Xikang Cloud Hospital Holdings Inc.
熙康雲醫院控股有限公司

(Formerly known as Neusoft Xikang Holdings Inc. 東軟熙康控股有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9686)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

	For the six months ended June 30, 2026	2025	**Change**
	(RMB in thousands, except for percentages)		
Revenue	**182,869**	178,605	4,264
Gross profit	**42,964**	39,313	3,651
Gross margin	**23.5%**	22.0%	1.5%
Loss for the period	**(27,431)**	(49,975)	22,544
Add: Share-based compensation expenses	**5,584**	11,571	(5,987)
Adjusted net loss for the period (non-HKFRS measure)	**(21,847)**	(38,404)	16,557

The board (the "**Board**") of directors (the "**Director(s)**") of Xikang Cloud Hospital Holdings Inc. (the "**Company**") is pleased to announce the unaudited interim results of the Company, its subsidiaries and the consolidated affiliated entities controlled under the contractual arrangements (together, the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"), as well as the comparative figures for the same period in 2025. The above interim results have been prepared in accordance with Hong Kong Accounting Standards, and have been reviewed by the audit committee of the Company (the "**Audit Committee**") and the independent auditor of the Company.

During the Reporting Period, the Group focused on its core business and continued optimization of business structure, and we recorded a total revenue of RMB182.9 million (for the six months ended June 30, 2025: RMB178.6 million), representing a year-on-year increase of 2.4% as compared to the same period of 2025. During the Reporting Period, driven by gross profit growth stemming from the continued realization of economies of scale in nursing services, continuous improvement in operational efficiency and significant decrease in expense investment through enhanced organizational effectiveness, optimized resource allocation and deep empowerment by AI technologies, as well as the decrease in loss resulting from operating improvement of associates, net loss decreased by 45.1% to RMB27.4 million (for the six months ended June 30, 2025: RMB50.0 million).

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

2026 is the beginning year of the "15th Five-Year Plan". Successive release of the *15th Five-Year Plan for National Health* and the *15th Five-Year Plan for Consumption Expansion* by government has elevated the innovation in medical and healthcare services as well as "AI-enabled Healthcare" to national-strategy status. This opens up a policy window for internet medical platforms to undertake tiered medical care tasks and expand off-hospital service scenarios. Explicit incentives for health consumption and the development of the silver economy are stipulated, with policy dividends continuing to materialize. Meanwhile, shifts in medical and healthcare service demands driven by profound demographic restructuring are gathering momentum. Rigid demand for home-based rehabilitation, nursing and chronic disease management spurred by population ageing keeps growing steadily. Amid declining fertility rates, households are increasingly reliant on specialized maternal and child health services. Multi-tiered and diversified health demands have become widely recognized across society.

Faced with epoch-making opportunities and industry shifts, we adhere to our distinctive business model as "city-specific cloud hospital platform". Guided by our mission of "delivering medical and nursing services to households", we anchor long-term value amid industry transformations. Taking individual cities as our market entry point and **supported by local governments, we gain access to municipal medical resources rapidly, in batches and with cost efficiency. This enables doctors and nurses to deliver more professional and convenient medical and nursing services to local residents.** We believe that by reconstructing the supply of medical and healthcare services through digitalization and intelligence, and boosting industry-wide efficiency via technological innovation, we can extend professional medical and nursing services to every household in cities. Seamless connection between in-hospital and off-hospital services will effectively support the development of China's tiered medical system and the downward penetration of high quality medical resources, thus achieving synergistic win-win outcomes for both social value and commercial value.

"City-specific Cloud Hospital Platform"business model laid the solid foundation for development

After over a decade of deeply operating, we have formed a strategical system as "regional layout + standardized replication + AI-empowerment + ecological cooperation" under government's leading, which builds high competition barriers, promotes precise matching between medical resources and residents' health needs, results in a more efficient regional digital medical service ecosystem.

The government-led regional layout builds the **foundation** of our platform credibility. We have deeply interacted with the local medical healthcare system, and integrated dispersed regional medical resources into a unified regional service network, to integrate the core resources such as medical institutions, doctors, and nurses efficiently and in batches. This constitutes the service guarantee of our city-specific cloud hospital platform.

The standardized replication is the **driver** of scale expansion. Through the dual wheel drive strategy of "provincial benchmark leading + city-level rapid replication", we systematize and modularize our successful experience, forming a standardized operation system that can be quickly deployed, and efficiently promote it on city units, and quickly build a localized cloud hospital platform and operation service loop in the new area.

AI technology **guarantees** the continuous improvement of our service effectiveness. We have deeply embedded multimodal AI technology into the entire service process, and built a digital closed loop of "intelligent matching – precise scheduling – full process quality control – continuous optimization" to achieve the synergistic improvement of service quality and operational efficiency.

Ecological cooperation is the **lever** to drive value growth. We rely on the platform's full scenario service capabilities to attract industrial chain partners such as insurance companies, pharmaceutical companies, and healthcare and eldercare service companies to jointly build a "healthcare service ecosystem", achieving efficient connection and innovation incubation of cross-industry resources.

Scale Expansion: Release the collaborative value of the network through standardized output

In the first half of 2026, based on the digital healthcare service system we had built that covering the whole chain of medical service, nursing service, and health management service, we deeply integrated the first-mover advantage of our home care services and verified standard operation system, as well as AI technology empowerment, driving the continued expansion of the core businesses, leading to the dual improvement of operation efficiency and service quality. Our brand "Xikang Nursing" has become the benchmark brand in Chinese home care service area, with market awareness and user trust continuously rising.

The platform resource continues to grow. As of June 30, 2026, the number of medical institutions connected to our city-specific cloud hospital platform network was over 37,000, of which the number of hospitals was 3,739 (as of June 30, 2025: 3,303), representing an increase of 13.2% as compared to the previous year. There were 154,000 doctors joining our platforms (as of June 30, 2025: 147,000), representing an increase of 4.8% compared to the previous year. There were 168,000 nurses (with over 5 years of clinical experience) joining our platforms (as of June 30, 2025: 145,000), representing an increase of 15.9% as compared to the previous year. The continuous expansion of coverage scale further strengthens the platform value and network effect, laying the foundation for subsequent commercial monetization and ecological development.

The regional expansion is steadily advancing. We have continued to strengthen regional network layout, promoting the synergistic improvement of the platform network coverage width and depth. As of the nursing service platform, we had been deeply operating two provincial-level "Internet + Nursing Services" benchmarks in Zhejiang Province and Henan Province, and newly expanded platform such as "Tong Cheng Hu Li" in Nantong City, Jiangsu Province, benefiting over 200 million people with our services. Besides, multiple city-level nursing service platforms were making steady progress representing that the collaborative development pattern of provincial benchmark demonstration leading and city-level rapid replication and implementation is further consolidated. As of the city-specific cloud hospital platform projects, the existing platforms in Ningbo, Shenyang and Nanning continued to update and upgrade, and we newly expanded to Hebei Province and built the "Baoding Cloud Hospital", which has formed a synergistic effect with the scale expansion of nursing networks, promoting the continuous enhancement of platform scale value.

The service volume is booming aggressively. In the first half of 2026, the home care service volume exceeded 308,000 (same period of 2025: 218,000), representing an increase of 41.3% as compared to the previous year. The volume of online nursing consultations we provided exceeded 213,000 (same period of 2025: 166,000), representing an increase of 28.3% as compared to the previous year. The growth rate of core business continues to lead the industry, and the scale effect continues to be released, continuously consolidating the market leading position in the field of home care services.

Intelligent Drive: Reconstructing the Value Chain of Medical Services with AI

We have evolved AI technology from an auxiliary efficiency-enhancing tool into an intelligent hub that drives leap-forward improvement of platform capabilities. Beyond platform-based and standardized deployment, it has advanced towards "system level empowerment" and is deeply embedded in the service closed-loop of "intelligent matching — precise dispatching — whole process quality control — continuous optimization". Serving as the core engine for efficiency improvement, safety assurance and experience optimization, AI technology fuels a structural upgrade in platform value and lays a solid technical foundation for futural large-scale expansion.

As for the suppliers' side: it unleashes the service delivery potential for doctors and nurses and improves service precision. The AI-empowered quality control system covers core links including diagnosis and treatment, nursing care and report generation, which has formed a closed-loop for full process quality management. Under the nursing service scenario, AI voice interaction significantly optimizes the user ordering experience, and intelligent nursing tools automate data processing and labor accounting, greatly reducing operational burden. Health science popularization relies on over 2.6 million knowledge nodes, covering the entire nursing field, ensuring that nursing information is traceable. The deep integration of AI pre diagnosis and auxiliary medical records for examination and testing scenarios effectively improves the standardization and completeness of medical records. Further AI-enabled quality-control capabilities are under continuous R&D development, which will further strengthen service quality assurance.

As for the demanders' side: it has reshaped user experience to deliver personalized services tailored to individual needs. Our AI health consultation supports all-scenario general conversations and open-ended Q&A for users. It can conduct health analysis based on physical examination reports and deliver intelligent health-management recommendations. The intelligent health-promotion report integrates the MSQ questionnaire and multiple physical check-ups reports to automatically generate personalized health management analysis reports, shifting health management from one-size-fits-all solutions to individually tailored services.

As for the supervisors' side: It has empowered governmental supervision and safeguard service safety. The AI quality control system is fully embedded throughout the entire service workflow, enabling real-time monitoring of compliance with nursing practices, risk early-warning and automatic assessment of service quality. It provides competent authorities with a visual supervision dashboard, striking a balance between market deregulation and effective governance. While ensuring user data security and platform compliance, it further consolidates the foundation for government cooperation.

Ecological synergy: driving value co-creation through full chain ecological linkage

During the Reporting Period, we focused on groups such as the elderly, maternity and infants, chronic diseases and postoperative people, based on the consolidation of the existing market leadership, with consideration as taking the home medical and nursing care as our core business, with AI and big data as the core driving force, opened up three scenarios of Internet healthcare, home care, and health management. Relying on the user hierarchical operation system, we achieved accurate portrayal and dynamic tracking of multiple customer groups such as high value, high loyalty, and dormant users, built personalized service access capabilities, and significantly improved user transformation efficiency and life cycle value. We formulated a "dual expansion" strategy covering regional outreach and industrial chain development. By collaborating with industrial partners including pharmaceutical enterprises, medical device vendors and insurance companies, we have facilitated resource sharing, scenario complementarity and mutual value creation. We prioritized high-potential niche tracks such as silver consumption, maternal-infant healthcare and chronic disease management to continuously enrich our product and service ecosystem. Leveraging multi-track synergy and in-depth collaboration with ecosystem partners, we have delivered precise demand insights and validation references for scenario-based co-construction among industrial chain participants. This broadens profit margins, extends the user value lifecycle, and delivers high-quality growth featuring both in-depth services and solid commercial returns.

Strategic focus drives continuous improvement in business operations

During the Reporting Period, we continuously focused on the core businesses throughout the "city-specific cloud hospital platforms", and systematically integrated the AI technology into our key business scenarios. By orderly divesting non core loss making units, properly disposing of inefficient assets, and continuously improving the multi-level service product matrix and implementing an intelligent operation system, our overall business structure has become clearer, and both operational quality and efficiency have been significantly improved. Net loss continues to decrease, and the operating net cash flow steadily improves. We have gradually established a multidimensional positive cycle mechanism of "strengthening the development foundation through scale expansion, improving operational quality and efficiency through lean operation, and promoting value growth through both quantity and quality", providing solid support for rapid replication and promotion, and achieving sustainable development.

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

	For the six months ended June 30,			
	2026		2025	
	Amount	**%**	Amount	%
	(RMB in thousands, except for percentages)			
Medical Service *(Note 1)*	**57,533**	**31.5%**	69,827	39.1%
Nursing Service *(Note 2)*	**59,671**	**32.6%**	34,624	19.4%
Health Management Service *(Note 3)*	**65,665**	**35.9%**	74,154	41.5%
Total	**182,869**	**100.0%**	178,605	100.0%

Note:

1. The revenue generated by our medical services division declined 17.6% from RMB69.8 million for the six months ended June 30, 2025 to RMB57.5 million for the six months ended June 30, 2026. The primary reasons for the revenue decline were the structural optimization of certain low-profit business units to enhance resource utilization efficiency, as well as the impact of industry policy changes such as centralized drug procurement.

2. The revenue generated by our nursing services division rose 72.3% from RMB34.6 million for the six months ended June 30, 2025 to RMB59.7 million for the six months ended June 30, 2026. The primary reasons for the revenue increase were the rapid replication of our business and the release of scale effect driven by market promotion and professional operation, and the continuous improvement of service effectiveness led by AI-powered precision operation, and the contribution of derivative businesses brought about by the extension of the nursing service value chain is gradually becoming apparent.

3. The revenue generated by our health management services division declined 11.4% from RMB74.2 million for the six months ended June 30, 2025 to RMB65.7 million for the six months ended June 30, 2026. The primary reason for the revenue decline was that affected by the impact of weak market demand and the increasingly fierce competition in the industry, the health management business was under pressure, resulting in a decrease in the volume of health management services.

Development of Three Business Segments

Xikang Cloud Hospital has been taking residents' healthcare needs as the fundamental starting point, continuously promoted the deep integration and synergistic collaboration of "Medical Care + Nursing Service+ Health Management", and continuously led the development of industry in China's home-based medical and nursing care. Relying on the city-specific cloud hospital platform, we have built a service ecosystem covering the entire life cycle: **The Medical Services Segment** digitally empowers medical institutions and practicing physicians to deliver online medical services featuring integration of online and offline services, continuity between in-hospital and out-of-hospital care, and equal emphasis on treatment and rehabilitation. **The Nursing Service Segment** extends care services to out-of-hospital scenarios through a professional and standardized system, providing safe, reliable home care services and online nursing consultation services of the same quality as those provided in hospitals. **The Health Management Segment** offers full-cycle health management services to individual and institutional users through self-operated medical institutions. The three major businesses are closely connected and efficiently coordinated, forming a deep and mutually reinforcing business closed loop, systematically integrating various service resources within the platform ecosystem, continuously enriching and meeting the diverse medical and health needs of users, and further consolidating the differentiated competitive advantage of the platform model.

We consistently take digital intelligent innovation as our core driving force. Leveraging our self-developed AI intelligent middle platform, we promote deep penetration and scenario-based implementation of AI across the full business value chain. Centered on the suite of intelligent assistants including the AI Doctor Assistant, AI Nurse Assistant, AI Health Assistant and AI Customer Service Assistant, we continuously iterate product capabilities to realize real-time perception of user demands, dynamic allocation of service resources, effective improvement of doctor and nurse efficiency and continuous optimization of interaction experience. This forms an end-to-end intelligent closed loop spanning demand triggering through to service delivery, comprehensively accelerating the response and service supply capacity of the cloud hospital platform, and driving the continuous optimization of medical and healthcare services toward greater precision and human-centered care.

During the Reporting Period, we continued to deeply focus on the core track as “medical and nursing services delivered to home”. While consolidating our existing leading market position, we actively expanded towards cities with growth potential, deepened the deep cooperation across the upstream and downstream industrial chains, and explored new business growth drivers. Through efficient collaboration and integration of the three major business scenarios of medical treatment, nursing, and health management, we comprehensively improved the capabilities of resource integration and cross-regional synergy, which leads to our business entering a trajectory with healthy and positive growth.

Medical Services

The competitive landscape of the internet healthcare industry keeps evolving. Homogenized competition is intensifying for general-purpose online medical consultation services, and the growth of traffic driven lightweight consultation models has lost momentum. The industry is shifting from extensive traffic acquisition to refined doctor-patient interaction and value-based management. User demands have expanded beyond simple text-and-image consultations to more in-depth services including precise triage, specialized diagnosis and treatment, closed-loop inspection and testing services, as well as post-hospital chronic disease management. Meanwhile, with the continuous implementation of policies on medical insurance cost control, price cuts via centralized drug procurement, and regulation of online medical prescriptions, platforms are facing substantial pressure on their electronic prescription businesses. Facing the industry shifts, we have fully leveraged the medical resources accumulated by the city-specific cloud hospital platforms, enhanced medical service delivery efficiency of the medical institutions linked to our platforms, and driven business transformation toward specialized and precision-oriented full-chain services spanning “prevention-diagnosis & treatment-rehabilitation-post-discharge continued home-based care”.

During the Reporting Period, we continued to consolidate technological innovation applications for medical services. We upgraded the core architecture based on large-language models and big data. For physicians, we provide tools including the “AI Physician Assistant”, “AI-assisted medical record generation” and “medical record quality control”, so as to improve diagnosis-and-treatment efficiency and service quality. For patients, we rolled out applications such as “AI triage”, “AI pre-consultation” and “AI interpretation of examination and test reports”. These enable round-the-clock online responses, accurate demand identification and intelligent data analysis, and precisely match patients with high-quality medical resources and service supplies. At the same time, we systematically integrated multiple scenarios such as home testing, online follow-up, re-examination booking, to-door sampling, and report interpretation, and carried out specialized operations in vertical fields, continuously expanding the space of segmented markets. On this basis, we have further deepened the linkage with medical institutions in a city, assisted in extending their medical services outside the hospital, and promoted the improvement of the city medical service network and the continuous optimization of business structure. During the Reporting Period, the service volume of internet medical services we provided was 2,085,000 (same period of 2025: 2,060,000), and the overall service volume remained stable compared to last year.

During the Reporting Period, the revenue generated from our Medical Services amounted to RMB57.5 million (same period of 2025: RMB69.8 million), representing a decrease of 17.6% from the same period of the previous year.

Nursing Services

The home care service business closely addresses practical people-livelihood demands including post-discharge rehabilitation continuity, disabled people long-term care, and chronic disease management at home. As one of our core growth segments, it is based on the solid operational foundation built upon the official service platform developed through government/enterprise collaboration. Supported by value-added offerings such as medical equipment leasing, implementation of a full-chain quality control system, and continuous expansion of diversified payment channels, the business has achieved steady scale expansion and sustained improvement in its profit structure.

We have been operating multiple home care service platforms licensed by local provincial and municipal health and hygiene regulatory authorities across the country, perpetuating our mature operation model as "government overall coordinates and supervises, company market-oriented operates, and by licensed practicing nurses from hospitals deliver services". The related home care services were all delivered adhering to local regulatory requirements, incorporated into the corresponding medical service regulatory system and held policy-driven business access qualifications for long-term care insurance settlement, supporting medical insurance subsidies, and civil-affairs elderly-care service procurement. During the Reporting Period, the scale of orders and the number of active users on existing official platforms had been increasing steadily, and the cooperation projects of newly developed regions were promoted orderly, showing the strong policy certainty and landing foundation of our business. The brand "Xikang Nursing" has laid solid trust foundation and word-of-mouth effect in the market, leading to the continuous release of the network synergistic advantages. The service network of our nursing services has covered the key regions such as East China, Central China, South China, Southwest China, Northeast China and other regions in China, providing high quality home care services to residents in nearly 90 cities. As of June 30, 2026, the number of medical institutions connected to our platforms was 2,075 (as of June 30, 2025: 1,963), and the number of nurses (with over 5 years of clinical nursing work experience) joining our platforms was 168,000 (as of June 30, 2025: 145,000).

The market demand for home care service is characterized by long service cycles, high customer repurchase stickiness and sound cash-flow stability, driving a notable increase in relevant order volume both year-on-year and quarter-on-quarter during the Reporting Period. We have continued to optimize the payment structure on the income side, reduced the single dependence of our business on individual payment models, actively expanded multiple payment paths such as direct settlement of long-term care insurance, local subsidies for the benefit of the people, special care funds for civil affairs, and commercial insurance claims, and promoted the integration of nursing services into various settlement channels under compliance, reducing the actual payment pressure for residents and further expanding the long-term development space of our business.

Service Capability Iteration: Deepening Scene Penetration and Value Extension

We continued to expand the coverage and scenario adaptability of our home care services, and refined the service portfolio around users' full-cycle health needs. We have precisely targeted high-demand customer groups, including the elderly, maternal and infant groups, and post-operative rehabilitation patients, to iterate multi-level and multi-scenario nursing service products. As of June 30, 2026, we have provided more than 260 refined home care services in 13 major categories (as of December 31, 2025: over 240 items). We have provided continuous in-home chronic disease management and post-operative rehabilitation intervention services for elderly chronic disease patients and post-operative crowds, including specialized nursing programs such as PICC catheter maintenance, wound and stoma care, and peritoneal dialysis, as well as hospice care services covering pain relief and psychological counseling. For maternal and infant groups, we have provided specialized neonatal care and postnatal rehabilitation services. By virtue of the above service layout, we have built continuous medical and nursing solutions that cover users' full-life-cycle health needs.

On this basis, we have further deepened the connotation of specialized services, innovated business models, extended the value chain of nursing services, and tapped the conversion potential of high-value users. In terms of medical equipment leasing business, we have built a medical device product matrix covering maternal and infant care, wound care, catheter care and other categories, with the matrix size continuing to scale up.

AI-Empowered Refined Operations: Enhancing Service Effectiveness and User Experience

We concentrate on the home care service industry track, and have built a mature operation system featuring high standardization, strong replicability and superior adaptability through continuous refinement and iteration. Deeply empowered by AI technologies, the system fully supports new-market expansion and rapid business roll-out, enabling fast model replication, efficient service delivery and steady growth in user base. Meanwhile, we keep strengthening professional operational capabilities and unlocking the value of data elements. Through dynamic scheduling of service resources and in-depth mining of user data, we significantly improve precise user outreach and conversion efficiency for repeat purchases, driving sustained expansion of the paying-user population. During the Reporting Period, the home care service volume exceeds 308,000, showing an increase of 41.3%, compared to the same period in 2025 as 218,000, illustrating the continuous release of the business operating effectiveness.

Centered on upgrading the end-to-end user service experience, we take intelligent technologies as the core foundation. Leveraging artificial intelligence technologies such as natural language processing and multimodal interaction, we continuously iterate and optimize the home care service platform, and build a scenario-inclusive, precise and human-centered smart nursing service system for both nurses and patients.

On the nurse's service port, the platform has implemented multiple intelligent tools to enhance the service-providing efficiency. We have launched a function as intelligent route planning assistant, which integrates multi-source real-time data and smart path algorithms to automatically plan optimal service routes, significantly reducing commuting costs and improving service delivery efficiency. Concurrently, features such as the intelligent order acceptance assistant and order management assistant were introduced, which supports text and voice-based work order operations. These tools streamline the entire process of order acceptance, verification, and fulfillment, enabling efficient work order handling and on-demand service responses, thereby fully unlocking the service potential of nurses.

On the user's service port, we have established a closed-loop system for intelligent and personalized services. By leveraging algorithmic models, we have launched functions such as intelligent project recommendations, personalized care plans, and the Xiaoxi smart assistant, enabling intelligent anticipation of user needs, precise service matching, and dynamic optimization of solutions. These functions provide users with comprehensive, companion-based, and refined health care services. Simultaneously, we have built a three-in-one omnichannel customer service system integrating AI, WeCom account, and human hotline support. This system achieves second-level connection and seamless coordination for user inquiries, issue responses, and demand resolution, significantly enhancing service experience and ensuring steady and continuous improvement in user satisfaction.

During the Reporting Period, the revenue generated from our Nursing Services amounted to RMB59.7 million (same period of 2025: RMB34.6 million), representing an increase of 72.3% from the same period of the previous year.

Health Management Services

In the first half of 2026, China's physical check-up industry faced overall operational headwinds amid intensifying homogeneous market competition. Traditional basic physical check-up services are witnessing narrowing growth space and insufficient development momentum. Focused on users' long-term health value, we keep optimizing our service system and business architecture, and have built a user-centric, technology empowered, online-offline collaborative integrated service system covering "prevention-screening-management". We deliver customized health management solutions for government and enterprise clients and individual customers alike.

During the Reporting Period, our 8 medical institutions in key cities across the country took standardized basic physical check-ups as the service foundation, and collaborated with high-quality ecological partners to continuously upgrade our service matrix. We had worked with professional third-party testing institutions to implement genetic testing, functional medicine testing, and big data analysis applications, and launched an O2O health management solution that combines "precision testing + precision nutrition", providing one-stop services from early screening, risk assessment, precision intervention to long-term maintenance.

We continue to promote the deep integration of AI technology and health services in all scenarios, iteratively upgrading the "AI doctor assistant Xiaokang" intelligent agent, embedding AI capabilities into core processes such as physical examination appointments, report queries, professional interpretation, intelligent guidance, and personalized project recommendations. Through intelligent analysis of health data and identification of user needs, we achieve an intelligent service loop of health risk assessment, customized intervention, and full cycle effect tracking, consolidating long-term service capabilities.

We continue to optimize our service model and strengthen our comprehensive operational capabilities, but the upgrading of our organizational system and the promotion of new service models have shown slow results, and the acceptance of market users is still gradually being cultivated. Affected by the increasingly fierce competition in the industry, the scale of health management business has been under pressure during the Reporting Period. In the first half of 2026, the volume of our health management services was 161,000 (same period of 2025: 205,000), representing a decrease of 21.5%.

During the Reporting Period, the revenue generated from our Health Management Services amounted to RMB65.7 million (same period of 2025: RMB74.2 million), representing a decline of 11.4% in the same period of the previous year.

II. BUSINESS PROSPECTS

The internet-enabled healthcare and home-health industry is at a strategic window period marked by the superimposed dividends of demographic shifts, AI-driven technological transformation, policy-system innovation, grassroots-priority orientation and service-model restructuring. Deep-rooted population ageing has generated rigid demand for home-based medical services; AI is evolving from an auxiliary tool into a central hub for health management. The full implementation of the 15th Five-Year Plan and the nationwide roll-out of the long-term care insurance system have created combined policy momentum, establishing a systematic institutional framework for the industry across multiple dimensions including payment security, resource allocation and service standards. The downward penetration of high-quality medical resources and the development of the tiered-medical-care system have endowed internet-enabled healthcare with institutional core functions. Residents' health consumption is comprehensively shifting from passive treatment to proactive health management, accelerating the formation of a full-life-cycle health service system. Looking ahead, the city-specific cloud hospital platform model, with its credibility through government partnerships, standardized replicability, AI-powered service efficiency and commercially valuable ecosystem collaboration, has built substantial competitive moats. Equipped with core capabilities to unlock sustained growth potential amid structural industry upgrading, it will further highlight its uniqueness and strategic value amid industry transformation.

We will continue to deepen core-business operations, accelerate large-scale national replication and unlock network-synergy effects. Actively responding to national policy guidelines on home-based rehabilitation and home-hospital-bed services, we position home care services delivered via the city-specific cloud hospital platform as a critical extension and supplement to the tiered-medical-care system outside hospital premises. We will further consolidate and leverage our leading edge in home care services. Drawing on our market-validated standardized operation system, we will take economically developed regions including the Yangtze River Delta, Pearl River Delta and Beijing-Tianjin-Hebei region as strategic depth areas, push forward deployment in core cities simultaneously, speed up the launch and capacity expansion of city-specific cloud hospital platforms, and continuously improve the nationwide standardized service network to boost network coverage density and service response speed. Meanwhile, successful experience from benchmark regions will be rapidly replicated in new markets with context-specific adaptation to ensure consistent delivery of service quality and operational efficiency. We will further tap high-potential niche segments such as home-based rehabilitation, maternal-infant care and value-added derivative services, accelerate the conversion of resource and platform advantages into market scale and operating benefits, and build a sustainable leading competitive moat.

We will deepen full-domain application of AI technologies, foster core strengths in smart healthcare and drive improvement in service performance. We will continuously iterate and upgrade our self-developed AI intelligent middle platform, advance the in-depth integration of artificial intelligence and big-data technologies across full scenarios of "medical treatment, nursing and health management", unblock end-to-end data links covering disease prevention, clinical treatment and post-operative rehabilitation, and build an intelligent decision-making and data-service platform with self-optimization capabilities. We will keep upgrading the matrix of AI-powered intelligent assistants for both medical providers and patients, expand functional modules including AI-assisted diagnosis and treatment, intelligent nursing guidance, personalized health management and intelligent operational services. This enables accurate extension of high-quality medical services from hospitals to households, and builds a smart-service system guided by user demands, supported by specialized clinical capabilities and driven by data, so as to build long-term competitive advantages through continuous technological iteration.

We will improve the diversified ecosystem, upgrade profit-making models and enhance commercial monetization capabilities. As city-specific cloud hospital platforms launch in more cities and ecosystem cooperation deepens, business structures become clearer and more focused, capital investment stabilizes, and the reuse efficiency of large-scale platform users and high-quality medical-nursing resources keeps improving. Marginal costs decline while revenue grows steadily. Profit margins are expected to expand gradually with the release of scale effects, and the profit elasticity of the business model is accelerating to materialize. Against such structural strengths, we will further refine our collaborative profit-making model of "service-driven traffic acquisition, product-led value addition and ecosystem-based monetization". Centered on users' full-life-cycle health needs, we will expand high-value-added service categories and health-care industry scenarios to drive the transition from revenue from standalone services to compound ecosystem-driven returns. We will also strengthen multi-dimensional collaboration with government authorities, medical institutions, insurance carriers, pharmaceutical-medical-device supply-chain participants and health-service partners, continuously activate internal platform momentum, and consolidate the sustainable foundation for performance growth and value creation.

Our enduring original aspiration and vision is "to enable every household to access equitable, precise, high-quality, safe and user-friendly medical-health and home care services". Leveraging the city-specific cloud hospital platform, we break down boundaries of traditional services and restructure the delivery logic of medical-health services, and underpin safety and quality benchmarks with professional expertise. Driven by industry transformation, policy guidance and user trust, we stay committed to an inclusive development path that balances social value and commercial sustainability. Large-scale deployment improves service accessibility, technological innovation boosts efficiency, and ecosystem collaboration multiplies value. Advancing along these three dimensions, we will bring compassionate care to every community in need, unlock long-term commercial value, and realize parallel progress of enterprise growth and people's wellbeing.

III. FINANCIAL REVIEW

Revenue from Contracts with Customers

Our revenue increased by 2.4% to RMB182.9 million for the six months ended June 30, 2026 from RMB178.6 million for the six months ended June 30, 2025, mainly attributable to a significant increase in revenue from nursing services, which effectively offset the impact of the decline in revenue from medical services and health management services.

Medical Services

Revenue generated from our medical services segment decreased by 17.6% to RMB57.5 million for the six months ended June 30, 2026 from RMB69.8 million for the six months ended June 30, 2025, mainly attributable to our structural optimization of certain low-margin business units to improve resource efficiency, as well as the impact of industry policy changes such as centralized drug procurement, which led to a decrease in revenue.

Nursing Services

Revenue generated from our nursing services segment increased by 72.3% to RMB59.7 million for the six months ended June 30, 2026 from RMB34.6 million for the six months ended June 30, 2025, mainly attributable to rapid replication and the release of economies of scale driven by market promotion and professional operation, the continuous improvement of service efficiency brought by AI-powered refined operation, and the gradual emergence of derivative business contributions from the extension of the nursing service value chain.

Health Management Services

Revenue generated from our health management services segment decreased by 11.4% to RMB65.7 million for the six months ended June 30, 2026 from RMB74.2 million for the six months ended June 30, 2025, mainly attributable to pressure on the health management business stemming from weak market demand and intensifying industry competition, which in turn led to a decrease in the volume of health management services.

Cost of Sales and Services

Our cost of sales and services increased by 0.4% to RMB139.9 million for the six months ended June 30, 2026 from RMB139.3 million for the six months ended June 30, 2025, mainly attributable to: (i) the increase in the cost of nursing services being lower than the increase in its revenue, with the realization of economies of scale and resulting in relative savings for the total cost; (ii) the decrease in the cost of health management services being smaller than the decrease in its revenue, as costs failed to shrink proportionally with the decline in revenue, partially offsetting the savings from the nursing side and leading to only a slight overall increase in total cost.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 9.3% to RMB43.0 million for the six months ended June 30, 2026 from RMB39.3 million for the six months ended June 30, 2025.

During the Reporting Period, the gross margins of medical services, nursing services, and health management services were 19.1%, 21.9%, and 28.8%, respectively (same period in 2025: 13.3%, 19.1%, and 31.6%). Our gross margin increased to 23.5% for the Reporting Period from 22.0% for the six months ended June 30, 2025, mainly attributable to: (i) the nursing services achieved rapid growth in scale, driving an increase in gross profit contribution from this segment; (ii) the gross profit margin of the health management services declined, which in turn reduced the gross profit contribution of such segment, partially offsetting the incremental gross profit generated by the aforesaid business.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 18.6% to RMB25.3 million for the six months ended June 30, 2026 from RMB31.0 million for the six months ended June 30, 2025, mainly attributable to: (i) the continuous strengthening of input-output management and control and the constant improvement of resource allocation efficiency; and (ii) a decrease in share-based compensation expenses.

Research and Development Expenses

Our research and development expenses decreased by 23.4% to RMB15.0 million for the six months ended June 30, 2026 from RMB19.6 million for the six months ended June 30, 2025, mainly attributable to: (i) the continuous strengthening of input-output management and control and the constant improvement of resource allocation efficiency; and (ii) a decrease in share-based compensation expenses.

Administrative Expenses

Our administrative expenses decreased by 9.2% to RMB39.3 million for the six months ended June 30, 2026 from RMB43.3 million for the six months ended June 30, 2025, mainly attributable to a decrease in share-based compensation expenses.

Other Income

Our other income decreased by 37.2% to RMB2.1 million for the six months ended June 30, 2026 from RMB3.3 million for the six months ended June 30, 2025, mainly attributable to a decrease in investment income from wealth management products.

Other Gains, Net

Our net other gains increased by 39.9% to RMB6.9 million for the six months ended June 30, 2026 from RMB4.9 million for the six months ended June 30, 2025, mainly attributable to (i) an increase in gains on disposal of property, plant and equipment; and (ii) an increase in foreign exchange gains.

Finance Income and Finance Costs

Our net finance costs after deducting finance income decreased by 1.2% to RMB6.1 million for the six months ended June 30, 2026 from RMB6.2 million for the six months ended June 30, 2025, mainly attributable to a decrease in interest expenses.

Share of Losses of Associates

Our share of losses of associates decreased by 86.7% to RMB0.6 million for the six months ended June 30, 2026 from RMB4.7 million for the six months ended June 30, 2025, mainly attributable to a decrease in losses of associates.

Income Tax Credit

We recorded an income tax credit of RMB1.5 million for the six months ended June 30, 2026, compared to an income tax credit of RMB0.3 million for the same period in 2025, mainly attributable to an increase in deferred income tax credit.

Loss for the Period

As a result of the foregoing, our loss for the Reporting Period decreased by 45.1% to RMB27.4 million for the six months ended June 30, 2026 from RMB50.0 million for the six months ended June 30, 2025.

Adjusted Net Loss (Non-HKFRS Measure)

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

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

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	
	(Unaudited)	(Unaudited)
Loss for the Period	**(27,431)**	(49,975)
Add: Share-based compensation expenses	**5,584**	11,571
Adjusted net loss for the period (non-HKFRS measure)	**(21,847)**	(38,404)

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

Our adjusted net loss (non-HKFRS measure) decreased by 43.1% to RMB21.8 million for the six months ended June 30, 2026 from RMB38.4 million for the six months ended June 30, 2025. The decrease in our adjusted net loss (non-HKFRS measure) for the six months ended June 30, 2026 was mainly due to (i) during the Reporting Period, an increase in gross profit as a result of the gradual realization of economies of scale in nursing services; (ii) the effective improvement of organizational effectiveness and resource allocation efficiency, and the enhancement of operational efficiency through information technology, digitization and AI empowerment, which resulted in a significant decrease in expenses; (iii) a decrease in losses of associates.

Contingent Liabilities

As of June 30, 2026, we were not involved in any material legal, arbitration or administrative proceedings that were expected to materially and adversely affect our financial condition or results of operations, although there can be no assurance that this will not be the case in the future.

As of June 30, 2026, we did not have any significant contingent liabilities (as of December 31, 2025: nil).

Capital Expenditures

During the Reporting Period, we incurred capital expenditures of RMB1.8 million mainly for purchases of property, plant and equipment (for the six months ended June 30, 2025: RMB4.1 million).

Pledge of Assets

As of June 30, 2026, the Group did not pledge any assets (as of December 31, 2025: nil).

Future Plans for Material Investments or Capital Assets

Save as disclosed under the section headed "Proceeds from the Global Offering" herein, as of June 30, 2026, the Group did not have any other plans for material investments or capital assets.

Liquidity and Capital Resources

Historically, we have funded our working capital primarily from bank borrowings and equity financing. As of June 30, 2026, we had cash and cash equivalents of RMB449.7 million. We expect to use a portion of the proceeds from the Global Offering (within the meaning of the Prospectus of the Company dated September 18, 2023) to fund our working capital requirements. We currently do not have any plans for material additional external financing.

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

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	
	(Unaudited)	(Unaudited)
Cash used in operating activities	**(49,516)**	(52,376)
Interest received	**3,278**	5,336
Income taxes paid	**(3,409)**	(2,921)
Net cash used in operating activities	**(49,647)**	(49,961)
Net cash used in investing activities	**(2,624)**	(147,517)
Net cash used in financing activities	**(32,179)**	(70,843)
Net decrease in cash and cash equivalents	**(84,450)**	(268,321)
Cash and cash equivalents at the beginning of the period	**545,538**	760,857
Effects of exchange rate changes on cash and cash equivalents	**(11,345)**	(1,747)
Cash and cash equivalents at the end of the period	**449,743**	490,789

Net Cash Used in Operating Activities

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

For the six months ended June 30, 2026, we had net cash used in operating activities of RMB49.6 million, which represents our cash used in operating activities of RMB49.5 million and changes in other cash items of RMB0.1 million.

Net Cash Used in Investing Activities

For the six months ended June 30, 2026, we had net cash used in investing activities of RMB2.6 million, which was mainly attributable to purchases of property, plant and equipment of RMB1.8 million.

Net Cash Used in Financing Activities

For the six months ended June 30, 2026, we had net cash used in financing activities of RMB32.2 million, which was mainly attributable to (i) repayments of borrowings of RMB224.0 million, partially offset by proceeds from bank borrowings of RMB210.4 million; (ii) payments of lease liabilities of RMB9.8 million; and (iii) payments of interest of RMB8.8 million.

Borrowings

As of June 30, 2026, the aggregate principal balance of our borrowings was RMB449.3 million (as of December 31, 2025: RMB462.9 million). As of June 30, 2026, RMB3.0 million of our banking facilities remained unutilized (as of December 31, 2025: RMB0.9 million).

As of June 30, 2026, all of our non-current borrowings and substantially all of our current borrowings were bank loans. The maturity dates of our outstanding borrowings will fall on or before July 2027.

Significant Investments Held

Equity investment in associates

During the Reporting Period, the details of significant investments in associates held by the Group are as follows:

		As at June 30, 2026					For the six months ended June 30, 2026	
Name of the investee company	**Principal business**	**Investment cost** *(RMB'000)*	**Shareholding percentage**	**Corresponding registered capital** *(RMB'000)*	**Carrying amount** *(RMB'000)*	**Percentage of total assets of the Group**	**Dividend distributed** *(RMB'000)*	**Share of investment gains in associates** *(RMB'000)*
Neusoft Management Consulting (Shanghai) Co., Ltd. *(Note 2)*	Business consulting service, including, among others, medical devices	96,436	49.00%	94,547	76,946	7.52%	–	219

Notes:

1. The Group's investments in associates set out above were made before the listing and held during the Reporting Period. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. All associates are unlisted companies, and there is no quoted price or fair value available.

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

Other Equity Investments

As of June 30, 2026, the Group, through its wholly-owned subsidiary Neusoft Xikang Healthcare Technology Co., Ltd., held registered capital of RMB58,982,636 in Dalian Xikang Yunshe Health & Wellness Investment Management Co., Ltd. ("**Dalian Yunshe**"), representing approximately 7.15% of Dalian Yunshe's total share capital. As of June 30, 2026, the carrying amount (fair value) of this equity investment was approximately RMB42.12 million, representing approximately 4.11% of the Group's total assets. The fair value of this equity investment was determined based on the discounted cash flow model, by discounting the future free cash flows of Dalian Yunshe. During the six months ended June 30, 2026, the Group did not receive any dividends from Dalian Yunshe. This investment represents a small-scale strategic investment by the Group in the healthcare, wellness and related business scenarios. At the time of investment, the Company considered that Dalian Yunshe, as a chain operator of health and wellness hotels, had certain synergistic potential with the Group's principal business, which could facilitate the sharing of customer resources, the expansion of healthcare service scenarios and the deepening of related business cooperation, thereby supporting the Group's long-term business development.

Other Financial Investments

1. Subscription of Structured Notes Issued by Shenwan Hongyuan Financial Products Company Limited (I)

As of June 30, 2026, the fair value of the structured notes (I) issued by Shenwan Hongyuan Financial Products Company Limited held by the Company was US$15.55 million (equivalent to approximately RMB105.88 million based on the exchange rate as of June 30, 2026), representing approximately 10.34% of the Group's total assets as of June 30, 2026. The Company subscribed for this product on March 13, 2026. The product was issued by Shenwan Hongyuan Financial Products Company Limited ("**Shenwan Hongyuan Financial Products**") and guaranteed by its parent company, Shenwan Hongyuan (H.K.) Limited ("**Shenwan Hongyuan Hong Kong**"). Shenwan Hongyuan Financial Products Company Limited is a company incorporated in the British Virgin Islands with limited liability, wholly owned by Shenwan Hongyuan Hong Kong; Shenwan Hongyuan Hong Kong is a company incorporated in Hong Kong with limited liability, primarily engaged in financial services including investment banking, asset management and cross-border financing, and its shares are listed on the Main Board of the Stock Exchange (stock code: 218). The subscription amount for this product was approximately US$15.41 million, which was paid by the Company using the idle offering proceeds from the Global Offering (and the returns generated therefrom). The expected annualised return of this product is 2.25%-3.75% (subject to the actual return rate of the underlying assets). During the six months ended June 30, 2026, the Group recorded unrealised gains of approximately US$0.20 million in respect of this product (equivalent to approximately RMB1.39 million based on the exchange rate as of June 30, 2026).

This product is a guaranteed structured note, categorised as a cash management product, with an investment period of one year and is redeemable at any time upon early redemption. Based on the information available to the Company, the underlying fund linked to this note is primarily the Value Investment Fund SP, a segregated portfolio of Future Vision Fund SPC (incorporated in the Cayman Islands). The investment scope of this fund is relatively conservative asset classes, such as cash, short-duration U.S. bonds and other highly liquid low-risk assets, with the objective of maintaining liquidity and managing cash positions. The investment strategy aims to achieve long-term capital growth under various market conditions. The fund is managed by Pamirs Capital (H.K.) Limited, a licensed corporation holding a Type 9 (asset management) license for regulated activities under the Hong Kong Securities and Futures Commission (the "**SFC**"). The Company considers that, given the fund's investment portfolio is primarily composed of cash and highly liquid fixed-income assets, its overall risk profile is relatively prudent, and it is managed by a professional asset manager holding a Type 9 license from the SFC. In addition, taking into account the issuer of the product and the returns and protection provided, the nature of the underlying assets, the guarantee arrangements, and the early redemption mechanism, the overall risk level of the fund and the product is relatively low.

2. Subscription of Structured Notes Issued by Shenwan Hongyuan Financial Products Company Limited (II)

As of June 30, 2026, the fair value of the structured notes (II) issued by Shenwan Hongyuan Financial Products Company Limited held by the Company was US$5.25 million (equivalent to approximately RMB35.74 million based on the exchange rate as of June 30, 2026), representing approximately 3.49% of the Group's total assets as of June 30, 2026. The Company subscribed for this product on June 16, 2026. The product was issued by Shenwan Hongyuan Financial Products Company Limited and guaranteed by Shenwan Hongyuan Hong Kong. The subscription amount for this product was US$5.24 million, which was paid by the Company using its idle own funds (and the returns generated therefrom). The expected annualised return of this product is 2.25%-3.75% (subject to the actual return rate of the underlying assets). During the six months ended June 30, 2026, the Group recorded unrealised gains of approximately US$0.07 million in respect of this product (equivalent to approximately RMB0.47 million based on the exchange rate as of June 30, 2026).

This product is a guaranteed structured note, categorised as a cash management product, with an investment period of one year and is redeemable at any time upon early redemption. Based on the information available to the Company, the underlying fund linked to this note is primarily the Value Investment Fund SP, a segregated portfolio of Future Vision Fund SPC (incorporated in the Cayman Islands). The investment scope of this fund is relatively conservative asset classes (such as cash, short-duration U.S. bonds and other highly liquid low-risk assets). The fund is managed by Pamirs Capital (H.K.) Limited. The Company considers that, given the fund's investment portfolio is primarily composed of cash and highly liquid fixed-income assets, its overall risk profile is relatively prudent, and it is managed by a professional asset manager holding a Type 9 license from the SFC. In addition, taking into account the issuer of the product and the returns and protection provided, the nature of the underlying assets, the guarantee arrangements, and the early redemption mechanism, the overall risk level of the fund and the product is relatively low.

3. *Subscription of Structured Notes Issued by BOCOM*

As of June 30, 2026, the fair value of the structured notes issued by BOCOM International Product and Solution Limited held by the Company was US$4.92 million (equivalent to approximately RMB33.49 million based on the exchange rate as of June 30, 2026), representing approximately 3.27% of the Group's total assets as of June 30, 2026. The Company subscribed for this product on July 2, 2025. The subscription amount for this product was US$4.8 million, which was paid by the Company using its idle own funds. The expected annualised return of this product is 2.5%-3.75% (subject to the actual return rate of the underlying assets). During the six months ended June 30, 2026, the Group recorded unrealised gains of approximately US$0.06 million in respect of this product (equivalent to approximately RMB0.39 million based on the exchange rate as of June 30, 2026).

This product is a guaranteed structured note, categorised as a cash management product, maturing in 2028 and redeemable at any time. This product primarily invests in cash, short-term notes, short-term bonds and other financial instruments to maintain liquidity and manage cash positions.

4. *Investment in Cedarvale Stable Growth*

As of June 30, 2026, the fair value of the fund units in Cedarvale Stable Growth held by the Company was US$5.52 million (equivalent to approximately RMB37.63 million based on the exchange rate as of June 30, 2026), representing approximately 3.68% of the Group's total assets as of June 30, 2026. The Company subscribed for fund units in the amount of US$4.5 million on November 1, 2023, which was paid by the Group using its idle own funds.

Cedarvale Stable Growth is a sub-fund of Cedarvale Infinity Fund VCC. The investment objective of Cedarvale Stable Growth is to achieve medium to long-term stable capital appreciation through primary investments in fixed-income securities in the Greater China, Hong Kong and Asia-Pacific regions, and equity securities of globally dominant enterprises (among which, fixed-income securities primarily include short-term bonds issued by local government financing vehicles in China with a maturity generally not exceeding two years, which are rated AA+ to AAA in China; equity securities are shares of enterprises with leading market positions, technological advantages or growth potential in the Biotechnology industry), and to achieve long-term competitive capital growth through investments in equity securities of globally leading enterprises.

Cedarvale Stable Growth is managed by Cedarvale Asset Management Pte. Ltd., which is a holder of a Capital Markets Services License issued by the Monetary Authority of Singapore (MAS), authorised to carry on fund management business, and is responsible for managing, overseeing, selecting and evaluating the investment portfolio of Cedarvale Stable Growth.

During the six months ended June 30, 2026, the Group recorded unrealised gains of approximately US$0.43 million (equivalent to approximately RMB2.96 million based on the exchange rate as of June 30, 2026) in respect of its holding of fund units, and the change in its net asset value was primarily affected by cash management income and changes in the valuation of fixed-income securities.

Save as disclosed above, during the Reporting Period, the Group did not hold any other significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as at June 30, 2026), and none of the subscriptions of such wealth management products with a single financial institution was required to be disclosed under Chapter 14, Chapter 14A or paragraph 32(4) of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Capital Commitments

As of June 30, 2026, we did not have any material capital commitments (as of December 31, 2025: nil).

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, our Company did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

RISK MANAGEMENT

Foreign Exchange Risk

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

We operate mainly in the PRC with most of the transactions settled in Renminbi. Our management considers that our business is not exposed to any significant foreign exchange risk as we have no significant financial assets or liabilities denominated in currencies other than the respective functional currencies of our entities. As of June 30, 2026, our Group did not hold any financial instruments for hedging purposes (as of December 31, 2025: nil).

Gearing Ratio

The Group monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt, which is considered as borrowings and total lease liabilities less cash and cash equivalents. As at June 30, 2026, the gearing ratio of the Group was 15.4% (the gearing ratio is not applicable as the Group recorded a net cash position as at December 31, 2025).

Cash Flow and Fair Value Interest Rate Risk

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

PURCHASE, SALE OR REDEMPTION OF OUR LISTED SECURITIES

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

EMPLOYEES AND REMUNERATION POLICIES

Function	Number of Employees	% of Total
Management and administration	130	17.9%
Sales and marketing and operational support	166	22.9%
Research and development	127	17.5%
Health management	302	41.7%
Total	**725**	**100.0%**

For the six months ended June 30, 2026, the compensation and benefits expenses of the Group paid to its employees were RMB69.4 million (for the six months ended June 30, 2025: RMB74.9 million). Among all of the Group's 725 employees, 414 employees had bachelor's degrees or above, accounting for 57.1% of the Group's total employees.

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

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

The Group provides employees with adequate job training to equip them with practical knowledge and skills. The Group also conducts introductory training for new staff.

As of the date of this results announcement, the Group did not have any strikes, protests or other material labor conflicts that may materially impair the Group's business and image.

EVENTS AFTER THE REPORTING PERIOD

Pursuant to the Post-IPO Share Option Scheme adopted by the Company on May 27, 2021, the Company granted an aggregate of 32,785,000 share options to 195 eligible participants (the "**Grantee(s)**") on July 23, 2026 to subscribe for the Shares with a par value of US$0.0002 each in the share capital of the Company. The Grantees include Ms. ZONG Wenhong, the executive Director and Chief Executive Officer of the Company, who was granted 6,500,000 share options. The remaining Grantees are employees of the Group. The exercise price of the share options is HK$0.868. For further details, please refer to the Company's announcement dated July 23, 2026.

Save as disclosed in this announcement, after the Reporting Period and up to the date of this announcement, there has been no any other significant event which had materially and adversely affected the Group's business operations and finances.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

PROCEEDS FROM THE GLOBAL OFFERING

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

- approximately 30% of the net Proceeds, for expansion of city-specific cloud hospital platforms to enlarge our medical networks and user base;

- approximately 25% of the net Proceeds, for enriching our offerings across the industry value chain to provide more professional and diversified healthcare services;

- approximately 25% of the net Proceeds, for research and development on technology infrastructure and data processing capabilities;

- approximately 10% of the net Proceeds, for potential mergers and acquisitions opportunities;

- approximately 10% of the net Proceeds, for working capital and other general corporate purposes.

As of June 30, 2026, the Group's use of the net Proceeds is set out in the table below:

Purpose of use	% of use of Proceeds	Net Proceeds *(HK$ million)*	Unutilized amount as at January1, 2026 *(HK$ million)*	Utilized amount for the six months ended June 30, 2026 *(HK$ million)*	Unutilized amount as at June 30, 2026 *(HK$ million)*	Expected timetable for utilization
Expansion of city-specific cloud hospital platforms to enlarge our medical networks and user base	30%	166.3	100.8	25.7	75.1	By December 31, 2028
Enriching our offerings across the industry value chain to provide more professional and diversified healthcare services	25%	138.6	95.4	24.9	70.5	By December 31, 2028
Research and development on technology infrastructure and data processing capabilities	25%	138.6	76.9	14.9	62.0	By December 31, 2028
Potential mergers and acquisitions opportunities	10%	55.5	55.5	–	55.5	By December 31, 2028
Working capital and other general corporate purposes	10%	55.5	29.8	7.1	22.6	By December 31, 2028

In order to improve the fund utilization efficiency, reasonably utilize the temporarily idle Proceeds, realize value preservation and appreciation of the Proceeds, and protect the interest of shareholders of the Company, the Board resolved on June 13, 2025 and June 12, 2026, respectively, that, without prejudice to the normal operating activities of the Company, the Proceeds that are expected to remain idle for more than one year are intended to be used in proper purchases of wealth management products that feature high security, sound liquidity, and can be redeemed at any time, and the amount shall be no more than US$40 million (the equivalent of approximately, HK$314.0 million and HK$313.4 million, respectively, calculated based on the exchange rate published by the People's Bank of China as at the date of relevant Board meeting), for cash management purposes. Such amount can be utilized on a rolling basis within 12 months from the date of the relevant Board's resolution. The return from cash management is accounted to the Company, which will not affect in substance the normal use of the Proceeds in accordance with the intended purposes as disclosed in the Prospectus and the normal operations of the Company. The Board believes that cash management is in the interest of the Company and its shareholders as a whole.

On March 10, 2025, the Company subscribed for a wealth management product in the amount of US$15 million from Shenwan Hongyuan Financial Products Company Limited. The wealth management product matured on March 13, 2026, and the aggregate proceeds from principal and return amounted to US$15,409,726. On March 13, 2026, the Company used the principal and return from the previous subscription (being US$15,409,726) as consideration to continue subscribing for wealth management products from Shenwan Hongyuan Financial Products Company Limited. For details, please refer to the announcement dated March 13, 2026 of the Company. Upon the maturity of the above wealth management products, the Company will cease to use idle offering proceeds for subscription of wealth management products. For further details of the background and the relevant arrangements in relation to the use of idle proceeds for cash management, please refer to the announcement of the Company dated August 26, 2026.

In the event that the subscription for wealth management products based on the amounts above may constitute a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A of the Listing Rules, the Company has complied with and will continue to comply with the relevant requirements under the Listing Rules.

INTERIM DIVIDEND

The Board has resolved not to recommend the distribution of an interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: nil).

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as its code of conduct for securities transactions by Directors.

Having made specific enquiries to all of the Directors, all Directors confirmed that they had fully complied with all relevant requirements set out in the Model Code during the Reporting Period.

SCOPE OF WORK OF AUDITOR

The figures contained in the Group's interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss and other comprehensive income and related notes for the six months ended June 30, 2026 as set out in this results announcement have been agreed by the Group's auditor, Ernst & Young, in line with the amounts set out in the Group's unaudited interim financial statements. The work performed by Ernst & Young in this respect did not constitute an assurance engagement, and consequently no assurance has been expressed by Ernst & Young on this announcement.

AUDIT COMMITTEE

The Audit Committee (the "**Audit Committee**") of our Company comprises three independent non-executive Directors, namely Dr. CHEN Yan, Dr. QI Guoxian and Dr. YIN Guisheng. Dr. CHEN Yan is the chairwoman of the Audit Committee. The Audit Committee of our Company has reviewed the interim results of the Group for the six months ended June 30, 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	Notes	**2026**	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**182,869**	178,605
Cost of sales		**(139,905)**	(139,292)
Gross profit		**42,964**	39,313
Selling and distribution expenses		**(25,255)**	(31,008)
Research and development expenses		**(14,988)**	(19,570)
Administrative expenses		**(39,299)**	(43,268)
Reversal of impairment losses on financial and contract assets, net		**6,352**	7,781
Other income	*4*	**2,068**	3,293
Other expenses		**(853)**	(866)
Other gains, net		**6,885**	4,921
Finance income	*6*	**3,573**	5,715
Finance costs	*6*	**(9,715)**	(11,933)
Share of losses of associates		**(620)**	(4,670)
LOSS BEFORE TAX	*5*	**(28,888)**	(50,292)
Income tax credit	*7*	**1,457**	317
LOSS FOR THE PERIOD		**(27,431)**	(49,975)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
For the six months ended 30 June 2026

	Notes	**2026**	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Exchange differences:			
Exchange differences on translation of a foreign operation		**664**	165
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**664**	165
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of the Company's financial statements into presentation currency		**(19,870)**	(2,741)
Changes in fair value of the equity investments at fair value through other comprehensive income		**(1,681)**	–
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(21,551)**	(2,741)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(20,887)**	(2,576)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(48,318)**	(52,551)
Loss attributable to:			
Owners of the parent		**(27,431)**	(48,886)
Non-controlling interests		**–**	(1,089)
		(27,431)	(49,975)
Total comprehensive loss attributable to:			
Owners of the parent		**(48,318)**	(51,462)
Non-controlling interests		**–**	(1,089)
		(48,318)	(52,551)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted (RMB)		**(0.03)**	(0.06)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Notes	**30 June 2026 *RMB'000* (Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**24,821**	29,758
Right-of-use assets	*10*	**36,238**	48,330
Intangible assets		**2,624**	2,911
Investments in associates		**84,823**	85,443
Equity investments designated at fair value through other comprehensive income		**42,115**	44,093
Long-term trade receivables	*11*	**1,470**	3,669
Prepayments		**852**	770
Other receivables		**3,729**	3,844
Deferred income tax assets		**8,095**	6,159
Total non-current assets		**204,767**	224,977
CURRENT ASSETS			
Inventories		**18,762**	17,242
Assets recognised from costs to fulfil contracts		**5,495**	7,753
Trade receivables	*12*	**82,743**	81,315
Contract assets		**2,820**	2,779
Prepayments		**6,750**	6,683
Other receivables		**34,977**	34,724
Other current assets		**4,904**	5,707
Financial assets at fair value through profit or loss		**212,747**	214,226
Restricted deposits		**–**	5
Cash and cash equivalents		**449,743**	545,538
Total current assets		**818,941**	915,972
CURRENT LIABILITIES			
Trade payables	*13*	**159,030**	186,034
Contract liabilities		**24,860**	29,060
Other payables and accruals		**55,596**	66,368
Interest-bearing bank borrowings		**449,629**	463,447
Lease liabilities		**26,069**	29,711
Tax payables		**137**	2,343
Other current liabilities		**84**	45
Total current liabilities		**715,405**	777,008
NET CURRENT ASSETS		**103,536**	138,964
TOTAL ASSETS LESS CURRENT LIABILITIES		**308,303**	363,941

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2026

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Contract liabilities	**16,427**	17,183
Lease liabilities	**15,832**	25,400
Deferred income	**2,860**	4,420
Deferred income tax liabilities	**2,514**	3,534
Total non-current liabilities	**37,633**	50,537
Net assets	**270,670**	313,404
EQUITY		
Equity attributable to owners of the parent		
Share capital	**1,125**	1,125
Share premium	**2,543,431**	2,543,431
Reserves	**332,801**	348,104
Accumulated losses	**(2,606,687)**	(2,579,256)
	270,670	313,404
Non-controlling interests	**–**	–
Total equity	**270,670**	313,404

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2026

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

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

(a) Amendments to HKFRS 9 and HKFRS 7 Amendments to *the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2026	**Medical services** *RMB'000* **(Unaudited)**	**Nursing services** *RMB'000* **(Unaudited)**	**Health management services** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment information ***(note 4)***				
Sales to external customers	**57,533**	**59,671**	**65,665**	**182,869**
Cost of sales	**(46,551)**	**(46,613)**	**(46,741)**	**(139,905)**
Segment gross profit	**10,982**	**13,058**	**18,924**	**42,964**
Reconciliation:				
Selling and distribution expenses				**(25,255)**
Research and development expenses				**(14,988)**
Administrative expenses				**(39,299)**
Reversal of impairment losses on financial and contract assets, net				**6,352**
Other income				**2,068**
Other expenses				**(853)**
Other gains, net				**6,885**
Finance income				**3,573**
Finance costs				**(9,715)**
Share of losses of associates				**(620)**
Loss before tax				**(28,888)**

Six months ended 30 June 2025	Medical services *RMB'000* (Unaudited)	Nursing services *RMB'000* (Unaudited)	Health management services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment information ***(note 4)***				
Sales to external customers	69,827	34,624	74,154	178,605
Cost of sales	(60,521)	(28,023)	(50,748)	(139,292)
Segment gross profit	9,306	6,601	23,406	39,313
Reconciliation:				
Selling and distribution expenses				(31,008)
Research and development expenses				(19,570)
Administrative expenses				(43,268)
Reversal of impairment losses on financial and contract assets, net				7,781
Other income				3,293
Other expenses				(866)
Other gains, net				4,921
Finance income				5,715
Finance costs				(11,933)
Share of losses of associates				(4,670)
Loss before tax				(50,292)

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	For the six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	 2025 *RMB'000* (Unaudited)
Revenue from contracts with customers	**182,869**	178,605

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	Medical services *RMB'000* (Unaudited)	Nursing services *RMB'000* (Unaudited)	Health management services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Geographical market				
Chinese Mainland	**57,533**	**59,671**	**65,665**	**182,869**
Timing of revenue recognition				
Recognised at a point in time	**56,035**	**59,180**	**65,437**	**180,652**
Recognised over time	**1,498**	**491**	**228**	**2,217**
Total	**57,533**	**59,671**	**65,665**	**182,869**

For the six months ended 30 June 2025

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

An analysis of other income is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants*	**1,970**	1,620
Refund of service fee for withholding individual income tax	**97**	105
Value added tax ("VAT") refund and VAT reduction	**1**	–
Investment return on wealth management products	**–**	1,568
Total	**2,068**	3,293

* Government grants mainly include project-based subsidies to support regional development, encourage innovation, and promote digital transformation.

5. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of sales of hardware, software, raw materials and others	**111,018**	108,619
Depreciation of property, plant and equipment	**5,546**	4,222
Depreciation of right-of-use assets	**11,106**	10,442
Amortisation of intangible assets	**287**	313
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	**55,381**	58,497
Share-based compensation expenses	**5,584**	11,571
Social security costs and housing benefits	**11,754**	14,222
Other employee benefits	**2,251**	2,149
Total	**74,970**	86,439

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Foreign exchange differences, net**	**(1,071)**	(275)
(Reversal of impairment of)/impairment of financial and contract assets, net:		
Impairment of long-term trade receivables, net	**317**	3,346
Reversal of impairment of trade receivables, net	**(6,825)**	(11,144)
Impairment of other receivables, net	**8**	201
Impairment of/(reversal of impairment of) contract assets, net	**148**	(184)
Total	**(6,352)**	(7,781)
Impairment loss on inventories*	**564**	357
Service fee for purchase of wealth management products**	**853**	866
Fair value gains on financial assets at fair value through profit or loss, net***	**(5,217)**	(592)
Gain on partial disposal of equity interest in an associate***	**–**	(4,459)
Loss on disposal of property, plant and equipment, net***	**102**	473
Gain on partial or full termination of the lease, net***	**(1,525)**	(103)

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

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

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

6. FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
Interest income	**3,573**	5,715
Finance costs		
Interest on bank borrowings	**(8,584)**	(10,506)
Interest on lease liabilities	**(1,131)**	(1,427)
Total	**(9,715)**	(11,933)

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

In Mainland China, the companies are subject to the PRC corporate income tax rate of 25% (for the six months ended 30 June 2025: 25%) except for one (for the six months ended 30 June 2025: one) PRC subsidiary which is entitled to a preferential tax rate of 15% because it is accredited as a High and New Technology Enterprise.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the period	**46**	1,028
Underprovision in prior periods	**1,157**	261
Deferred	**(2,660)**	(1,606)
Total income tax credit	**(1,457)**	(317)

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

The calculation of the loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 841,876,805 (2025: 841,876,805) outstanding during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of loss per share is based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the loss per share calculation	**(27,431)**	(48,886)

	Number of shares For the six months ended 30 June	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding during the period used in the loss per share calculation	**841,876,805**	841,876,805

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at an aggregate cost of RMB771,000 (for the six months ended 30 June 2025: RMB1,201,000) and disposed of assets with an aggregate book value of RMB163,000 (for the six months ended 30 June 2025: RMB593,000), resulting in a net loss on disposal of RMB102,000 (for the six months ended 30 June 2025: net loss of RMB473,000).

10. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group acquired no assets (for the six months ended 30 June 2025: RMB5,426,000) and partially or fully terminated assets with an aggregate book value of RMB986,000 (for the six months ended 30 June 2025: RMB2,243,000), resulting in a net gain of RMB1,525,000 (for the six months ended 30 June 2025: net gain of RMB103,000).

11. LONG-TERM TRADE RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Long-term trade receivables	**12,572**	15,031
Less: Impairment	**(8,323)**	(8,006)
	4,249	7,025
Less: Long-term trade receivables due within one year	**(2,779)**	(3,356)
Net carrying amount	**1,470**	3,669

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

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
4 months to 1 year	**4,564**	3,000
1 to 2 years (excluding 1 year)	**2,104**	4,210
2 to 3 years (excluding 2 years)	**342**	333
3 to 4 years (excluding 3 years)	**885**	1,905
4 to 5 years (excluding 4 years)	**4,677**	5,583
	12,572	15,031
Less: Impairment	**(8,323)**	(8,006)
	4,249	7,025
Less: Long-term trade receivables due within one year	**(2,779)**	(3,356)
Net carrying amount	**1,470**	3,669

12. TRADE RECEIVABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade receivables	**184,364**	189,761
Less: Impairment	**(101,621)**	(108,446)
Net carrying amount	**82,743**	81,315

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

Included in the Group's trade receivables as at 30 June 2026 are amounts due from the Group's related parties of RMB3,217,000 (31 December 2025: RMB5,284,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 3 months	**35,154**	39,295
4 months to 1 year	**25,636**	25,520
1 to 2 years (excluding 1 year)	**27,436**	23,679
2 to 3 years (excluding 2 years)	**18,322**	28,732
3 to 4 years (excluding 3 years)	**22,233**	22,090
4 to 5 years (excluding 4 years)	**18,045**	12,889
Over 5 years	**37,538**	37,556
	184,364	189,761
Less: Impairment	**(101,621)**	(108,446)
Total	**82,743**	81,315

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
At beginning of period	**108,446**	129,008
Impairment losses reversed	**(6,825)**	(11,144)
At end of period	**101,621**	117,864

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

13. TRADE PAYABLES

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

	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**54,536**	68,165
4 to 6 months	**7,418**	23,638
7 months to 1 year	**26,213**	29,934
1 to 2 years (excluding 1 year)	**20,101**	18,818
2 to 3 years (excluding 2 years)	**14,925**	17,469
3 to 4 years (excluding 3 years)	**21,648**	18,294
4 to 5 years (excluding 4 years)	**9,669**	8,498
Over 5 years	**4,520**	1,218
Total	**159,030**	186,034

14. DIVIDENDS

The board of directors of the Company (the "Board") has resolved that no interim dividend be declared for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at https://www.xikang.com. The interim report of the Company for the six months ended June 30, 2026 will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

By order of the Board
Xikang Cloud Hospital Holdings Inc.
Dr. LIU Jiren
Chairman and Non-Executive Director

Hong Kong, August 26, 2026

As at the date of this announcement, the Board of the Company comprises Ms. ZONG Wenhong as an executive Director; Dr. LIU Jiren, Mr. XU Hongli, Dr. WANG Nan and Mr. PU Chengchuan as non-executive Directors; and Dr. CHEN Yan, Dr. QI Guoxian and Dr. YIN Guisheng as independent non-executive Directors.