERRED INCOME TAX ASSETS AND LIABILITIES

The followings are the major deferred tax assets (liabilities) recognized and movements thereon during the current and preceding interim periods:

(i) Deferred tax assets

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Total deferred tax assets	81,227	67,085
Set-off of deferred tax liabilities pursuant to set-off provisions	(20,280)	(18,179)
Net deferred tax assets	60,947	48,906

	Tax losses RMB'000	Provisions RMB'000	Unrealized profits of intra-group transaction RMB'000	Lease liabilities RMB'000	Total RMB'000
As at December 31, 2024 (audited)	25,666	27,096	11,876	2,447	67,085
— Credit (charged) to profit or loss	12,410	1,308	705	(281)	14,142
As at June 30, 2025 (unaudited)	38,076	28,404	12,581	2,166	81,227
As at December 31, 2023 (audited)	53,643	5,575	13,700	646	73,564
— Credit (charged) to profit or loss	18,007	(3,556)	(5,701)	(29)	8,721
As at June 30, 2024 (unaudited)	71,650	2,019	7,999	617	82,285

Notes to the Condensed Consolidated Financial Statements

13. DEFERRED INCOME TAX ASSETS AND LIABILITIES (CONTINUED)

(ii) Deferred tax liabilities

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Total deferred tax liabilities	179,895	176,606
Set-off of deferred tax assets pursuant to set-off provisions	(20,280)	(18,179)
Net deferred tax liabilities	159,615	158,427

	Property, plant and equipment RMB'000	Intangible assets RMB'000	Right-of-use for properties RMB'000	Total RMB'000
As at December 31, 2024 (audited)	140,856	33,303	2,447	176,606
— Charged (credit) to profit or loss	4,240	(670)	(281)	3,289
As at June 30, 2025 (unaudited)	145,096	32,633	2,166	179,895
As at December 31, 2023 (audited)	162,796	34,643	646	198,085
— Charged (credit) to profit or loss	20,808	(659)	(29)	20,120
As at June 30, 2024 (unaudited)	183,604	33,984	617	218,205

Notes to the Condensed Consolidated Financial Statements

13. DEFERRED INCOME TAX ASSETS AND LIABILITIES (CONTINUED)

(ii) Deferred tax liabilities (CONTINUED)

For the purposes of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Deferred tax assets	60,947	48,906
Deferred tax liabilities	(159,615)	(158,427)
	(98,668)	(109,521)

At the end of the current interim period, the Group has unused tax losses of RMB342,049,000 (December 31, 2024: RMB269,488,000) available for offsetting against future profits. Deferred tax asset of RMB38,076,000 (December 31, 2024: RMB25,666,000) in respect of tax losses of RMB153,331,000 (December 31, 2024: RMB106,172,000) has been recognized. No deferred tax asset has been recognized in respect of the remaining tax losses of RMB188,718,000 (December 31, 2024: RMB163,316,000) due to the unpredictability of future profit streams. Losses of RMB182,521,000 (December 31, 2024: RMB160,829,000) included in unrecognized tax losses will expire from 2025 to 2029. Other losses may be carried forward indefinitely.

14. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Included in current assets		
Trade receivables	749,117	837,547
Less: allowance for credit losses	(14,558)	(14,558)
	734,559	822,989
Prepayments to suppliers	60,176	61,130
Other receivables	53,513	49,298
	848,248	933,417
Included in non-current assets		
Prepayments for property, plant and equipment	16,138	32,133
	864,386	965,550

Notes to the Condensed Consolidated Financial Statements

14. TRADE, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

The following is an aging analysis of trade receivables by age, presented based on transaction date:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Within 90 days	513,888	553,717
91 to 180 days	109,394	94,612
181 to 365 days	72,666	108,967
1 to 2 years	40,811	70,795
2 to 3 years	8,569	8,517
Over 3 years	3,789	939
	749,117	837,547

15. FINANCIAL ASSETS AT FVPL

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Wealth management products	65,534	282,522

As part of the Group's cash management to maximise return on idle cash, the Group invested in certain wealth management products issued by several financial institutions in the PRC.

Notes to the Condensed Consolidated Financial Statements

16. CASH AND CASH EQUIVALENTS

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Cash at bank and in hand	632,043	370,425
Less: restricted deposits	(25,197)	(1,355)
Cash and cash equivalents	606,846	369,070

Cash and cash equivalents were denominated in the following currencies:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
RMB	408,514	366,489
United States dollar ("US\$")	193,998	617
Hong Kong dollar ("HK\$")	4,334	1,964
	606,846	369,070

At June 30, 2025, bank balances carry interests at market rates ranging from 0.05% to 1.35% (December 31, 2024: from 0.10% to 1.35%) per annum.

At June 30, 2025, restricted deposits carry interests at market rates ranging from 0.05% to 1.23% (December 31, 2024: 0.10%) per annum.

Notes to the Condensed Consolidated Financial Statements

17. TRADE AND OTHER PAYABLES

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Trade payables	526,554	549,008
Salaries payable	278,756	285,063
Payables for construction projects	162,515	172,086
Other taxes payable	21,610	28,403
Payables of considerations for acquisition equity interest of subsidiaries	15,071	15,071
Deposits payable	5,348	5,129
Others	73,641	81,775
	1,083,495	1,136,535

The following is an analysis of trade payables by age, presented based on the transaction date.

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
0 to 90 days	374,987	403,856
91 to 180 days	72,767	79,824
181 to 365 days	34,130	21,544
Over 1 year	44,670	43,784
	526,554	549,008

18. BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to RMB118,683,000 (six months ended June 30, 2024: RMB315,752,000). The loans carry interest at fixed rates ranged from 1.70% to 1.80% per annum and variable market rates ranged from 3.20% to 3.43% per annum and are repayable over a period from 11 months to 9 years. The proceeds were used to finance the acquisition of property, plant and equipment and daily operations.

Notes to the Condensed Consolidated Financial Statements

19. FINANCIAL LIABILITIES AT FVPL

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Derivative financial instruments	5,471	—

In the current interim period, the Group invested in certain derivative financial instruments. The changes in fair value of these financial instruments were recognized as other gains or losses, net.

20. SHARE CAPITAL

	Number of shares	Share capital US\$
Ordinary shares of US\$0.00001 each		
Authorised		
As at January 1, 2024 (audited), June 30, 2024 (unaudited), January 1, 2025 (audited) and June 30, 2025 (unaudited)	5,000,000,000	50,000
	Number of shares	Share capital RMB'000
Issued and fully paid		
As at January 1, 2024 (audited) and June 30, 2024 (unaudited)	631,524,200	43
As at January 1, 2025 (audited)	621,771,200	42
Cancellation of shares	(3,272,200)	—*
As at June 30, 2025 (unaudited)	618,499,000	42

* Less than RMB1,000.

During the six months ended June 30, 2025, the Company repurchased 1,928,000 (six months ended June 30, 2024: nil) of its own ordinary shares through The Stock Exchange of Hong Kong Limited with an aggregate consideration of RMB23,655,000 (six months ended June 30, 2024: nil) paid, including the transaction costs.

The above ordinary shares were cancelled upon repurchase.

Notes to the Condensed Consolidated Financial Statements

21. SHARE-BASED COMPENSATION

In order to provide incentives and/or rewards to directors or employees of the Group who, in the sole discretion of the Board, have contributed or will contribute to the Group (the “Eligible Persons”) for their contributions to, and continuing efforts to promote the interests of, the Group and to enable the Group to recruit and retain talents, the shareholders of the Company adopted a share option scheme (the “Share Option Scheme”) on October 15, 2021. Pursuant to the Share Option Scheme, on November 12, 2021 (the “Grant Date”), the Company granted 7,859,000 share options to 564 Eligible Persons, who are employees of the Company’s subsidiaries, to subscribe for up to an aggregate of 7,859,000 ordinary shares of the Company with a nominal value of US\$0.00001 each in the share capital of the Company.

Share options granted under the Share Option Scheme shall be valid and effective for a period of 10 years from the Grant Date and vest over a five-year period, with 20%, 20%, 20%, 20% and 20% of total share options vesting on March 31 each year from 2023 to 2027. Performance targets are set out for each batch of granted share options. Details of the share options were disclosed in the Company announcement dated November 12, 2021.

Set out below are summaries of options movements under the plan:

	Number of share options	Average exercise price per share option
Outstanding as at January 1, 2024	7,151,200	HK\$66.80
Forfeited during the period	(304,200)	HK\$66.80
Outstanding as at June 30, 2024	6,847,000	HK\$66.80

	Number of share options	Average exercise price per share option
Outstanding as at January 1, 2025	6,751,000	HK\$66.80
Forfeited during the period	(1,609,400)	HK\$66.80
Outstanding as at June 30, 2025	5,141,600	HK\$66.80

The Group recorded a total of RMB4,279,000 share-based compensation expenses in the interim condensed consolidated statement of profit or loss and other comprehensive income for the six months ended June 30, 2025 for the aforesaid share options (six months ended June 30, 2024: RMB8,702,000).

Notes to the Condensed Consolidated Financial Statements

22. CONTINGENCIES AND COMMITMENTS

As at June 30, 2025, the Group did not have any material contingent liabilities.

As at the end of the current interim period, the Group was committed to acquire property, plant and equipment of RMB440,448,000 (December 31, 2024: RMB460,936,000) and intangible assets of RMB2,942,000 (December 31, 2024: RMB2,185,000).

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The Group has a team that manages the valuation of instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's instruments. External valuation experts will be involved when necessary.

The fair values of these financial assets and financial liabilities are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS
(CONTINUED)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial assets/(liabilities)	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)			
Derivative financial instruments	(5,471)	—	Level 2	The fair value is determined based on the fair value of the underlying security	N/A
Wealth management products	60,102	—	Level 2	Discounted cash flow method	N/A
Wealth management products	5,432	282,522	Level 3	Discounted cash flow method	Expected return rate and discounted rate

There were no transfers between Level 1 and 2 during the period.

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at FVPL RMB'000
As at January 1, 2024 (audited)	206,151
Total gains in profit or loss	6,572
Purchased	975,000
Disposals	(689,487)
As at June 30, 2024 (unaudited)	498,236
As at January 1, 2025 (audited)	282,522
Total gains in profit or loss	564
Disposals	(277,654)
As at June 30, 2025 (unaudited)	5,432

Of the total gains or losses for the period included in profit or loss, RMB42,000 gain (six months ended June 30, 2024: a gain of RMB2,943,000) relates to financial assets at FVPL held at the end of the current reporting period. Fair value gains or losses on financial assets at FVPL are included in other gains or losses, net.

Notes to the Condensed Consolidated Financial Statements

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS
(CONTINUED)**Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The carrying amounts of the Group's financial assets, including cash and cash equivalents, restricted deposits, amounts due from related parties, trade and other receivables, as well as current financial liabilities, including current bank borrowings and trade and other payables approximate their fair values due to their short maturities. The carrying amounts of non-current bank borrowings approximate their fair values, as the impact of discounting is not significant.

24. RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

Related parties are those parties that have the ability to control, jointly control or exercise significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also consider to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the six months ended June 30, 2025 and 2024.

Name of related parties	Relationship with the Group
Ji Hairong (季海榮)	Spouse of Mr. Zhu Yiwen (朱義文)
Shanghai Rongqiao Biotechnology Co., Ltd. (上海榮喬生物科技有限公司)	Ultimately controlled by Ji Hairong
Handan Renhe Hospital (邯鄲仁和醫院)	Certain employees or directors of the Group are Handan Renhe Hospital's internal governance body members

Notes to the Condensed Consolidated Financial Statements

24. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

Key management includes directors and the senior management of the Group.

The compensation paid or payable to key management for employee services is shown below:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Salaries, wages and bonus	1,384	1,264
Share-based compensation expense	490	1,326
Fees	277	—
Allowances and benefits in kind	114	132
Employer's contribution to retirement benefit plan	112	140
	2,377	2,862

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(c) Transactions with related parties

The following is a summary of the significant transactions carried out between the Group and its related parties.

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Transactions		
— Handan Renhe Hospital		
Sales of medicine and medical consumables	5,518	7,384
Management service fee	1,285	1,412
Others	1,136	1,430
	7,939	10,226

Transactions with related companies are determined based on terms mutually agreed between the relevant parties.

Notes to the Condensed Consolidated Financial Statements

24. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Balances with related parties

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Amounts due from related parties		
— Handan Renhe Hospital	23,436	23,552
Amounts due to related parties		
Lease liabilities to		
— Shanghai Rongqiao Biotechnology Co., Ltd.	579	838
— Ji Hairong	—	27
	579	865

As at June 30, 2025 and December 31, 2024, the balances were unsecured, interest-free, and repayable on demand and are denominated in RMB.

25. SUBSEQUENT EVENT

There have been no significant events subsequent to June 30, 2025 that would require adjustments to, or additional disclosure in the condensed consolidated financial statements.

Definitions and Glossaries

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

“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“Chang’an Hospital”	Chang’an Hospital Co., Ltd.* (長安醫院有限公司), a limited liability company incorporated under the laws of the PRC on December 31, 2002
“Changshu Hygeia Hospital”	Changshu Hygeia Hospital Co., Ltd.* (常熟海吉亞醫院有限公司), a limited liability company established in the PRC on June 29, 2021 and a subsidiary of the Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this report and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Chongqing Hygeia Hospital”	Chongqing Hygeia Hospital Co., Ltd.* (重慶海吉亞醫院有限公司) (formerly known as Chongqing Hygeia Cancer Hospital Co., Ltd.* (重慶海吉亞腫瘤醫院有限公司) and Chongqing Hygeia Hospital Management Co., Ltd.* (重慶海吉亞醫院管理有限公司)), a limited liability company established in the PRC on November 9, 2015 and a subsidiary of the Company
“Company”	Hygeia Healthcare Holdings Co., Limited (海吉亞醫療控股有限公司), an exempted company with limited liability incorporated under the laws of Cayman Islands on September 12, 2018, the Shares of which are listed on the Main Board of the Stock Exchange
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Mr. Zhu, Ms. Zhu, Ewen Legacy Limited, Century River Holdings Limited, Ewen Eternity Limited, Amber Tree Holdings Limited and Red Palm Holdings Limited
“Director(s)”	director(s) of the Company
“Existing Contractual Arrangements”	the series of contractual arrangements, as the case may be, entered into by, among others, Xiangshang Investment, Hygeia Hospital Management, Gamma Star Tech and the VIE Hospitals before and after the Listing of the Company

Definitions and Glossaries

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, an Independent Third Party
“Gamma Star Tech”	Shanghai Gamma Star Technology Development Co., Ltd. (上海伽瑪星科技有限公司), a limited liability company established in the PRC on May 20, 2004 and a subsidiary of the Company
“Group”, “we” or “us”	the Company together with its subsidiaries
“Hezhou Guangji Hospital”	Hezhou Guangji Hospital Co., Ltd.* (賀州廣濟醫院有限公司), a limited liability company established under the laws of the PRC on March 4, 2020 and a subsidiary of the Company
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hygeia Hospital Management”	Hygeia (Shanghai) Hospital Management Co., Ltd.* (海吉亞(上海)醫院管理有限公司), a limited liability company established in the PRC on March 6, 2019, wholly-owned by Xiangshang Investment and a subsidiary of the Company
“IFRS”	International Financial Reporting Standards
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected (within the meaning of the Listing Rules) with any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Kaiyuan Jiehua Hospital”	Kaiyuan Jiehua Hospital Co., Ltd. * (開遠解化醫院有限公司), a limited liability company established in the PRC on May 31, 2021 and a subsidiary of the Company
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on June 29, 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Longyan Boai Hospital”	Longyan Boai Hospital Co., Ltd.* (龍岩市博愛醫院有限公司), a limited liability company established in the PRC on October 30, 2002 and a subsidiary of the Company
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel, with the GEM of the Stock Exchange

Definitions and Glossaries

“Managed Hospital”	Handan Renhe Hospital* (邯鄲仁和醫院), a private not-for-profit hospital established under the laws of the PRC which the Group acquired on July 31, 2011
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Zhu”	Mr. Zhu Yiwen (朱義文), father of Ms. Zhu, the founder of the Group, Chairman, and executive Director, and one of the Controlling Shareholders
“Ms. Zhu”	Ms. Zhu Jianqiao (朱劍喬), daughter of Mr. Zhu and one of the Controlling Shareholders
“oncology”	the branch of medicine that deals with cancer
“public medical insurance programs”	primarily include the Urban Employee Basic Medical Insurance Scheme (城鎮職工基本醫療保險制度), the Urban Resident Basic Medical Insurance Scheme (城鎮居民基本醫療保險制度) and the New Rural Cooperative Medical Insurance Scheme (新型農村合作醫療保險制度)
“radiotherapy”	a treatment that uses high energy to kill malignant cancer cells or other benign tumor cells
“radiotherapy center services”	the services the Group provides to certain hospital partners in connection with their radiotherapy centers, which are primarily composed of (i) provision of radiotherapy center consulting services; (ii) licensing of the Group’s proprietary SRT equipment for use in the radiotherapy centers; and (iii) provision of maintenance and technical support services in relation to the Group’s proprietary SRT equipment
“Reporting Period”	from January 1, 2025 to June 30, 2025
“RMB”	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
“Shanxian Hygeia Hospital”	Shanxian Hygeia Hospital Co., Ltd.* (單縣海吉亞醫院有限公司) (formerly known as Shanxian Hygeia Hospital Investment Co., Ltd. (單縣海吉亞醫院投資有限公司)), a limited liability company established in the PRC on November 20, 2012 and a subsidiary of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Shares

Definitions and Glossaries

“SRT”	stereotactic radiotherapy, namely, a type of external beam radiotherapy that uses special equipment to stereoscopically position the lesion and precisely deliver high doses of radiation to the tumor through short course of treatment
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Suzhou Canglang Hospital”	Suzhou Canglang Hospital Co., Ltd.* (蘇州滄浪醫院有限公司), a limited liability company established in the PRC on March 23, 2015 and a subsidiary of the Company
“Suzhou Yongding Hospital”	Suzhou Yongding Hospital Co., Ltd.* (蘇州永鼎醫院有限公司), a for-profit Class II general hospital in Suzhou and a subsidiary of the Company
“VIE Hospitals”	the hospitals that the Group controls certain percentage of their shareholding through the Existing Contractual Arrangements from time to time
“Wuxi Hygeia Hospital”	Wuxi Hygeia Hospital Co., Ltd.* (無錫海吉亞醫院有限公司), a limited liability company established in the PRC on July 22, 2020 and a subsidiary of the Company
“Xiangshang Investment”	Shanghai Xiangshang Investment Development Co., Ltd.* (上海向上投資發展有限公司), a limited liability company established in the PRC on September 1, 2015 and owned by Mr. Zhu and Ms. Zhu as to 40% and 60%, respectively
“Yixing Hygeia Hospital”	Yixing Hygeia Hospital Co., Ltd.* (宜興海吉亞醫院有限公司), a limited liability company incorporated under the laws of the PRC on April 6, 2023
“%”	per cent

* For identification purpose only

In this report, unless otherwise indicated, the terms “associate”, “connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules.