

平安健康醫療科技有限公司

PING AN HEALTHCARE AND TECHNOLOGY
COMPANY LIMITED

(Incorporated in the Cayman Islands with Limited Liability)

2022 Interim Report



Stock Code: 1833.HK

The Beipanjiang Bridge, known as the highest bridge in the world, is located at the junction of Xuanwei in Yunnan Province and Shuicheng in Guizhou Province. The bridge deck is 565 meters over the river which is equivalent to the height of a 200-storey building. Located in a deep mountainous area of the plateau boundary, with treacherous terrain, complex geology and harsh climates, the transportation and construction conditions at the bridge site are extremely poor. With the completion and the opening to traffic, the Bridge has helped connect Yunnan, Guizhou, Sichuan and Chongqing with other provinces and cities. Meanwhile, the structure and the adjoining highway have injected fresh momentum into the economic development within the region.

Just as the bridge builders overcame myriad difficulties and successfully completed the construction of the works, Ping An Health adheres to the value proposition of providing users with a “worry-free, time-saving, and money-saving” experience. Despite the challenges of imbalance in supply and demand of medical resources and low efficiency, the Company insists to do the right thing even when it is hard. As an integral part of Ping An’s managed care model and the flagship unit in the Ping An healthcare ecosystem, Ping An Health integrates its business models of managed care, family doctor memberships and O2O healthcare services to build an integrated O2O healthcare service platform covering health management, sub-health management, illness, chronic illness and eldercare management, aiming to improving health literacy in China and empowering the initiative of “Healthy China 2030”.

This interim report (the “Interim Report”) (in both English and Chinese versions) has been posted on the Company’s website at www.pagd.net. Shareholders who have chosen to view the Corporate Communications (including but not limited to annual report and (where applicable) summary financial report, interim report and (where applicable) summary interim report, notice of meeting, listing document, circular and proxy form) posted on the Company’s website will upon request be sent the Interim Report in printed form free of charge.

Shareholders may at any time change their choice of means of receipt (in printed form or by electronic means through the Company’s website) and the language (in English only, in Chinese only or in both Chinese and English) of the Corporate Communications from the Company by giving notice in writing by post to the Hong Kong Share Registrar at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or by sending an email to pagd.ecom@computershare.com.hk.

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Corporate Information

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Non-executive Directors

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Ms. LIN Lijun

Mr. PAN Zhongwu

Mr. ZHU Ziyang

Independent Non-executive Directors

Mr. TANG Yunwei

Mr. GUO Tianyong

Dr. CHOW Wing Kin Anthony

Audit and Risk Management Committee

Mr. TANG Yunwei (Chairman)

Mr. GUO Tianyong

Ms. TAN Sin Yin

Nomination and Remuneration Committee

Mr. GUO Tianyong (Chairman)

Mr. TANG Yunwei

Dr. CHOW Wing Kin Anthony

Ms. TAN Sin Yin

Authorized Representatives

Mr. FANG Weihao

Mr. LIU Cheng

Company Secretary

Mr. LIU Cheng

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Listing Date

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Chairman's Statement



FANG WEIHAO

Chairman and Chief Executive Officer

Delivering comprehensive, full-lifecycle healthcare services and promoting healthy lifestyles have become an important part of the 14th Five-Year Plan for National Health in 2022, the third year of the “Healthy China 2030” Initiative. With continued economic growth and increased public awareness of healthcare, the healthcare market has entered an era of rapid development in China.

Meanwhile, people’s daily life has been affected to different degrees by COVID-19 resurgence which also posed tremendous challenges for traditional offline healthcare services including hospital visits and consultation. In the post-pandemic era, the one-stop, end-to-end healthcare management is expected to enjoy the clear advantage as the online service relieve the pressure on traditional offline medical treatment by efficiently fulfilling some medical needs of residents, while addressing inequality of medical resources in different regions and reducing medical spending through ex ante healthcare management.

Through an in-depth insight into the market, Ping An Health has found that employees are becoming more aware of health issues in a faster-paced work environment in recent years. Health and wellness is an essential prerequisite for employee wellbeing as well as a necessary guarantee for sustainable development of an enterprise. Better employee health management not only demonstrates kindness and care for employees, but also aligns with the advanced management trend of a modern enterprise. According to the *2020 Report on Health Management by Chinese Enterprises* released by Mercer, in a survey among over 200 enterprises covering 25 industries in China, 33% of the enterprises formulated strategic plans for health management in 2020; and nearly 80% of the enterprises planned to increase their spending on health management from 2020 to 2021. An increasing number of enterprises are adopting additional measures to increase employee health benefits. Health management is becoming one of the most important benefits and perks for employees.

In view of growing demand for professional healthcare services, and key difficulties in supply fragmentation, discontinuity and poor quality of existing healthcare services in China, Ping An Health announced Strategy 2.0 Continuum in the fourth quarter of 2021. With this strategic upgrade, Ping An Health is focusing on the integrated financial customers and the corporate clients with greater paying willingness and bigger growth potential, building a bridge between providers and payers in the healthcare market, and developing a managed care system with Chinese characteristics.

Ping An Health is an integral part of Ping An Group's managed care business model and the flagship of the Group's healthcare ecosystem. Ping An Health has differentiated its business model in four aspects. 1) O2O end-to-end services: Instead of relying on online customer acquisition, Ping An Health provides closed-loop O2O healthcare services for high-quality paying users. 2) One-stop medical + health platform: Ping An Health strives to build a one-stop platform, integrating resources of providers and providing cost-effective healthcare solutions, far more than medical services. 3), Bridge between doctors and patients: Rather than solely relying on pharmaceutical e-commerce, Ping An Health provides end-to-end services, including inquiry, consultation, online referral, prescriptions and health monitoring under the Family Doctor Membership. 4) Synergies between Ping An Health and Ping An Group: Ping An Health strengthens the business expansion capability by leveraging synergies with Ping An Group to promote the integration of businesses and products and continuously serve customers of Ping An Group.

New regulations and policies gradually rolled out in the first half of 2022, clarifying boundaries, promoting operational compliance, and accelerating consolidation across the healthcare market. The *Rules on Digital Diagnosis and Treatment Supervision (Trial version)* clearly specified the digital diagnosis and treatment requirements in five areas, including medical institutions, medical professionals, business activities, patient safety, and oversight. In May, the National Medical Products Administration released a draft version of the *Regulations on the Implementation of the Drug Administration Law of the People's Republic of China* for public comments, formulating rules on online drug transactions, which is expected to refine drug supply chain management.

Ping An Health provides users with premium, efficient, and trustworthy healthcare services, while maintains high-level compliance and quality control. In the first half of 2022, the Company adopted full-lifecycle product management, covering planning, research and development, and reiteration, as well as build the product analysis system. The Company improved the systematic processes in risk management through tracking and reviewing new products, specialized products, and key products. With the establishment of the standard service process and the service quality monitoring system, the Company enhanced the service capabilities by strengthening management on communication, personnel and systems, conducting walk-through tests and acceptance procedures, and controlling third-party service access. Moreover, the Company improved service quality and user experience by upgrading the customer services and business processes, and promoting smart and digital services. During the Reporting Period, customer satisfaction continued to increase as our employees became more efficient with reduced average turnaround time.

Ping An Health remains committed to using leading technologies to enhance service capability and efficiency. To support implementation of the managed care business model, the Company upgraded the technical architecture to support both retail and corporate businesses, as well as established the research and development process and the quality assurance system that are applicable to corporate business. The Company placed emphasis on data security and privacy protection by applying ISO/IEC 27701 Privacy Information Management System and ISO/IEC 27001 Information Security Management System to the Company's entire operation, effectively enhancing the Company's privacy protection and security capabilities.

Ping An Health seeks constant improvements by closely watching sector trends and customer demand changes. Ping An Health, underpinned by resource advantages and unique positioning, has upgraded the vision as "To provide every enterprise with a harmonious workplace, every family with a dedicated doctor, and every user with a safe and healthy life". With this new vision, the Company will adhere to the value proposition of "worry-free, time-saving, and money-saving", further develop through the business model of "Managed Care + Family Doctor Memberships + O2O Healthcare Services", with the mission of "bridging doctors and patients with professionalism and safeguarding everyone's health". Going forward, Ping An Health will make unremitting efforts to provide users with more heartwarming services, give full assistance to partners, create greater value for investors, and work towards more diverse healthcare solutions, thus making bigger contributions to the Healthy China initiative.

FANG Weihao

Chairman and Chief Executive Officer
Shanghai, 18 August 2022

Management Discussion and Analysis

Key Financial Data

	Unaudited Six months ended 30 June		Year-on-year change
	2022 RMB'000	2021 RMB'000	
Revenue	2,827,911	3,818,356	-25.9%
Cost of sales	(2,054,488)	(2,793,137)	-26.4%
Gross profit	773,423	1,025,219	-24.6%
Selling and marketing expenses	(523,477)	(1,104,374)	-52.6%
Administrative expenses	(892,873)	(899,542)	-0.7%
Other income	140,746	132,620	6.1%
Other gains/(losses) – net	40,401	(91,215)	-144.3%
Finance income – net	74,610	76,326	-2.2%
Share of losses of associates and joint ventures	(35,131)	(9,692)	262.5%
Loss before income tax	(422,301)	(870,658)	-51.5%
Income tax expense	(3,538)	(8,685)	-59.3%
Loss for the period	(425,839)	(879,343)	-51.6%
Loss attributable to:			
– Owners of the Company	(424,353)	(879,559)	-51.8%
– Non-controlling interests	(1,486)	216	-788.0%
Non-IFRS measure:			
Adjusted net loss	(389,617)	(791,440)	-50.8%

Total revenue of the Company recorded in the first half of 2022 was RMB2,827.9 million, representing a decrease of 25.9% from total revenue of RMB3,818.4 million recorded in the first half of 2021. Gross profit recorded in the first half of 2022 was RMB773.4 million, representing a decrease of 24.6% from RMB1,025.2 million recorded in the first half of 2021. Gross margin recorded in the first half of 2022 reached 27.3%, up 0.5 pps from gross margin of 26.8% recorded in the first half of 2021. Net loss recorded in the first half of 2022 was RMB425.8 million, representing a decrease of 51.6% from net loss of RMB879.3 million recorded in the first half of 2021.

Key Operational Data

	30 June 2022	31 December 2021	Change
Registered users (in million)	440.7⁽¹⁾	422.9	4.2%
Cumulative consultations (in million)	1,311.5	1,269.5	3.3%

	30 June 2022	31 December 2021	Change
Cumulative paying users (LTM) (in million)	40	39	4.8% ⁽²⁾
Conversion rate of monthly paying users (in the current month of June 2022)	32.0%	24.8%	+7.2 pps

Note:

⁽¹⁾ Number of users from the plug-in of Ping An Group accounted for 46.5%

⁽²⁾ Direct calculation may not give the same figure due to rounding adjustments

Management Discussion and Analysis

Analysis of Principal Business Operations

Ping An Health maintained the strategic focus and continued to pursue the business model of “Managed Care + Family Doctor Memberships + O2O Healthcare Services”, leading to fruitful results in the first half of 2022. Leveraging the deep insights into the healthcare sector over the past few years, the Company seeks to provide differentiated services, upgrade product portfolios, keep improving service quality, and optimize user experience. With the successful implementation of family doctor services, the Company has been expanding the online and offline networks and building an integrated medical + health service platform. As an important part of Ping An Group’s managed care business model, the Company capitalized on the unique strengths to expand the coverage on corporate clients, creating synergies with Ping An Group’s healthcare ecosystem.

For the first half of 2022, total revenue of Ping An Health decreased 19.6% from the second half of 2021 to RMB2,827.9 million mainly due to a decline in revenue from health services. Specifically, revenue from medical services reached RMB1,131.7 million, down by 8.4% from the second half of 2021, accounting for 40.0% of total revenue; and revenue from health services reached RMB1,696.2 million, down by 25.6% from the second half of 2021, accounting for 60.0% of total revenue. Total gross margin reached 27.3% during the Reporting Period, up 7.9 pps from the second half of 2021, mainly owing to a falling share of the online mall business with low gross margin. Bolstered by improved gross margin and effective cost control, net loss stood at RMB425.8 million, down 35.5% from the second half of 2021.

The number of paying users has continued to grow over the past 12 months, reaching over 40 million as of 30 June, 2022, representing an increase of 4.8% from the LTM data as of 31 December, 2021. Of all paying users, users from B-end clients exceeded 2 million and F-end paying users exceeded 33 million. Accumulated consultations over 1.3 billion, keeping the lead in the digital healthcare sector in China. Boosted by the Company’s unique strengths and ecosystem resources, Ping An Health has served a total of 749 enterprises by 30 June, 2022. The percentage of revenue from the “online, in-store, and home-delivered” service network increased to 63% during the Reporting Period.

Ping An Health is an integral part of Ping An Group’s managed care business model. With the abundant healthcare management experience and databases over the years, as well as the advanced management platforms and technologies, the Company mobilizes vast full-scenario service resources to reach large numbers of retail users and corporate clients. Leveraging family doctor services and O2O service networks, the Company developed an online-merge-offline healthcare service platform catering to the managements of health, sub-health, disease, chronic disease, and elderly care, committed to providing high-quality and convenient, personalized medical and health services for users.

Corporate health management service is an important channel to implement the managed care business model in China. As health management has become one of the important factors influencing the employee satisfaction, enterprises, one of the major payers of personal health management expenditures in China, have strong procurement needs for relevant services. However, the market is still lack of one-stop corporate health management service providers that are professional, well-rounded, and of very high quality.

Payers for managed care

Integrated with channels of Ping An Group to explore healthcare business scenarios and provide assistance to “heartwarming financial services”

Ping An Group’s integrated financial platform is one of the core channels of Ping An Health for customer acquisition, constituting a unique advantage of the Company. The Company continues to draw on the strengths of Ping An Group’s managed care business model in experience, technologies, customer bases and resources, in order to achieve better synergies with Ping An Group’s financial businesses, and jointly offer “heartwarming financial services” through “finance + healthcare.”

Ping An Health continued to explore ways of providing differentiated services to Ping An Group’s retail customers and corporate clients during the Reporting Period, in a bid to increase customer bases, customer stickiness and customer recognition. The Company upgraded the Ping An Zhen Xiang RUN Health Services Plan (“Ping An Zhen Xiang RUN”), launched in collaboration with Ping An Life. The Company expanded the customer benefit system to five tiers, rolled out new value-added services such as benefit sharing among family members, and improved the efficiency and quality of such services as appointment and escort, critical illness profile management and etc., with the overall customer satisfaction rate over 98%. In addition, the Company leveraged the online and offline pharmacy and clinic networks to deepen the integration with Ping An Property & Casualty in service scenarios; the Company added benefits for E Sheng Bao, launched in collaboration with Ping An Health Insurance, effectively increasing users’ recognition and activity for the Company and the partners. Meanwhile, the Company introduced a range of services, including, product customization, assistance in consultation with famous doctors and other services to meet the demands from users with Ping An Bank and the other financial channels of Ping An Group, helping its partners get more customers and increase customer stickiness. By constantly improving the product mix, the Company worked together with the partners to increase operating efficiency and expand businesses.

Expanding corporate health management services to build managed care business model with Chinese characteristics

Large numbers of corporate clients from channels of Ping An Group have laid a solid foundation for Ping An Health to expand corporate health management services and build the managed care business model with Chinese characteristics. During the Reporting Period, the Company enhanced cooperation with Ping An Group’s channels in attracting corporate clients and facilitating business implementation. The Company have developed with comprehensive health management solutions for target enterprises.

For employees of enterprises, Ping An Health have identified the key health management needs from employees. The Company avoids the key disadvantage, such as over simple product design, low usage and low service value with some existing employee health management products in the market, and provided exclusive health profiles for each employee, and connected “online, in-store, and home-delivered” services through the family doctors membership service. In addition, the Company established a “Enterprise EZHealth” health management product portfolio for enterprises and employees by integrating capabilities across the Company’s business units, as well as leveraging Ping An Group’s abundant resources on health management payers. The portfolio comprises of two core products (“Health Checkup +” and “Health Management +”) and four tailored products.

Management Discussion and Analysis

For “Health Checkup +”, Ping An Health continued to promote product innovation and optimize service delivery. The Company developed diverse checkup products categorized by six tags, including gender, occupation and others, as well as risk factors, such as age and diseases with a higher incidence. The Company’s family doctor teams engage in the process before, during and after checkups, and offer checkup report interpretation and other value-added services, achieving the full-lifecycle user management. The Company also unveiled tiered service programs to meet different needs of enterprises. Meanwhile, The Company provided enterprises with white papers on health to help enterprises with their digital management.

For “Health Management +”, rolled out during the Reporting Period, Ping An Health leveraged the family doctor teams to provide easy healthcare access for employees of enterprises. One-on-one family doctors play an active role in connecting the four core processes, i.e. consultation, diagnosis, treatment and services, fully addressing healthcare needs of the employees and their family members. As of 30 June, 2022, “Health Management +” services offered by the Company included image-text consultation, audio-video consultation, offline escort and etc., enabling all-around healthcare management for employees.

Besides “Health Checkup +” and “Health Management +”, Ping An Health developed four major tailored products, namely Healthcare Add-on, Workplace Health, Smart Clinic, and Employee Benefit Redemption Platform, to meet healthcare management needs of Chinese enterprises. For Healthcare Add-on, enterprises customize different health checkup packages according to the number of employees and the personalized demands. For Employee Benefit Redemption Platform, the Company provides systematic employee health benefit solutions including consultation, drug benefits, health services, and health products, to help enterprises improve the health benefit management efficiency and accelerate the digital transformation in health benefits.

Moreover, Ping An Health supported enterprises in customer operations by providing health management for the customers, effectively helping enterprises increase the customer satisfaction and the corporate reputation in the market. During the Reporting Period, the Company developed four business models, i.e. tailored benefits, integrated products, joint memberships and gift redemption, to help enterprises retain existing customers, attract new customers, expand business, and improving marketing, leading to the better customer acquisition and the higher customer stickiness.

Family doctor memberships

Professional, reliable healthcare services not only meet core needs of users, but also boost user retention and willingness to pay. Ping An Health is committed to develop the healthcare service ecosystem that is centered around family doctors and underpinned by specialist doctors. By doing so, the Company will drive the usage of value-added products and services, empower employee health management, and support implementation of the managed care business model. A key component in the Company’s business strategy, Family Doctor Memberships provide users with seamless, consistent, online-merge-offline services, integrating providers’ healthcare resources and improving closed-loop O2O services.

As of 30 June, 2022, Ping An Health had close to 49,000 in-house/contracted external doctors and assistants, as well as fitness trainers, nutritionists, and counseling psychologists covering 20 medical specialties, fully addressing users’ medical and health demands. During the Reporting Period, the Company had positive five-star user feedback rate of over 98%.

Enhancing family doctors' diagnosis and treatment capabilities, along with end-to-end service capabilities by optimizing its products

During the Reporting Period, Ping An Health continued to enhance family doctors' diagnosis and treatment capabilities through resource integration. The Company upgraded the health profile workbench and improved the service process to enhance family doctors' capability in service delivery and user management. In view of users' service demands, activity, and growth potential, the Company developed tiered family doctor membership products. By establishing a tiered framework and upgrading the system, the Company diversified its offerings to cover additional scenarios and satisfy corporate clients' demands for different products.

Improving specialty service capability and expanding coverage in medical services

Ping An Health continued to strengthen the specialty service capability, making further expansion in medical services. During the Reporting Period, the Company has built seven specialty medical centers covering Traditional Chinese Medicine, gynecology & obstetrics, dermatology and other medical fields, meeting the demands for disease prevention, screening, treatment, and elderly care. The specialty medical centers also rolled out three major series of packages, including specific disease screening, off-the-shelf products, and specialized services. The specialty medical centers provided refined whole-process management and one-stop healthcare services through the collaboration with major tertiary hospitals, external specialists and premium specialty resources, integrating O2O service network.

In the future, Ping An Health will build up capabilities in more specialties. The Company will improve clinical specialty service quality by strengthening specialist doctors training, optimizing service models, and enhancing quality and security management, aiming to offer better targeted and more efficient specialty services. Moreover, the Company will continue to expand the renowned doctor network while maintaining strict selection criteria. As of 30 June, 2022, the Company had over 1,500 contracted renowned doctors. Both renowned doctors and specialty medical centers have enhanced the diagnosis and treatment service capability.

O2O Healthcare services

Expanding service network and optimizing provider management system

Ping An Health continues to improve the "online, in-store, and home-delivered" service networks. The Company has access to a variety of medical and health resources under the whole-process provider management and quality assurance system.

During the Reporting Period, Ping An Health had partnered with over 3,000 hospitals, nearly 85% of which were tertiary hospitals. The Company provided users with better services by further integrating online and offline medical service resources and developing the one-stop fulfillment system. As of 30 June, 2022, the Company had partnered with 208,000 pharmacies, which represent over 35% of all pharmacies across China, providing 1-hour drug delivery services in over 150 cities and 24/7 drug delivery services in 80 cities. In response to the pandemic restriction, the Company launched the "Chronic Disease Drugs Demand Registration Platform" to flexibly manage procurement, warehousing and delivery by leveraging supply chain resources across different regions.

In respect of the health service network, Ping An Health had more than 1,800 health checkup partners in more than 320 cities during the Reporting Period. 30% of users used the checkup report interpretation service, with more than 95% of users giving positive feedback. Moreover, the Company offered the standardized health checkup service process at over 100 high-end health checkup institutions in China. As of 30 June, 2022, the Company partnered with over 100,000 health service providers.

Management Discussion and Analysis

Empowering pharmaceutical ecosystem

Pharmaceuticals constitute an important part of the digital healthcare ecosystem, and play an essential role in connecting doctors and patients. Ping An Health continues to expand collaboration with the pharmacy network. The Company provided diverse, efficient solutions for users and multi-layered service strategies for partners, ensuring faster drug delivery and better services, and facilitating sustainable development of the pharmaceutical industry chain. During the Reporting Period, the Company launched the global innovative drug service. As of 30 June, 2022, the global innovative drug service covered over 70 pharmaceutical companies and more than 20 diseases.

Innovating health services

During the Reporting Period, Ping An Health made breakthroughs in health service and product offerings. The Company developed a wide range of core products and services, including consultation, tailor-made courses, smart assessment and other services, for “Jian Kang Bao” to satisfy demands of customers and employees of enterprises on child growth management, weight management, as well as hyperlipidemia, hypertension and hyperglycemia management and etc. For example, users have 12/7 one-on-one online consultation with fitness trainers and nutritionists to get dietary and exercise recommendations through “Jian Kang Bao.”

As of 30 June, 2022, Ping An Health launched 24 off-the-shelf health services, providing access to offline dental and medical beauty services in over 100 cities. The off-the-shelf offerings provided more diverse choices and effectively helped users with order fulfillment. The Company is actively expanding service offerings to improve service quality and accuracy.

Management Outlook

Bearing the new vision and mission in mind, Ping An Health will continue to advance its Strategy 2.0 Continuum by leveraging Ping An Group’s managed care business model and healthcare ecosystem. By focusing on the demands of corporate clients and retail customers, the Company will continue to innovate the products and services and strengthen the core competitiveness through synergies with Ping An Group. Going forward, the Company will forge ahead, strive to provide premium medical and health services, support the Digital China and the Healthy China initiatives, and deliver steady returns to shareholders.

Revenue and Gross Profit by Segment

Ping An Health continued to integrate segment revenue by business attributes while implementing the Strategy 2.0 Continuum, in order to highlight the strategic significance of medical services and health services respectively.

	Six months ended 30 June		Year-on-year change
	2022 RMB'000	2021* RMB'000	
Revenue:			
Medical services	1,131,662	1,323,773	-14.5%
Health services	1,696,249	2,494,583	-32.0%
Total of revenue	2,827,911	3,818,356	-25.9%
Gross profit:			
Medical services	441,919	598,646	-26.2%
Health services	331,504	426,573	-22.3%
Total of gross profit	773,423	1,025,219	-24.6%
Gross margin:			
Medical services	39.1%	45.2%	-6.1 pps
Health services	19.5%	17.1%	+2.4 pps
Total of gross margin	27.3%	26.8%	+0.5 pps

* Comparatives for 2021 have been restated as the Group has reclassified segment revenues according to business attributes.

Medical services

During the Reporting Period, revenue from medical services recorded RMB1,131.7 million, representing a year-on-year decrease of 14.5%, or a decrease of 8.4% compared with the second half of 2021. The year-on-year decrease was mainly attributable to the falling unit price of membership products resulting from the structural change in products as the Company shifted its customer acquisition strategy in mid-2021 to focus on corporate clients. Moreover, pharmaceutical logistics efficiency was affected by pandemic restrictions in China in the first half of 2022, resulting in revenue decreases, including the decrease from the second half of 2021.

During the Reporting Period, gross profit margin of medical services reached 39.1%, representing a year-on-year decrease of 6.1 pps, or an increase of 13.3 pps compared with the second half of 2021. The increase in gross profit margin of the segment resulted from the increase in revenue of membership and service offerings as a percentage of the overall revenue.

	Six months ended 30 June		Year-on-year change
	2022 RMB'000	2021 RMB'000	
Revenue	1,131,662	1,323,773	-14.5%
Gross profit	441,919	598,646	-26.2%
Gross margin	39.1%	45.2%	-6.1 pps

Management Discussion and Analysis

Health services

During the Reporting Period, revenue from health services recorded RMB1,696.2 million, representing a year-on-year decrease of 32.0%, or a decrease of 25.6% compared with the second half of 2021. The decreases were mainly attributable to the decline in the online mall revenue as the Company strategically scaled down certain online mall businesses that were less correlated with the managed care business model and less profitable. Moreover, revenue from offline services decreased as offline health services, including health checkups, dental and medical beauty services, were affected by the pandemic restrictions. Fulfillment of the health services are expected to rebound as the pandemic situation stabilizes.

During the Reporting Period, the gross profit margin of health services recorded 19.5%, representing a year-on-year increase of 2.4 pps, or an increase of 3.6 pps compared with the second half of 2021. The increase in gross profit margin of the segment was mainly attributable to the structural change, i.e. the decrease in online mall business revenue with low gross margin as a percentage of the overall revenue.

	Six months ended 30 June		
	2022 RMB'000	2021 RMB'000	Year-on-year change
Revenue	1,696,249	2,494,583	-32.0%
Gross profit	331,504	426,573	-22.3%
Gross margin	19.5%	17.1%	+2.4 pps

Selling and Marketing Expenses

Selling and marketing expenses amounted to RMB523.5 million in the first half of 2022, representing an decrease of 52.6% from RMB1,104.4 million in the first half of 2021. The decrease was mainly due to the decrease in marketing activities and improvement of production efficiency.

Administrative Expenses

Administrative expenses amounted to RMB892.9 million in the first half of 2022, representing an decrease of 0.7% from RMB899.5 million in the first half of 2021. The decrease was mainly attributable to the decrease in manpower and related expenses.

Other Income

Other income amounted to RMB140.7 million in the first half of 2022, representing an increase of 6.1% from RMB132.6 million in the first half of 2021, which was mainly attributable to the increase in government grant income.

Other Gains/(Losses) – Net

Other net gains amounted to RMB40.4 million in the first half of 2022, representing an increase of RMB131.6 million from RMB91.2 million of net losses in the first half of 2021, which was mainly attributable to the increase in exchange gain and change in impairment amount of financial assets.

Finance Income – Net

Net finance income amounted to RMB74.6 million in the first half of 2022, representing an decrease of 2.2% from RMB76.3 million in the first half of 2021, which was mainly attributable to an increase in finance expense due to the new leases of the Company.

Loss for the Period and the Non-IFRS Measure: Adjusted Net Loss

Our net loss for the first half of 2022 amounted to RMB425.8 million, representing a decrease of 51.6% compared with net loss of RMB879.3 million recorded in the first half of 2021. To supplement our consolidated financial information presented in accordance with IFRS, we also adopted the “adjusted net loss” which is not a required standard under IFRS or which is presented not in accordance with IFRS requirements as an additional financial measure. For the purpose of this interim report and future interim reports, the “adjusted net loss” may be used in exchange with the “net loss not under GAAP”. We believe that this additional financial measure is useful for comparing our operating performance between different periods and different companies by eliminating the potential impact of items which, in the opinion of our management, are not indicative of our operating performance. We also believe that the additional measure can provide investors and other individuals with meaningful information, allowing them to understand and assess our consolidated operating results in the same way as our management. However, the “adjusted net loss” presented by us may not necessarily be comparable with the similar measures presented by other companies. Such non-IFRS measure has a limitation as an analytical tool. Thus, a view should not be held that it is independent from or can replace the analysis of our operating results or financial position presented in accordance with IFRS. After excluding the impact of share-based payments and net foreign exchange gains, the adjusted net loss in the first half of 2022 amounted to RMB389.6 million, representing a decrease of 50.8% compared with the adjusted net loss of RMB791.4 million in the first half of 2021. The following table sets forth the adjusted net loss for the six months ended 30 June 2022 and 2021 as the most directly comparable financial measure (namely, net loss for the period) calculated and presented in accordance with IFRS:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Net loss for the period	(425,839)	(879,343)
Excluding:		
Share-based payments	45,895	51,800
Net foreign exchange (gains)/losses	(9,673)	36,103
Adjusted net loss	(389,617)	(791,440)

Liquidity and Financial Resources

Our cash and other liquid financial resources as of 30 June 2022 and 31 December 2021 were as follows:

	30 June	31 December
	2022	2021
	RMB'000	RMB'000
RMB	2,618,359	2,661,393
USD	559,677	154,159
HKD	18,049	249,324
	3,196,085	3,064,876

Cash and cash equivalents include cash in hand and at banks, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Our cash and cash equivalents are mostly denominated in RMB.

Management Discussion and Analysis

As of 30 June 2022, our total available funds were RMB13,248.1 million, including cash and cash equivalents of RMB3,196.1 million, restricted cash of RMB75.0 million, term deposits of RMB2,697.5 million, and financial assets of RMB7,279.5 million. The financial assets, purchased mainly from Ping An Bank, Ping An Asset Management, have effectively improved the yields and liquidity of the Company's idle funds.

Cash flows for the six months ended 30 June 2022 and six months ended 30 June 2021 were as follows:

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Net cash used in operating activities	(88,519)	(317,520)
Net cash generated from/(used in) investing activities	472,255	(3,812,473)
Net cash (used in)/generated from financing activities	(263,966)	23,698
Net increase/(decrease) in cash and cash equivalents	119,770	(4,106,295)
Cash and cash equivalents at the beginning of the period	3,064,876	7,920,375
Effects of exchange rate changes on cash and cash equivalents	11,439	(35,013)
Cash and cash equivalents at the end of the period	3,196,085	3,779,067

Net cash used in investing activities mainly included payments of RMB5,943.0 million for financial assets, and proceeds of RMB6,428.6 million from redemption of financial assets and term deposits.

As of 30 June 2022, we had no outstanding borrowings. Therefore, the gearing ratio is not presented herein.

Treasury Policy

Our cash arises almost exclusively from equity funding. Such cash can only be invested in relatively liquid and low-risk instruments such as bank deposits or money market instruments. The primary objective of our investments is to generate finance income at a yield higher than the interest rate of current bank deposits, with an emphasis on preserving principal and maintaining liquidity.

Capital Expenditure

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Purchase of property, plant and equipment, intangible assets and other assets	29,906	32,195

Our capital expenditures primarily comprised the expenditure for the purchase of property, plant and equipment (mainly office and telecommunication equipment) as well as intangible assets (mainly software).

Foreign Exchange Risk

For the six months ended 30 June 2022, we mainly operated our businesses in China with most of the transactions settled in RMB, the functional currency of our Company. Foreign exchange risk is the risk of incurring losses due to changes in foreign exchange rates. Fluctuations in the exchange rates between RMB and other currencies that we use to conduct our business operations may affect our financial position and operating results. The foreign exchange risk assumed by us primarily arises from movements in the USD/RMB exchange rates. Considering foreign exchange risk potentially brought by the fluctuations in the exchange rates, we completed preparation for utilization of financial instruments in 2020 and held such financial instruments in the first half of 2022 in response to the fluctuations in the exchange rates at any time.

Pledge of Assets

As of 30 June 2022, none of our assets were pledged.

Contingent Liabilities

As of 30 June 2022, we did not have any material contingent liabilities.

Dividend

For the six months ended 30 June 2022, we did not pay or declare any dividend.

Bank Loans and Other Borrowings

As of 30 June 2022, we did not have any material outstanding bank loans, debt securities, borrowings, debts, guarantees, hire purchase commitments or mortgages.

Significant Investments Held

For the six months ended 30 June 2022, we did not hold any material investments in the equity interest of other companies.

Material Investment and Future Plans of Capital Assets

As of 30 June 2022, we did not have any material investment and other plans of capital assets.

Material Acquisitions and Disposals of Subsidiaries and Associates

For the six months ended 30 June 2022, we did not carry out any material acquisitions and disposals of subsidiaries and associates.

Employee and Remuneration Policy

The Group had a total of 2,796 employees as of 30 June 2022, the majority of whom were based in various cities in the PRC, including Shanghai, Shenzhen, Beijing, Guangzhou, Hefei, Qingdao and Chengdu. The Group has established the remuneration system of "Cash Salary + benefit + long-term incentive." Remuneration is determined with reference to market conditions and individual employees' performance, qualifications and experience. In line with the performance of the Company and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and benefit plans. Employees of the Company are eligible participants of the Pre-IPO employee share option scheme, details of which are set out in the Prospectus. In addition to on-the-job training, we have also adopted training policies to provide a wide range of in-house and external trainings for employees. During the Reporting Period, the relationship between the Company and our employees was stable. We did not experience any strikes or other labor disputes which materially affected our business activities.

Other Information

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures

As of 30 June 2022, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of our Company or its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), or were recorded in the register required to be maintained by the Company under section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions/short positions in the Shares of the Company

Name of Director	Nature of interest	Number of Shares held	Long positions/ short positions	Approximate percentage of interest in the Company ⁽¹⁾
FANG Weihao ⁽²⁾	Beneficial owner	450,000	Long positions	0.03%

Notes:

- (1) The calculation is based on the total number of Shares in issue of 1,118,812,900 Shares as of 30 June 2022.
- (2) As of 30 June 2022, Mr. FANG Weihao was entitled to 450,000 Shares pursuant to the Employee Incentive Scheme, where no Share was held upon exercise of EIS Options under the Employee Incentive Scheme.

Save as disclosed above, as of 30 June 2022, so far as known to the Directors, none of the Directors or chief executives of the Company had or was deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were, pursuant to section 352 of the SFO, recorded in the register required to be maintained by the Company, or which were notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

So far as known to the Directors, as of 30 June 2022, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the Shares of the Company:

Long positions/short positions in the Shares of the Company

Name of Shareholder	Nature of interest	Number of Shares held	Long positions/short positions	Approximate percentage of interest in the Company ⁽¹⁾
Bang Qi Jian ⁽²⁾	Beneficial owner	95,606,500	Long position	8.54%
		79,240,000	Short position	7.08%
DOU Wenwei ⁽²⁾	Interest in controlled corporations	95,606,500	Long position	8.54%
		79,240,000	Short position	7.08%
WANG Wenjun ⁽²⁾	Interest in controlled corporations	95,606,500	Long position	8.54%
		79,240,000	Short position	7.08%
Glorious Peace ⁽³⁾	Beneficial owner	441,000,000	Long position	39.41%
		441,000,000	Long position	39.41%
An Ke Technology Company Limited ⁽³⁾	Interest in controlled corporations	441,000,000	Long position	39.41%
		441,000,000	Long position	39.41%
Ping An ⁽³⁾	Interest in controlled corporations	441,000,000	Long position	39.41%
		441,000,000	Long position	39.41%
Hopson Development Holdings Limited ⁽⁴⁾	Interest in controlled corporations	101,708,800	Long position	9.09%
		101,708,800	Long position	9.37%
Sounda Properties Limited ⁽⁴⁾	Interest in controlled corporations	101,708,800	Long position	9.37%
		3,084,700	Long position	9.37%
CHU Mang Yee ⁽⁴⁾	Interest in controlled corporations	104,793,500	Long position	9.37%
		104,793,500	Long position	9.37%
Morgan Stanley ⁽⁵⁾	Interest in controlled corporations	74,684,603	Long position	6.67%
		57,201,850	Short position	5.11%
HSBC Holdings plc ⁽⁶⁾	Interest in controlled corporations	97,988,179	Long position	8.75%
		69,853,309	Short position	6.24%

Notes:

- (1) The calculation is based on the total number of Shares in issue of 1,118,812,900 Shares as of 30 June 2022.
- (2) As of 30 June 2022, Bang Qi Jian directly held 95,606,500 Shares (long positions) and 79,240,000 Shares (short positions) in the Company. Each of Ms. WANG Wenjun and Mr. DOU Wenwei owned 50% shareholding interest in Bang Qi Jian. As such, each of Ms. WANG Wenjun and Mr. DOU Wenwei was deemed to be interested in the Shares held by Bang Qi Jian.
- (3) As of 30 June 2022, Glorious Peace directly held a total of 441,000,000 Shares. Glorious Peace was wholly-owned by An Ke Technology Company Limited, which in turn was wholly-owned by Ping An. As such, each of Ping An and An Ke Technology Company Limited was deemed to be interested in the Shares held by Glorious Peace.
- (4) According to the form of disclosure of interest dated 30 June 2022 filed by Hopson Development Holdings Limited ("Hopson Development") in relation to the relevant event on 28 June 2022, Hopson Development, through a series of corporations controlled by it, was interested in an aggregate of 101,708,800 Shares. According to the form of disclosure of interest filed by Sounda Properties Limited ("Sounda") dated 30 June 2022 in relation to the relevant event on 28 June 2022, Sounda was interested in 104,793,500 Shares, comprising 101,708,800 Shares indirectly held by Hopson Development which was controlled by Sounda, and 3,084,700 Shares directly held by Sounda. According to the form of disclosure of interest filed by Mr. CHU Mang Yee dated 30 June 2022 in relation to the relevant event on 28 June 2022, Sounda was wholly-owned by Mr. CHU Mang Yee. As such, Mr. CHU Mang Yee was deemed to be interested in the interest held by Sounda.

Other Information

- (5) According to the form of disclosure of interest filed by Morgan Stanley dated 6 July 2022 in relation to the relevant event on 30 June 2022, Morgan Stanley, through a series of corporations controlled by it, was deemed to be interested in 74,684,603 Shares (long position) and 57,201,850 Shares (short position).
- (6) According to the form of disclosure of interest filed by The Hongkong and Shanghai Banking Corporation Limited dated 30 June 2022 in relation to the relevant event on 27 June 2022, The Hongkong and Shanghai Banking Corporation Limited, through a series of corporations controlled by it, was deemed to be interested in 97,988,179 Shares (long position) and 69,853,309 Shares (short position).
- (7) Pursuant to Section 336 of the SFO, the Shareholders are required to file form of disclosure of interest when certain criteria are fulfilled and the full details of the requirements are available on the Stock Exchange's official website. When a Shareholder's shareholdings in the Company changes, it is not necessary to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, substantial Shareholders' latest shareholdings in the Company may be different to the shareholdings filed with the Company and the Stock Exchange. The above statements of substantial Shareholders' interests are prepared based on the information in the forms of disclosure of interest for the relevant events as of 30 June 2022 filed by substantial Shareholders. The Company may not have sufficient information on the breakdown of the relevant interests and cannot verify the accuracy of information on the form of disclosure of interest.

Save as disclosed above, as of 30 June 2022, the Directors were not aware of any person (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the Shares of the Company.

Employee Incentive Scheme

The Employee Incentive Scheme was approved by the Board on 26 December 2014 and amended by the Board from time to time. The purpose of the Employee Incentive Scheme is to attract and retain talents, to promote the long-term sustainable development of our Company and related entities, to realize the maximization of value for Shareholders, and to achieve mutual benefit for Shareholders, Company and staff.

The EIS Shares had been issued, which were directly held by Le An Xin. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of options by our Company to subscribe for new Shares upon our Listing. Given the EIS Shares had already been issued, there will not be any dilution effect to the issued Shares upon the exercise of the options granted under the EIS Options. In addition, the grant of EIS Options by our Company or transfer upon vesting of the EIS Options of any of the EIS Shares pursuant to the Employee Incentive Scheme by any trustee or trust holding entities to a connected person of our Company should not be subject to the requirement of Chapter 14A of the Listing Rules. As of 30 June 2022, the aggregate number of outstanding Shares underlying the EIS Options as granted by the Company under the Employee Incentive Scheme was 20,900,969, representing 1.87% of our Company's issued share capital. All such Shares underlying the EIS Options have been issued.

Purchase, Sale or Redemption of the Company's Listed Securities

Reference is made to the announcement of the Company dated 13 December 2021. The Board announced that it approved a plan to exercise the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 21 April 2021 (the "AGM") to buy back on-market Shares (the "Buy-back Mandate") not exceeding 10% of the issued Shares as at the date of the AGM. Based on 56,000,000 shares that can be bought back under the Buy-back Mandate, the maximum amount of fund intended to be used is RMB1.38 billion (the "Proposed Share Buy-back Plan").

The Board believes that the value of the Shares traded on-market is undervalued. The Board also believes that the Company's current financial resources would enable it to implement the Proposed Share Buy-back Plan while maintaining sufficient financial resources to meet the continued growth of the Company's operations. The Proposed Share Buy-back Plan also reflects the confidence of the Board in the prospects of the Company.

For the six months ended 30 June 2022, the Company bought back a total of 12,929,300 Shares on the Stock Exchange at an aggregate consideration paid (before expenses) of HK\$277,564,150.38. As at 30 June 2022, the total number of issued Shares was 1,118,812,900.

Details of Share purchases are as follows:

Month	Number of Shares bought back	Buy-back price per Share		Total consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2022	2,410,000	28.40	24.60	64,078,703.00
March 2022	6,248,700	21.95	17.06	123,083,965.24
April 2022	4,270,600	22.45	18.98	90,401,482.14

Save as disclosed above, for the six months ended 30 June 2022, the Company or any of its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities.

Other Information

Changes of Directors and Chief Executives and Their Information

During the Reporting Period, pursuant to the disclosure requirement under Rule 13.51B(1) of the Listing Rules, the changes in individual information of the Directors are as follows:

1. Mr. GUO Tianyong, an independent non-executive Director, ceased to serve as an independent director, the chairman of nomination committee, a member of audit committee and a member of remuneration and appraisal committee under the board of directors of Ping An Bank in August 2022, and will not hold any other positions in Ping An Bank after his resignation; ceased to be the independent director of Aa Industrial Belting (Shanghai) Co., Ltd. (艾艾精密工業輸送系統(上海)股份有限公司, a company listed on Shanghai Stock Exchange, stock code: 603580) in June 2022; and has served as the independent director of Kweichow Moutai Co., Ltd. (貴州茅台酒股份有限公司, a company listed on Shanghai Stock Exchange, stock code: 600519) since June 2022.
2. Dr. CHOW Wing Kin Anthony, an independent non-executive Director, ceased to be the independent non-executive director of MTR Corporation Limited (香港鐵路有限公司, a company listed on the Hong Kong Stock Exchange, stock code: 0066) in May 2022.

Save as disclosed above, as of the date of this interim report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Audit and Risk Management Committee

The Company has established an Audit and Risk Management Committee in compliance with the Corporate Governance Code. The primary duties of the Audit and Risk Management Committee are to review and supervise the financial reporting process and internal controls system of the Group, review the financial information of the Group and consider issues relating to the external auditors and their appointment.

The Audit and Risk Management Committee comprises two independent non-executive Directors, namely, Mr. TANG Yunwei and Mr. GUO Tianyong and one non-executive Director, namely, Ms. TAN Sin Yin. Mr. TANG Yunwei, being the chairman of the Audit and Risk Management Committee, is appropriately qualified as required.

The Audit and Risk Management Committee has reviewed the unaudited interim financial accounts of the Group for the six months ended 30 June 2022. The Audit and Risk Management Committee has also discussed with management of the Company the accounting policies and practices and internal controls adopted by the Company. Based on the above review and discussion with management, the Audit and Risk Management Committee is satisfied that the unaudited interim financial information of the Group has been prepared in accordance with the applicable accounting standards.

Compliance with Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted the Model Code as the code of conduct regarding directors' dealings in the securities of the Company. Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2022.

The Board has also established written guidelines to regulate all dealings by informed persons who are likely to be in possession of inside information in respect of the Company's securities and unpublished information as referred to in code provision C.1.3 of the Corporate Governance Code.

Compliance with the Corporate Governance Code

Save as disclosed below, none of the Directors is aware of any information that would reasonably indicate that the Company did not meet the applicable code provisions set out in the Corporate Governance Code for any part of the period of the six months ended 30 June 2022.

Code provision C.2.1 of the Corporate Governance Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. FANG Weihao has occupied the positions of both the chairman and the chief executive officer. However, the Board is of the opinion that the Company has built up a structure of the Board and has developed a very structured and strict operation system and a set of procedural rules for the meeting of the Board. The chairman does not have any power different from that of other Directors in relation to the decision making process of the Company. Also, in the day-to-day operation of the Company, the Company has put in place an integrated management system and structure. Decisions on all material matters will be subject to complete and stringent deliberation and decision making procedures in order to ensure that the chief executive officer can perform his duties diligently and effectively. Based on the above reasons, the Board is of the opinion that the Company's management structure is able to provide the Company with efficient management and at the same time, protect all Shareholders' rights to the greatest extent.

Therefore, the Company does not currently intend to separate the roles of the chairman and the chief executive officer.

Use of Proceeds

Use of Net Proceeds from Listing

The Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK\$8,564.0 million after deducting underwriting commissions and all related expenses. The proceeds from the Listing were used and are proposed to be used according to the intentions previously disclosed by the Company. The following table sets forth the Group's intended timetable for use of proceeds from listing as of 30 June 2022.

Intended use of net proceeds	Allocation of net proceeds	Amount of proceeds utilized as of 30 June 2022 (HK\$ in millions)	Balance of net proceeds unutilized as of 30 June 2022	Intended timetable for use of the unutilized net proceeds
(i) Business expansion	3,425.6	1,110.2	2,315.4	Before 31 December 2024
(ii) Funding our potential investments in acquisitions of domestic companies and the strategic alliances with domestic companies as well as our overseas expansion plan	2,569.2	258.1	2,311.1	Before 31 December 2025
(iii) Research and development	1,712.8	947.6	765.2	Before 31 December 2026
(iv) Working capital and general corporate purposes	856.4	856.4	—	N/A

Other Information

Use of Net Proceeds from Placing

References are made to the announcements of the Company dated 30 September 2020 and 9 October 2020 (the “Announcements”), for the purposes of seizing market opportunities, solidifying the Company’s leading position in the industry and maintaining a solid foundation for business expansion, on 30 September 2020, the Company entered into a placing agreement with the placing agents in relation to the placing of an aggregate of 80,000,000 new Shares with the aggregate nominal value of US\$400, at the placing price of HK\$98.20 per placing share on the terms and conditions set out in the placing agreement. The market price of the placing shares was HK\$99.25 on the date of the placing agreement.

On 9 October 2020, the Company has completed the placing of 80,000,000 Shares to not fewer than six places who are Independent Third Parties of the Company at a price of HK\$98.20 per placing share with net proceeds received by the Company from the placing in the amount of approximately HK\$7,828.0 million after deducting the commission, incentive fee and expense, representing a net issue price of approximately HK\$97.85 per placing share. The proceeds from the Placing are proposed to be used according to the intentions previously disclosed by the Company. The following table sets forth the Group’s intended timetable for use of proceeds from the placing as of 30 June 2022.

Intended use of net proceeds	Allocation of net proceeds	Amount of proceeds utilized as of 30 June 2022 (HK\$ in millions)	Balance of net proceeds unutilized as of 30 June 2022	Intended timetable for use of the unutilized net proceeds
Further developing core businesses of the Group	7,828.0	–	7,828.0	Before 31 December 2030

Report on Review of Interim Financial Information

To the Board of Directors of Ping An Healthcare and Technology Company Limited
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 26 to 64, which comprises the interim condensed consolidated statement of financial position of Ping An Healthcare and Technology Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2022 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 August 2022

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	Six months ended 30 June	
		2022 (unaudited)	2021 (unaudited)
Revenue	6	2,827,911	3,818,356
Cost of sales	6,7	(2,054,488)	(2,793,137)
Gross profit		773,423	1,025,219
Selling and marketing expenses	7	(523,477)	(1,104,374)
Administrative expenses	7	(892,873)	(899,542)
Other income	8	140,746	132,620
Other gains/(losses) – net	9	40,401	(91,215)
Operating loss		(461,780)	(937,292)
Finance income	10	79,860	80,047
Finance costs	10	(5,250)	(3,721)
Finance income – net	10	74,610	76,326
Share of losses of associates and joint ventures		(35,131)	(9,692)
Loss before income tax		(422,301)	(870,658)
Income tax expense	11	(3,538)	(8,685)
Loss for the period		(425,839)	(879,343)
Loss attributable to:			
– Owners of the Company		(424,353)	(879,559)
– Non-controlling interests		(1,486)	216
		(425,839)	(879,343)
Loss per share attributable to owners of the Company			
– Basic (RMB yuan)	12	(0.39)	(0.80)
– Diluted (RMB yuan)	12	(0.39)	(0.80)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

	Six months ended 30 June		
	Note	2022 (unaudited)	2021 (unaudited)
Loss for the period		(425,839)	(879,343)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		56,602	2,253
Other comprehensive income for the period, net of tax		56,602	2,253
Total comprehensive loss for the period		(369,237)	(877,090)
Total comprehensive loss attributable to:			
– Owners of the Company		(367,751)	(877,306)
– Non-controlling interests		(1,486)	216
		(369,237)	(877,090)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	As at 30 June 2022 (unaudited)	As at 31 December 2021
ASSETS			
Non-current assets			
Goodwill	13	969,929	969,929
Right-of-use assets	14	206,940	196,913
Property, plant and equipment	15	131,795	140,030
Other intangible assets	16	90,918	105,587
Investments in associates	17	382,372	385,415
Investments in joint ventures	18	117,456	160,204
Financial assets at amortized cost	22	–	498,193
Financial assets at fair value through profit or loss	23	17,970	17,970
Term deposits	24(c)	2,697,463	2,649,317
Total non-current assets		4,614,843	5,123,558
Current assets			
Inventories	19	103,618	398,073
Trade receivables	20	1,176,971	1,553,645
Contract assets	6	193,917	82,129
Prepayments and other receivables	21	376,650	549,355
Financial assets at amortized cost	22	2,017,943	2,096,879
Financial assets at fair value through profit or loss	23	5,243,604	4,937,084
Restricted cash	24(b)	75,000	75,092
Cash and cash equivalents	24(a)	3,196,085	3,064,876
Total current assets		12,383,788	12,757,133
Total assets		16,998,631	17,880,691
EQUITY AND LIABILITIES			
Equity			
Share capital	25	35	36
Treasury shares	26	(1)	(367,860)
Reserves	27	20,316,748	20,808,040
Accumulated losses		(6,781,152)	(6,356,799)
Total equity attributable to owners of the Company		13,535,630	14,083,417
Non-controlling interests		977	2,463
Total equity		13,536,607	14,085,880
Liabilities			
Non-current liabilities			
Lease liabilities	14	135,827	120,918
Trade and other payables	29	46	43
Total non-current liabilities		135,873	120,961
Current liabilities			
Trade and other payables	29	2,264,662	2,641,097
Contract liabilities	6	969,541	952,376
Lease liabilities	14	91,948	80,377
Total current liabilities		3,326,151	3,673,850
Total liabilities		3,462,024	3,794,811
Total equity and liabilities		16,998,631	17,880,691

The interim condensed consolidated financial information and the accompanying notes starting from page 26 to page 64 are signed by:

FANG Weihao
(Director)

LIN Lijun
(Director)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

	For the six months ended 30 June 2022 (unaudited)							
	Attributable to owners of the Company						Non-	Total
	Note	Share capital	Reserves	Treasury shares	Accumulated losses	Total	controlling interests	equity
As at 1 January 2022		36	20,808,040	(367,860)	(6,356,799)	14,083,417	2,463	14,085,880
Loss for the period		-	-	-	(424,353)	(424,353)	(1,486)	(425,839)
Other comprehensive income for the period		-	56,602	-	-	56,602	-	56,602
Share-based payments	28	-	45,895	-	-	45,895	-	45,895
Exercise of share options	28	-	196	-	-	196	-	196
Repurchase of shares	26	-	-	(226,127)	-	(226,127)	-	(226,127)
Cancellation of shares	26	(1)	(593,985)	593,986	-	-	-	-
As at 30 June 2022		35	20,316,748	(1)	(6,781,152)	13,535,630	977	13,536,607

	For the six months ended 30 June 2021 (unaudited)							
	Attributable to owners of the Company						Non-	Total
	Note	Share capital	Reserves	Treasury shares	Accumulated losses	Total	controlling interests	equity
As at 1 January 2021		36	20,651,792	(2)	(4,818,616)	15,833,210	22,989	15,856,199
Loss for the period		-	-	-	(879,559)	(879,559)	216	(879,343)
Other comprehensive income for the period		-	2,253	-	-	2,253	-	2,253
Share-based payments	28	-	51,800	-	-	51,800	-	51,800
Exercise of share options	28	-	497	-	-	497	-	497
As at 30 June 2021		36	20,706,342	(2)	(5,698,175)	15,008,201	23,205	15,031,406

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	Six months ended 30 June	
		2022 (unaudited)	2021 (unaudited)
Cash flows from operating activities			
Cash used in operations		(83,792)	(314,002)
Income tax paid		(4,727)	(3,518)
Net cash used in operating activities		(88,519)	(317,520)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment and intangible assets		68	–
Payments for property, plant and equipment and intangible assets		(12,386)	(36,280)
Payments for restricted cash		–	(76,075)
Payments for financial assets at fair value through profit or loss		(5,943,000)	(13,420,020)
Proceeds from sale of financial assets at fair value through profit or loss		5,747,252	11,499,871
Proceeds from investment in financial assets at amortized cost		677,197	45,022
Payments for term deposits with initial term of over three months		–	(1,700,000)
Interest received from term deposits with initial term of over three months		4,144	17,910
Payments for investments in joint ventures		(1,020)	(142,901)
Net cash generated from/(used in) investing activities		472,255	(3,812,473)
Cash flows from financing activities			
Payments for lease liabilities		(42,931)	(49,946)
Proceeds from exercise of share options		5,092	73,644
Payments for repurchase of shares		(226,127)	–
Net cash (used in)/generated from financing activities		(263,966)	23,698
Net increase/(decrease) in cash and cash equivalents		119,770	(4,106,295)
Cash and cash equivalents at the beginning of the period	24	3,064,876	7,920,375
Effects of exchange rate changes on cash and cash equivalents		11,439	(35,013)
Cash and cash equivalents at the end of the period	24	3,196,085	3,779,067

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

1 General Information

Ping An Healthcare and Technology Company Limited (formerly known as “Glorious Health Limited”) (the “Company”) was incorporated in the Cayman Islands on 12 November 2014 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, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 4 May 2018 by way of its initial public offering.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in offering medical and health services through the Group’s mobile platform in the People’s Republic of China (the “PRC”).

Glorious Peace Limited (“Glorious Peace”) is the major shareholder of the Company, holding 39.41% of the shareholding interest in the Company as at 30 June 2022.

2 Basis of Preparation and Significant Accounting Policies

2.1 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”), as part of the International Financial Reporting Standards (“IFRSs”).

This 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 financial statements for the year ended 31 December 2021.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2021, except for the adoption of new or amended standards and interpretations since 1 January 2022.

(a) *New and amended standards adopted by the Group*

The Group has applied the following standards and amendments for the first time to financial reporting periods commencing 1 January 2022.

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before intended use
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual improvements to IFRS standards 2018-2020

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

2 Basis of Preparation and Significant Accounting Policies (Continued)

2.2 Significant accounting policies (Continued)

(b) *New and amended standards issued but not yet adopted by the Group*

Standards, amendments and interpretations that have been issued but not yet effective for the financial year beginning 1 January 2022 and not been early adopted by the Group as at the reporting period are as follows:

		Effective for annual periods beginning on or after
IFRS 17	Insurance contracts	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The Group has already commenced an assessment of the impact of the new or revised standards that have been issued but either not yet effective for the financial period beginning 1 January 2022 or not been early adopted by the Group which are relevant to the Group's operation. Except as described below, the Group believes that the application of amendments to IFRSs, amendments to IASs and the new interpretations is unlikely to have a material impact on the Group's statement of financial position and performance as well as disclosure in the future.

IFRS 17

IFRS 17 was issued in May 2017 and will replace the current IFRS 4 "Insurance Contracts". It applies to the measurement of insurance contracts issued, all reinsurance contracts and investment contracts with discretionary participating features. It requires a current measurement model where estimates are re-measured at each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period.

The Group entered into a few service contracts that meet the definition of "insurance contract" in IFRS 4. For the six month ended 30 June 2022, the Group recorded revenue of RMB118,665 thousand from such service contracts and as at 30 June 2022, the liability arising from such service contracts amounted to RMB194,439 thousand.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

2 Basis of Preparation and Significant Accounting Policies (Continued)

2.2 Significant accounting policies (Continued)

(b) *New and amended standards issued but not yet adopted by the Group (Continued)*

IFRS 17 (Continued)

The standard is currently mandatorily effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted.

The Group is in the process of assessing the impact of the adoption of IFRS 17. The Group expects that the impact is significant and the accounting policy regarding the above service contracts will have fundamental changes after the adoption of IFRS 17.

3 Estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2021.

4 Management of Financial Risk

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk, liquidity risk and insurance risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2021.

There have been no changes in the risk management policies for the Group since year end.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

4 Management of Financial Risk (Continued)

4.2 Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents and marketable securities to mitigate its liquidity risk. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate cash and cash equivalents.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are undiscounted contractual cash flows.

	As at 30 June 2022					Total
	On demand	Within 1 year	1 to 5 years	Over 5 years	Undated	
Liabilities:						
Lease liabilities	–	94,525	147,030	495	–	242,050
Trade and other payables	–	1,701,925	–	–	46	1,701,971
	–	1,796,450	147,030	495	46	1,944,021

	As at 31 December 2021					Total
	On demand	Within 1 year	1 to 5 years	Over 5 years	Undated	
Liabilities:						
Lease liabilities	–	82,164	140,116	495	–	222,775
Trade and other payables	–	2,017,315	–	–	43	2,017,358
	–	2,099,479	140,116	495	43	2,240,133

4.3 Fair value estimation

Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. When an active market exists, such as an authorized securities exchange, the market value is the best reflection of the fair values of financial instruments. For financial instruments that there is no active market, fair value is determined using valuation techniques.

The Group's financial assets mainly include financial assets at fair value through profit or loss.

Determination of fair value and fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchies. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

4 Management of Financial Risk (Continued)

4.3 Fair value estimation (Continued)

Determination of fair value and fair value hierarchy (Continued)

The levels of the fair value hierarchy are as follows:

- (a) Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1");
- (b) Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ("Level 2"); and
- (c) Fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) ("Level 3").

The level of fair value calculation is determined by the lowest level input that is significant in the overall calculation. As such, the significance of the input should be considered from an overall perspective in the calculation of fair value.

For Level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities.

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determinations to classify fair value measurement within Level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors to the overall fair value measurement, and valuation methodologies such as discounted cash flow models and other similar techniques.

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

4 Management of Financial Risk (Continued)

4.3 Fair value estimation (Continued)

Determination of fair value and fair value hierarchy (Continued)

The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

	As at 30 June 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through profit or loss				
– Equity investments	–	3,714,136	1,547,438	5,261,574

	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through profit or loss				
– Equity investments	–	2,738,153	2,216,901	4,955,054

For the period, there were no transfers among different levels of fair values measurement.

Valuation techniques

The fair value of the unquoted equity investments has been determined using valuation techniques such as comparable company valuation multiples, recent transaction prices of the same or similar instruments, with appropriate adjustments made where applicable, for example, for lack of liquidity using option pricing models. The valuation requires management to make certain assumptions about unobservable inputs to the model, which mainly include historical volatility and estimated time period prior to the listing of the unquoted equity instruments, etc. The fair value of the unquoted equity investments is not significantly sensitive to the Group.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

5 Scope of Consolidation

Particulars of the subsidiaries and entities in the scope of consolidation of the Group at 30 June 2022 are set out below:

(a) Subsidiaries

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group		Principal activities/ Place of operations	Notes
			30 June 2022	31 December 2021		
Directly owned:						
Glorious Delight Limited	Hong Kong/ 14 November 2014	USD1,194,193,805	100%	100%	Investment Holding/ Hong Kong	
Le An Xin (PTC) Limited ("Le An Xin")	British Virgin Islands ("BVI")/ 17 October 2017	USD0	-	-	Investment Holding/ BVI	
Good Doctor Online Healthcare Limited	Cayman Islands/ 23 July 2018	USD21,950,001	100%	100%	Investment Holding/ Cayman Islands	
Yu Kang Limited	Hong Kong/ 12 December 2018	HKD1 USD21,000,000	100%	100%	Investment Holding/ Hong Kong	
Indirectly owned:						
Kang Jian Information Technology (Shenzhen) Co., Ltd ("Kang Jian")	the PRC/13 February 2015	USD1,430,921,643	100%	100%	Investment Holding/ the PRC	
Jiangsu Zhongyikang Pharmaceutical Company Limited	the PRC/ 14 December 2006	RMB5,000,000	100%	100%	Medicine Marketing/ the PRC	
Shanghai Yiteng Enterprise Management Consulting Co., Ltd ("Shanghai Yiteng")	the PRC/ 21 November 2016	RMB3,000,000	100%	100%	Technology Service/ the PRC	
Shanghai Kangrong Pharmacy Co., Ltd.	the PRC/21 May 2019	RMB8,500,000	100%	100%	Medicine Marketing/ the PRC	
Hefei Yunshantang Nuoke Pharmacy Co., Ltd.	the PRC/4 November 2021	RMB1,260,000	100%	100%	Medicine Marketing/ the PRC	
Hefei Yunshantang Nuorui Pharmacy Co., Ltd.	the PRC/4 November 2021	RMB1,210,000	100%	100%	Medicine Marketing/ the PRC	
Hefei Yunshantang Pharmacy Co., Ltd. ("Hefei Yunshantang")	the PRC/25 April 2022	RMB1,210,000	100%	-	Medicine Marketing/ the PRC	(i)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

5 Scope of Consolidation (Continued)

(a) Subsidiaries (Continued)

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group		Principal activities/ Place of operations	Notes
			30 June 2022	31 December 2021		
Controlled by the Company pursuant to the Contractual Agreements:						
Ping An Health Cloud Company Limited ("PAHC")	the PRC/20 August 2014	RMB350,000,000	100%	100%	Development and operation of apps/ the PRC	
Jiangxi Pingan Health Pharmacy Company Limited	the PRC/24 January 2014	RMB2,000,000	100%	100%	Medicine Marketing/ the PRC	(ii)
Tianjin Kuaiyijie Medical Electronic Commerce Company Limited	the PRC/29 March 2005	RMB15,000,000	100%	100%	Technology Development/ the PRC	
Qingdao Ping An Kangjian Internet Hospital Company Limited	the PRC/24 April 2017	RMB10,000,000	100%	100%	Hospital/the PRC	(iii)
Hefei Ping An Kangjian Internet Hospital Company Limited	the PRC/ 21 September 2017	RMB150,000	100%	100%	Hospital/the PRC	
Jiangsu Nabaite Pharmacy Company Limited	the PRC/11 October 2017	RMB10,000,000	100%	100%	Medicine Marketing/ the PRC	
Yinchuan Pingan Internet Hospital Company Limited	the PRC/12 March 2018	RMB5,500,000	100%	100%	Hospital/the PRC	
Pingan Wanjia Healthcare Investment Management Company Limited	the PRC/4 July 2016	RMB400,000,000	100%	100%	Technology Development/ the PRC	
Shanghai Pingan Wanjia Healthcare Management Company Limited	the PRC/8 December 2016	RMB100,000,000	100%	100%	Technology Development/ the PRC	
Shenzhen Pingan Wanjia Healthcare Investment Company Limited	the PRC/11 August 2016	RMB30,000,000	100%	100%	Investment Holding/ the PRC	
Xiamen Wanjia Healthcare Investment Company Limited	the PRC/6 December 2016	RMB20,000,000	100%	100%	Investment Holding/ the PRC	
Xiamen Siming Wanjia TCM Outpatient Department Co., Ltd.	the PRC/26 July 2017	RMB11,000,000	100%	100%	Clinic/the PRC	(iv)
Shenzhen Anan Outpatient Service Department	the PRC/20 June 2017	RMB400,000	100%	100%	Clinic/the PRC	
Pingan Health Insurance Agency Co. Ltd	the PRC/10 February 2011	RMB50,000,000	100%	100%	Insurance Agency/the PRC	
Guangzhou Jifan Biotechnology Company Limited	the PRC/23 July 2015	RMB100,000	100%	100%	Medicine Marketing/ the PRC	
Pingan (Nantong) Internet Hospital Company Limited	the PRC/ 15 November 2018	RMB10,000	100%	100%	Hospital/the PRC	

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

5 Scope of Consolidation (Continued)

(a) Subsidiaries (Continued)

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group		Principal activities/ Place of operations	Notes
			30 June 2022	31 December 2021		
Controlled by the Company pursuant to the Contractual Agreements: (Continued)						
Hainan Ping An Healthcare and Technology Company Limited	the PRC/15 October 2019	RMB5,110,000	100%	100%	Medicine Marketing/ the PRC	
Hebei Nabaite Pharmacy Company Limited	the PRC/ 28 December 2019	RMB4,200,000	100%	100%	Medicine Marketing/ the PRC	
Pingan Yingjian Medical Management (Shanghai) Limited	the PRC/24 April 2015	RMB35,000,000	50%	50%	Medical Service/the PRC	
Shanghai Yingjian Clinics Co., Ltd	the PRC/ 12 December 2016	RMB10,000,000	50%	50%	Clinic/the PRC	
Fuzhou Kangjian Medical Technology Company Limited	the PRC/8 April 2020	RMB50,000,000	100%	100%	Technology Development/ the PRC	
Guangxi Pingan Good Doctor Internet Hospital Company Limited	the PRC/13 April 2020	RMB3,040,000	51%	51%	Hospital/the PRC	
Pingan Good Doctor Nanjing Medical Technology Company Limited	the PRC/20 May 2020	RMB1,850,000	100%	100%	Technology Development/ the PRC	
Shenyang Kangjian Intelligent Internet Hospital Company Limited	the PRC/22 May 2020	RMB1,200,000	100%	100%	Hospital/the PRC	
Chengdu Ping An Kangjian Internet Hospital Management Company Limited	the PRC/14 January 2020	RMB50,000,000	100%	100%	Hospital/the PRC	
Taiyuan Pingan Internet Hospital Company Limited	the PRC/30 April 2020	RMB2,000	100%	100%	Hospital/the PRC	
Shanghai Pingan Good Doctor No.8 Internet Hospital Company Limited	the PRC/11 June 2020	RMB6,300,000	100%	100%	Hospital/the PRC	
Weihai Kangjian Internet Hospital Co., Ltd.	the PRC/6 July 2020	RMB1,420,000	100%	100%	Hospital/the PRC	
Tianjin Pingan Kangjian Internet Hospital Co., Ltd.	the PRC/ 27 September 2020	RMB831,000	100%	100%	Hospital/the PRC	
Harbin Haoyikang Internet Hospital Co., Ltd.	the PRC/4 September 2020	RMB2,400,000	100%	100%	Hospital/the PRC	
Zhengzhou Pingan Internet Hospital Co., Ltd.	the PRC/ 10 September 2020	RMBO	100%	100%	Hospital/the PRC	
Hangzhou Kangyijian Medical Technology Co., Ltd.	the PRC/13 August 2020	RMB1,000	100%	100%	Technology Development/ the PRC	
Guangzhou Kangjian Internet Hospital Co., Ltd.	the PRC/2 December 2020	RMBO	100%	100%	Hospital/the PRC	

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

5 Scope of Consolidation (Continued)

(a) Subsidiaries (Continued)

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group		Principal activities/ Place of operations	Notes
			30 June 2022	31 December 2021		

Controlled by the Company pursuant to the Contractual Agreements: (Continued)

Chongqing Haoyi Health Internet Hospital Co., Ltd.	the PRC/10 December 2020	RM80	100%	100%	Hospital/the PRC	
Ping An Health (Jiangsu) Internet Co., Ltd.	the PRC/17 November 2020	RMB30,000,000	100%	100%	Hospital/the PRC	
Kunming Haoyi Health Internet Hospital Co., Ltd.	the PRC/24 December 2020	RM80	100%	100%	Hospital/the PRC	

* All of the subsidiaries of the Company established in the PRC were limited liability company.

Notes:

- (i) Hefei Yunshantang was established by Shanghai Yiteng in the PRC on 25 April 2022. It is a wholly-owned subsidiary of Shanghai Yiteng.
- (ii) Jiangxi Pingan Health Pharmacy Company Limited was formerly named as Jiangxi Pingan Good Doctor Pharmacy Company Limited.
- (iii) Qingdao Ping An Kangjian Internet Hospital Company Limited was formerly named as Qingdao Pingan Good Doctor Internet Hospital Company Limited.
- (iv) Xiamen Siming Wanjia TCM Outpatient Department Co., Ltd. was formerly named as Xiamen Siming Wanjia Enjoyment Outpatient Service Department Company Limited.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

5 Scope of Consolidation (Continued)

(b) Structured entities

Name	Attributable equity interest	Paid-in capital (RMB)	Principal activities
Ping An Huitong Jinyu No.17 Assets Management Plan*	100%	1,500,000	Investment in debts
Ping An Huitong Jinyu No.22 Assets Management Plan*	100%	500,000	Investment in debts

* The asset manager of above asset management plans is Shenzhen Ping An Huitong Investment Management Company Limited, which is controlled by Ping An Insurance (Group) Company of China, Ltd. ("Ping An").

Note:

(i) In April 2022, the Group redeemed the Ping An Huitong Jinyu No.19 Assets Management Plan.

6 Revenue and Segment Information

(a) Disaggregation of revenue from contracts with customers

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by Chief Operation Decision Maker ("CODM"). CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company that make strategic decisions. As a result of this evaluation, the Group determined that it has operating segments as follows:

- Medical services
- Health services

As CODM changed the structure of internal organisation, the composition of the Group's reportable segments changed in 2021, and medical services was subsequently extended to including medical related merchandise in the first half of 2022. The corresponding items of segment information for comparative period was restated.

CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment which is used by management as a basis for the purpose of resource allocation and assessment of segment performance. The selling and marketing expenses and administrative expenses are not included in the measurement of the segments' performance. Other income, other gains/(losses) – net, finance income – net, share of losses of associates and joint ventures, and income tax expense are also not allocated to individual operating segments.

Revenues from external customers reported to CODM are measured as segment revenue, which is derived from the customers in each segment. Cost of revenue primarily comprises cost of medical service fee, inventories consumed, salary and compensation expenses, and others.

The segment information provided to CODM is measured in a manner consistent with that applied in these financial statements. There was no information on separate segment assets or segment liabilities provided to CODM, as CODM does not use such information to allocate resources to or evaluate the performance of the operating segments.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

6 Revenue and Segment Information (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

The revenue segment information reported to CODM for the reporting period is as follows:

For the six months ended 30 June 2022

	Medical services	Health services	Total
Revenue from customers	1,131,662	1,696,249	2,827,911
Medical related services	428,811	653,942	1,082,753
Sales of goods	676,531	967,680	1,644,211
Commission income	26,320	28,970	55,290
Other services	–	45,657	45,657
Cost of sales	(689,743)	(1,364,745)	(2,054,488)
Gross Profit	441,919	331,504	773,423

For the six months ended 30 June 2021

	Medical services	Health services	Total
Revenue from customers	1,323,773	2,494,583	3,818,356
Medical related services	574,639	755,721	1,330,360
Sales of goods	704,062	1,662,592	2,366,654
Commission income	45,072	9,631	54,703
Other services	–	66,639	66,639
Cost of sales	(725,127)	(2,068,010)	(2,793,137)
Gross Profit	598,646	426,573	1,025,219

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenues from external customers in the PRC.

As at 30 June 2022 and 31 December 2021, most of the non-current assets of the Group were located in the PRC.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

6 Revenue and Segment Information (Continued)

(b) Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities.

	As at 30 June 2022	As at 31 December 2021
Contract assets		
Medical services	77,773	52,802
Health services	116,144	29,327
	193,917	82,129
Contract liabilities		
Medical services	284,490	470,936
Health services	685,051	481,440
	969,541	952,376

7 Expenses by Nature

	For the six months ended 30 June	
	2022	2021
Cost of merchandise (Note a)	1,595,004	2,280,391
Employee benefit expenses	802,082	944,913
Cost for service fee paid to vendors	426,650	422,586
Commission expenses	220,344	387,199
Advertising and promotion expenses	175,332	373,684
Consulting expenses	84,544	109,265
Depreciation of right-of-use assets	51,476	47,484
Depreciation of property, plant and equipment	34,169	38,078
Travelling, entertainment and general office expenses	21,085	60,949
Postage and communication expenses	20,127	37,319
Tax and surcharges	19,031	17,829
Amortization of other intangible assets	18,573	15,676
Leasing expenses	4,927	4,611
Change of contract liabilities of Health Membership Plans	(58,614)	(20,368)
Others	56,108	77,437
	3,470,838	4,797,053

Note:

(a) Provision for impairment of inventories has been included in cost of merchandise.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

8 Other Income

	For the six months ended 30 June	
	2022	2021
Interest on financial assets at amortized cost	65,433	57,472
Government grants	54,103	41,711
Short-term investments placed with banks	21,210	33,437
	140,746	132,620

9 Other Gains/(Losses) – Net

	For the six months ended 30 June	
	2022	2021
Fair value gains on financial assets at fair value through profit or loss	39,246	26,893
Gains/(losses) on disposal of financial assets at fair value through profits or loss	12,380	(6,104)
Net foreign exchange gains/(losses)	9,673	(36,103)
Impairment losses on financial assets	(21,331)	(73,404)
Others	433	(2,497)
	40,401	(91,215)

10 Finance Income – Net

	For the six months ended 30 June	
	2022	2021
Finance income		
Interest income	79,860	80,047
Finance costs		
Interest expenses on lease liabilities	(5,250)	(3,721)
	74,610	76,326

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

11 Income Tax Expense

The income tax expense of the Group for the period ended 30 June 2022 is analysed as follows:

	For the six months ended 30 June	
	2022	2021
Current income tax	3,538	8,685

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to loss of the consolidated entities as follows:

	For the six months ended 30 June	
	2022	2021
Loss before income tax	(422,301)	(870,658)
Tax calculated at PRC statutory income tax rate of 25%	(105,575)	(217,664)
Tax effects of		
– Differential income tax rates applicable to subsidiaries (Note a) (Note b)	(3,503)	9,777
– Tax losses and temporary differences for which no deferred income tax asset was recognized	78,419	128,114
– Expense not deductible for tax purposes	37,451	88,363
– PRC Withholding income tax	2,621	5,581
– Previously unrecognised tax losses now recouped to reduce current tax expense	(1,350)	(1,093)
– Super deduction for research and development expenses	(4,525)	(4,393)
Income tax expense	3,538	8,685

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

11 Income Tax Expense (Continued)

Notes:

(a) *Cayman Islands Income Tax*

The Company is incorporated under the laws of the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to Cayman Islands income tax.

(b) *Hong Kong Income Tax*

Hong Kong income tax rate is 16.5%. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the six months ended 30 June 2022 and 30 June 2021.

(c) *PRC Corporate Income Tax ("CIT")*

The income tax provision of the Group in respect of its operations in PRC was calculated at the tax rate of 25% on the assessable profits, based on the existing legislation, interpretations and practices in respect thereof. According to the relevant tax circulars issued by the PRC tax authorities, some subsidiaries of the Group are entitled to certain tax concessions because they are small and micro enterprises.

(d) *PRC withholding Tax ("WHT")*

According to the New Corporate Income Tax Law ("New CIT Law"), distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies. WHT of the Group was levied on the interests generated from the loans advanced to PAHC by the Company.

The Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was accrued as at 30 June 2022 (31 December 2021: nil).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

12 Loss Per Share

- (a) Basic loss per share for the six months ended 30 June 2022 and 2021 are calculated by dividing the loss attributable to the Company's equity holder by the weighted average number of ordinary shares in issue during the periods.

The calculation of loss per share is based on the following:

	For the six months ended 30 June	
	2022	2021
Loss attributable to owners of the Company for the period	(424,353)	(879,559)
Weighted average number of ordinary shares in issue ('000)	1,083,198	1,100,404
Basic loss per share (RMB yuan)	(0.39)	(0.80)

- (b) Diluted earnings or loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

As the Group incurred losses for the six months ended 30 June 2022 and 2021, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2022 and 2021 are same as basic loss per share of respective periods.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

13 Goodwill

	As at 1 January 2022 and 30 June 2022
Ping An Wanjia Healthcare Investment Management Co., Ltd.	961,644
Jiangxi Pingan Health Pharmacy Company Limited	5,119
Pingan Yingjian Medical Management (Shanghai) Limited	3,166
Total	969,929
Less: impairment losses	–
Net book value	969,929

Note:

As at 30 June 2022, management reviewed the cash flow projections which was based on business plan and used to prepare goodwill impairment testing as at 31 December 2021. Management found no significant change on the business plan and did not recognise any impairment loss on goodwill.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

14 Leases

(a) Amounts recognized in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	As at 30 June 2022	As at 31 December 2021
Right-of-use assets		
Properties	206,940	196,913
Lease liabilities		
Current	91,948	80,377
Non-current	135,827	120,918
	227,775	201,295

Additions to the cost of right-of-use assets during the six months ended 30 June 2022 were RMB69,278 thousand.

(b) Amounts recognized in the income statement

The income statement shows the following amounts relating to leases:

	For the six months ended 30 June	
	2022	2021
Depreciation of right-of-use assets		
Properties	(51,476)	(47,484)
Finance costs	(5,250)	(3,721)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

15 Property, Plant and Equipment

	Office and telecommunication equipment	Leasehold improvements	Total
As at 1 January 2022			
Cost	313,631	98,620	412,251
Accumulated depreciation	(206,906)	(65,315)	(272,221)
Net book amount	106,725	33,305	140,030
Six months ended 30 June 2022			
Opening net book amount	106,725	33,305	140,030
Additions	3,557	22,445	26,002
Disposal	(68)	–	(68)
Depreciation charge	(22,621)	(11,548)	(34,169)
Closing net book amount	87,593	44,202	131,795
As at 30 June 2022			
Cost	317,112	121,065	438,177
Accumulated depreciation	(229,519)	(76,863)	(306,382)
Net book amount	87,593	44,202	131,795
As at 1 January 2021			
Cost	297,371	87,343	384,714
Accumulated depreciation	(168,673)	(49,776)	(218,449)
Net book amount	128,698	37,567	166,265
Six months ended 30 June 2021			
Opening net book amount	128,698	37,567	166,265
Additions	26,000	4,762	30,762
Depreciation charge	(29,852)	(8,226)	(38,078)
Closing net book amount	124,846	34,103	158,949
As at 30 June 2021			
Cost	323,371	92,105	415,476
Accumulated depreciation	(198,525)	(58,002)	(256,527)
Net book amount	124,846	34,103	158,949

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

16 Other Intangible Assets

	Software	Licences	Total
As at 1 January 2022			
Cost	141,526	64,437	205,963
Accumulated amortisation	(56,162)	(24,645)	(80,807)
Accumulated impairment	–	(19,569)	(19,569)
Net book amount	85,364	20,223	105,587
Six months ended 30 June 2022			
Opening net book amount	85,364	20,223	105,587
Additions	3,904	–	3,904
Amortisation	(14,086)	(4,487)	(18,573)
Closing net book amount	75,182	15,736	90,918
As at 30 June 2022			
Cost	145,430	64,437	209,867
Accumulated amortisation	(70,248)	(29,132)	(99,380)
Accumulated impairment	–	(19,569)	(19,569)
Net book amount	75,182	15,736	90,918
As at 1 January 2021			
Cost	117,734	57,472	175,206
Accumulated amortisation	(36,832)	(16,832)	(53,664)
Accumulated impairment	–	(19,569)	(19,569)
Net book amount	80,902	21,071	101,973
Six months ended 30 June 2021			
Opening net book amount	80,902	21,071	101,973
Additions	1,433	–	1,433
Amortisation	(11,886)	(3,790)	(15,676)
Closing net book amount	70,449	17,281	87,730
As at 30 June 2021			
Cost	119,167	57,472	176,639
Accumulated amortisation	(48,718)	(20,622)	(69,340)
Accumulated impairment	–	(19,569)	(19,569)
Net book amount	70,449	17,281	87,730

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

17 Investments in Associates

	As at 30 June 2022	As at 31 December 2021
At the end of the period	382,372	385,415
	For the six months ended 30 June	
	2022	2021
At the beginning of the period	385,415	382,823
Share of (losses)/profits in associates	(3,043)	4,321
At the end of the period	382,372	387,144

18 Investments in Joint Ventures

	For the six months ended 30 June	
	2022	2021
At the beginning of the period	160,204	68,660
Additions (Note a)	1,020	142,901
Share of losses of joint ventures	(32,088)	(14,013)
Share of other comprehensive losses of joint ventures	(11,680)	(3,934)
At the end of the period	117,456	193,614

Note:

(a) On 2 November 2021, PAHC entered into a shareholders' agreement with Ping An Haoyi Investment Management Co., Ltd. to establish Ping An Haoyi (Xi'an Xincheng District) Comprehensive Outpatient Department Co., Ltd. ("Haoyi Xi'an") whereby the Group subscribed for 51% equity interests of Haoyi Xi'an. The first installment of consideration amounted to RMB1,020 thousand was paid by PAHC in March 2022.

19 Inventories

	As at 30 June 2022	As at 31 December 2021
Inventories in warehouse	86,072	220,690
Goods in transit	12,315	167,310
Inventories stored in third parties	5,231	10,073
Less: impairment provision	-	-
	103,618	398,073

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

20 Trade Receivables

	As at 30 June 2022	As at 31 December 2021
Medical services	504,971	432,943
Health services	759,461	1,181,163
	1,264,432	1,614,106
Less: loss allowance	(87,461)	(60,461)
	1,176,971	1,553,645

(a) Aging analysis of trade receivables based on invoice date is as follows:

	As at 30 June 2022	As at 31 December 2021
Up to 3 months	565,454	1,149,043
3 to 6 months	215,020	183,281
6 months to 1 year	299,509	151,604
1 to 2 years	116,157	81,367
More than 2 years	68,292	48,811
	1,264,432	1,614,106
Less: loss allowance	(87,461)	(60,461)
	1,176,971	1,553,645

As at 30 June 2022, approximately 53% of trade receivables aged more than one year are due from related parties.

(b) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(c) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

21 Prepayments and Other Receivables

	As at 30 June 2022	As at 31 December 2021
Included in current assets		
Agent business related receivable	148,913	268,294
Recoverable value-added tax	82,708	62,996
Advance payments	77,408	118,454
Deposits	39,719	40,551
Amounts due from related parties (Note a)	11,753	13,299
Prepaid expenses	421	1,313
Exercise cost of share options	–	10,271
Others	15,728	34,177
	376,650	549,355

Notes:

- (a) During the period, the amounts due from related parties were of a non-trade nature.
- (b) As at 30 June 2022, the carrying amounts of deposits and other assets (excludes advance payments, prepaid expenses and recoverable value-added tax), were approximate to their fair values. Deposits and other assets were neither past due nor impaired. Their recoverability was assessed with reference to the credit status of the counterparties and credit history.

22 Financial Assets at Amortized Cost

	As at 30 June 2022	As at 31 December 2021
Included in current assets		
Debt schemes	2,027,585	2,109,886
Less: provision for impairment losses	(9,642)	(13,007)
	2,017,943	2,096,879
Included in non-current assets		
Debt schemes	–	500,708
Less: provision for impairment losses	–	(2,515)
	–	498,193

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

23 Financial Assets at Fair Value through Profit or Loss

	As at 30 June 2022	As at 31 December 2021
Included in current assets		
Equity investments		
Investment funds	3,165,347	2,524,630
Wealth management products	2,078,257	2,412,454
	5,243,604	4,937,084
Included in non-current assets		
Equity investments in unlisted companies	17,970	17,970

24 Cash and Cash Equivalents, Restricted Cash and Term Deposits

(a) Cash and cash equivalents

	As at 30 June 2022	As at 31 December 2021
Cash	79	30
Cash at bank	2,748,356	2,749,719
Short-term bank deposits with initial term within three months	402,684	280,558
Other cash equivalents	44,966	34,569
	3,196,085	3,064,876

Cash and cash equivalents are denominated in the following currencies:

	As at 30 June 2022	As at 31 December 2021
RMB	2,618,359	2,661,393
USD	559,677	154,159
HKD	18,049	249,324
	3,196,085	3,064,876

(b) Restricted cash

As at 30 June 2022, restricted deposits held at banks amounted to RMB75,000 thousand, of which RMB70,000 thousand was legally frozen by court due to pending litigation (Note 32).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

24 Cash and Cash Equivalents, Restricted Cash and Term Deposits (Continued)

(c) Term deposits

	As at 30 June 2022	As at 31 December 2021
Term deposits with initial term of over one year	2,530,000	2,530,000
Interest receivable	168,978	120,987
Less: loss allowance of term deposits	(1,515)	(1,670)
	2,697,463	2,649,317

Term deposits are denominated in the following currencies:

	As at 30 June 2022	As at 31 December 2021
RMB	2,698,978	2,650,987

The weighted average effective interest rate of the term deposits of the Group as at 30 June 2022 is 4.14% (As at 31 December 2021: 4.14%).

25 Share Capital

	Number of shares	USD
Authorised		
Ordinary shares of USD0.000005 each at 1 January 2022 and 30 June 2022	10,000,000,000	50,000

	Number of shares	USD	Equivalent to RMB
Issued			
Ordinary shares of USD0.000005 each at 1 January 2022	1,147,294,200	5,736	35,994
Cancellation of shares (Note 26)	(28,481,300)	(142)	(927)
Ordinary shares of USD0.000005 each at 30 June 2022	1,118,812,900	5,594	35,067

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

26 Treasury Shares

	As at 30 June 2022	As at 31 December 2021
Treasury shares	1	367,860

During the six months ended 30 June 2022, 12,929,300 shares were purchased from the Hong Kong Stock Exchange. The total repurchasing consideration excluding transaction expenses was HKD277,564 thousand (equivalent to approximately RMB226,127 thousand). The monthly breakdown of share repurchase made by the Company during the first half of 2022 is as follows:

Month	Repurchased shares (share)	Highest purchased price (RMB equivalent)	Lowest purchasing price (RMB equivalent)	Repurchasing consideration (RMB equivalent)
January 2022	2,410,000	21.09	20.11	52,405 thousand
March 2022	6,248,700	14.38	13.91	100,155 thousand
April 2022	4,270,600	16.14	15.50	73,567 thousand

All the 12,929,300 shares repurchased in 2022 and 15,552,000 shares repurchased in 2021 have been cancelled as at 30 June 2022.

27 Reserves

	As at 30 June 2022	As at 31 December 2021
Other reserves		
– share-based payments – value of employee services	272,117	236,374
Reorganization (Note a)	350,000	350,000
Share premium		
– share premium from capital injection	19,662,022	19,662,022
– share-based payments – value of employee services	198,263	188,111
– proceeds from exercise of share options	389,956	389,760
Exchange differences on translation of foreign operations	38,373	(18,229)
Cancellation of Shares (Note 26)	(593,985)	–
Other	2	2
	20,316,748	20,808,040

Note:

(a) PAHC was incorporated on 20 August 2014 with issued share capital of RMB350,000,000 divided into 350,000,000 ordinary shares of RMB1 each. For the purpose of introduction of overseas investors and preparation for a listing of the Company's shares on overseas capital markets, the Company and its shareholders underwent a series of reorganization (the "Reorganization"). After the Reorganization, PAHC is controlled by Kang Jian through the Contractual Arrangements. The share capital of RMB350,000,000 is treated as a deemed distribution from the owners.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

28 Share-Based Payments

On 26 December 2014, an equity-settled share-based compensation plan was granted to the employees with the objective to recognize and reward the contribution of the eligible directors, employees and other persons (collectively, the "Grantees") for the growth and development of the Group (the "Share Option Plan"). The Share Option Plan is valid and effective for 10 years from the grant date. Upon the establishment of the Share Option Plan, 35,000,000 shares have been reserved by two shareholders of the Company, Glorious Peace and Bang Qi Jian Limited ("Bang Qi Jian"). Under the Share Option Plan, a special purpose vehicle named Hong Qi Jian Limited ("Hong Qi Jian"), was set up by Glorious Peace and Bang Qi Jian to hold shares contributed by Glorious Peace and Bang Qi Jian.

Le An Xin was incorporated on 17 October 2017 as a vehicle to replace Hong Qi Jian to hold the 35,000,000 ordinary shares for the Company's employees under the Share Option Plan, with no changes to the rest of the conditions and the Grantees of the Share Option Plan. As the Company has the power to govern the relevant activities of Le An Xin and can derive benefits from the services to be rendered by the Grantees, the directors of the Company consider that it is appropriate to consolidate Le An Xin. The total number of shares pursuant to the Share Option Plan is 70,000,000 after considering the effect of the share subdivision upon the completion of the Listing.

Subject to the Grantees continuing to be a service provider, 100% of these options will be vested over 4 years upon fulfilling the service conditions and non-market performance conditions prescribed in the share option agreement.

The options should be exercised no earlier than 180 days before the Company successfully completes an initial public offering and the Company's shares get listed in the stock exchange ("IPO and Listing") and no later than 30 days after the IPO and Listing. The vesting date is determined by the Board of Directors of the Company. On 20 January 2018, amendments to the Share Option Plan were approved by the directors of the Company and the vesting date was changed to no earlier than 180 days before IPO and Listing or no earlier than 12 months after IPO and Listing. On 31 May 2019, amendments to the Share Option Plan were approved by the directors of the Company to modify the vesting conditions of the nil-priced share options granted after 27 February 2019. The options vest in full or in part depending on the satisfaction of specified performance conditions, including growth rate of the share price of the Company and KPIs achievement of the Group as a whole and of the Grantees. The amendments impact the grant date fair value of nil-priced share option since the market condition need to be considered.

Movements in the number of share options granted to employees are as follows:

	Number of share options For the six months ended 30 June	
	2022	2021
At the beginning of the period	17,889,932	25,804,241
Granted	3,709,200	320,000
Exercised (Note a)	(266,632)	(651,350)
Forfeited	(431,531)	(1,790,518)
At the end of the period	20,900,969	23,682,373

Note:

- (a) During the six months ended 30 June 2022, 266,632 ordinary shares were exercised (six months ended 30 June 2021: 651,350 ordinary shares) at the total consideration of approximately RMB196 thousand (six months ended 30 June 2021: RMB497 thousand). The exercise prices range from RMB0 each to RMB32 each.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

28 Share-Based Payments (Continued)

Share options outstanding at the end of the period/year have the following expiry dates and exercise prices:

Grant Year	Expiry Year	Exercise price (RMB yuan)	Number of share options	
			As at 30 June 2022	As at 31 December 2021
2014	2024	0.50	405,605	405,605
2015	2025	0.75	2,224,260	2,273,010
2016	2026	5.00	414,850	446,000
2017	2027	23.50-32.00	9,055,150	9,055,150
2019	2029	0-30.95	1,825,100	1,964,986
2020	2030	0	2,239,904	2,664,281
2021	2031	0	1,026,900	1,080,900
2022	2032	0	3,709,200	–
			20,900,969	17,889,932

Before the Listing, the Company had used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity allocation model to determine the fair value of the underlying ordinary share. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the Company with best estimate. Based on fair value of the underlying ordinary share, the Company had used Binomial option-pricing model to determine the fair value of the share options as at the grant date.

After the Listing, the fair value of the awarded share options was calculated by reference to the market price of the Company's shares at the respective grant date. For those nil-priced options with market-based performance conditions, the fair value is calculated using a Monte-Carlo simulation model. The Monte-Carlo simulation model reflected the historical volatility of the Company's share price and those of all other companies to which the Company's performance would be compared, over a period equal to the vesting period of the awards.

During the six months ended 30 June 2022, the Group recorded share-based payments of approximately RMB45,895 thousand (six months ended 30 June 2021: RMB51,800 thousand) related to the Share Option Plan.

The remaining contractual life of share options outstanding as at 30 June 2022 and 31 December 2021 is 6.3 years and 6.2 years respectively.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

29 Trade and Other Payables

	As at 30 June 2022	As at 31 December 2021
Included in current liabilities		
Trade payables (Note a)	804,674	1,054,958
Accrued expense	423,916	438,107
Wages payable	416,772	465,361
Contract liabilities of Health Membership Plans	194,439	253,053
Tax payables	145,966	158,421
Agent business related payable	143,410	73,779
Amounts due to related parties	73,686	50,314
Amounts due to suppliers	13,407	80,894
Others	48,392	66,210
	2,264,662	2,641,097
Included in non-current liabilities		
Amounts due to related parties	46	43

(a) Aging analysis of trade payables is as follows:

	As at 30 June 2022	As at 31 December 2021
Up to 3 months	711,759	1,022,576
3 to 6 months	46,087	5,994
6 months to 1 year	29,009	7,364
1 to 2 years	7,086	19,024
More than 2 years	10,733	–
	804,674	1,054,958

30 Dividends

No dividends have been paid or declared by the Company during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

31 Related Party Transactions

Save as those disclosed in the other notes, the following significant transactions were carried out between the Group and its related parties. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. The Group's pricing policies of the transactions with related parties are determined on the basis of mutual negotiations between the relevant parties.

(a) Names of and relationships with related parties

Name of related parties	Relationship with the Company
Glorious Peace	A shareholder that has significant influence over the Group
Ping An	Ultimate parent company of Glorious Peace
Ping An Life Insurance Company of China, Ltd. ("Ping An Life")	Controlled by Ping An
Ping An Health Insurance Company of China, Ltd. ("Ping An Health")	Controlled by Ping An
Ping An Property & Casualty Insurance Company of China, Ltd. ("Ping An Property & Casualty")	Controlled by Ping An
Ping An Bank Co., Ltd. ("Ping An Bank")	Controlled by Ping An
Ping An Annuity Insurance Company of China, Ltd. ("Ping An Annuity")	Controlled by Ping An
Ping An Securities Co., Ltd. ("Ping An Securities")	Controlled by Ping An
Shenzhen Ping An Financial Services Co., Ltd. ("Financial Services")	Controlled by Ping An
Shenzhen Wanlitong Network Information Technology Co., Ltd. ("Shenzhen Wanlitong")	Controlled by Ping An
Ping An Pay Technology Service Co., Ltd. ("Ping An Pay Tech")	Controlled by Ping An
Ping An Technology (Shenzhen) Co., Ltd. ("Ping An Technology")	Controlled by Ping An
Shanghai An Yi Tong Electronic Commerce Co., Ltd. ("An Yi Tong")	Controlled by Ping An
Ping An Yi Qian Bao Electronic Commerce Co., Ltd. ("Yi Qian Bao")	Controlled by Ping An
Shenzhen Ping An Communication Technology Co., Ltd. ("Ping An Communication Technology")	Controlled by Ping An
Shanghai Zean Investment Management Co., Ltd. ("Zean Investment")	Controlled by Ping An
Ping An International Financial Leasing Company Limited ("Ping An Financial Leasing")	Controlled by Ping An
Ping An Trust Co., Ltd. ("Ping An Trust")	Controlled by Ping An
Shenzhen Ping An Properties Investment Co., Ltd. ("Ping An Properties")	Controlled by Ping An
Shenzhen Ping An Huitong Investment Management Co., Ltd. ("Ping An Huitong")	Controlled by Ping An
Ping An Fund Management Co., Ltd ("Ping An Fund")	Controlled by Ping An
Ping An Asset Management Co. Ltd ("Ping An Asset Management")	Controlled by Ping An
Ping An Wealth Management Co. Ltd ("Ping An Wealth Management")	Controlled by Ping An
Ping An Financial Technology Consulting Co., Ltd. ("Ping An Financial Tech")	Controlled by Ping An
Health Technologies Corp.	Joint venture of the Group
Good Doctor Technology Limited	Joint venture of the Group

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

31 Related Party Transactions (Continued)

(b) Significant transactions with related parties

	For the six months ended 30 June	
	2022	2021
Trademark licensing		
Ping An	–	–
Provision of products and services (included in contract liabilities and revenue)		
Ping An Life	187,499	890,198
Ping An Property & Casualty	116,220	65,690
Ping An Bank	79,914	183,762
Ping An Health	78,885	33,997
An Yi Tong	46,800	–
Yi Qian Bao	33,908	–
Ping An Annuity	21,760	25,196
Health Technologies Corp.	17,791	10,072
Good Doctor Technology Limited	17,420	7,362
Financial Services	7,022	5,912
Ping An Fund	5,318	3,503
Ping An Securities	2,328	6,050
Services purchasing		
Ping An Bank	44,625	148,178
Ping An Communication Technology	29,493	24,594
Shenzhen Wanlitong	26,522	48,137
Ping An Technology	20,041	19,454
Financial Services	10,491	11,648
Ping An Pay Tech	6,163	1,720
Ping An Annuity	4,369	4
Ping An	4,283	4,731
Ping An Huitong	3,132	3,862
Depreciation of right-of-use assets and interest expenses on lease liabilities		
Zean Investment	12,826	13,661
Ping An Life	5,751	5,061
Deposit interests		
Ping An Bank	21,040	11,241
Investment income		
Ping An Properties	62,848	45,017
Ping An Asset Management	24,431	23,310
Ping An Bank	13,642	15,163
Ping An Wealth Management	1,260	–

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

31 Related Party Transactions (Continued)

(c) Period/Year end balances with related parties

	As at 30 June 2022	As at 31 December 2021
Cash and cash equivalents and term deposits		
Ping An Bank	2,753,653	2,128,059
Ping An Pay Tech	31,526	22,846
Financial assets at fair value through profit or loss		
Ping An Asset Management	1,785,957	829,097
Ping An Bank	1,029,701	1,876,546
Ping An Wealth Management	351,260	–
Trade receivables		
Ping An Property & Casualty	363,237	381,522
Ping An Life	203,581	313,541
Ping An Bank	162,512	128,781
Ping An Pay Tech	61,609	311,562
Good Doctor Technology Limited	41,185	35,299
Ping An Health	40,091	59,796
Health Technologies Corp.	17,690	11,974
Ping An Annuity	4,421	14,516
Ping An Financial Leasing	3,782	3,894
Ping An Securities	3,370	5,338
Ping An Trust	2,509	2,468
Prepayments and other receivables		
Ping An Property & Casualty	145,037	114,818
Ping An Health	7,759	7,626
Ping An Annuity	2,482	8,471
Ping An Life	1,659	4,675
Prepayment and other receivables – deposits		
Zean Investment	7,417	8,334
Ping An Life	3,042	3,042
Prepayment and other receivables – interests receivable		
Ping An Bank	1,567	2,399
Debt schemes		
Ping An Properties	2,017,943	2,017,690
Trade and other payables		
Ping An Communication Technology	26,830	6,525
Ping An Technology	24,946	15,711
Ping An Health	13,812	6,457
Ping An Property & Casualty	8,900	8,642
Financial Services	3,073	3,757
Ping An Financial Tech	1,664	1,664
Ping An Huitong	1,363	5,509
Ping An Life	1,268	1,156

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

(All amounts expressed in RMB thousand unless otherwise stated)

31 Related Party Transactions (Continued)

(c) Period/Year end balances with related parties (Continued)

Apart from the debt schemes with principal of RMB1,500,000 thousand and of RMB500,000 thousand due from Ping An Properties which bear interest rates of 4.3% and 3% per annum respectively, and the interest receivables generated from term deposits and financial assets at fair value through profit or loss due from Ping An Bank calculated based on deposit interest rates, the other balances including other prepayments and other receivables, trade receivables and deposits due from related parties are unsecured, interest-free and repayable on demand.

The balances including trade and other payables due to related parties are unsecured, interest-free and repayable on demand.

32 Contingencies

On 29 December 2021, the Group as the defendant, received the first-instance civil judgment from the Intermediate People's Court of Sichuan Liangshan Yi Autonomous Prefecture on an unfair competition dispute case. The Group and its legal counsel have objections on the applicable laws, the facts finding and the result of the first-instance judgment. The Group has appealed to Sichuan Higher People's Court on 17 January 2022 within statute of limitations for appeal. The Group will actively request the court to revoke the first-instance judgment in accordance with the law and reject all the appeals of the appellee. As at the date of this report, the appeal case is still in the trial stage. In view of the fact that the first-instance judgment has not yet come into effect and considering the current litigation progress, the Group believes that the outcome of the appeal case is still significantly uncertain, and therefore, the Group has not recognized any contingent liabilities related to the lawsuit as at 30 June 2022.

33 Subsequent Events

On 11 July 2022, the Group entered into a share purchase and termination agreement with SoftBank Corp. to sell all its 50% equity interest in Healthcare Technologies Corporation at the consideration of JPY7,900 million. Upon the completion of the transaction, the Group no longer holds any equity interest in Healthcare Technologies Corporation. The Group has already received the consideration as at the approval date of the interim consolidated financial information.

Except for the item listed above, there were no material subsequent events need to be disclosed during the period from 30 June 2022 to the approval date of the interim consolidated financial information by the Board of Directors on 18 August 2022.

34 Comparative Figures

Certain comparative figures have been reclassified or restated to conform to the interim condensed consolidated financial information's presentation.

35 Approval Of The Financial Information

The interim condensed consolidated financial information was approved and authorized for issue by the Board of Directors of the Company on 18 August 2022.

Definitions

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

“Audit and Risk Management Committee”	the audit and risk management committee under the Board
“Bang Qi Jian”	Bang Qi Jian Limited (幫祺健有限公司), a company incorporated under the laws of BVI on 10 November 2014
“Board”	the board of directors of our Company
“close associate”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “the Company” or “Ping An Healthcare”	Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 12 November 2014
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“EIS Option(s)”	the option(s) granted and to be granted to the Directors and employees of the Group under the Employee Incentive Scheme
“EIS Share(s)”	the Share(s) under the EIS Options which are directly held by Le An Xin
“Employee Incentive Scheme” or “EIS”	the scheme adopted by the Company on 26 December 2014, as amended or otherwise modified from time to time, to grant options to the incentive targets
“Glorious Peace”	Glorious Peace Limited (安鑫有限公司), a company incorporated under the laws of BVI on 10 November 2014, an indirect wholly-owned subsidiary of Ping An and our Controlling Shareholder

Definitions

“Group”, “the Group”, “we”, “us” or “our”	the Company, its subsidiaries and the Operating Entities or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“Hefei Yunshantang”	Hefei Yunshantang Pharmacy Co., Ltd.* (合肥允善堂大藥房有限公司), a company incorporated under the laws of the PRC on 25 April 2022, a wholly-owned subsidiary of Shanghai Yiteng
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standard
“Independent Third Party(ies)”	has the meaning ascribed to it under the Listing Rules
“Kang Jian”	Kang Jian Information Technology (Shenzhen) Co., Ltd. (康鍵信息技術(深圳)有限公司), a company incorporated under the laws of the PRC on 13 February 2015 and a wholly-owned subsidiary of the Company
“Le An Xin”	Le An Xin (PTC) Limited, a company incorporated under the laws of BVI on 17 October 2017
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	4 May 2018, the date on which the Shares were listed and on which dealings in the Shares were first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“LTM”	last twelve months
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Managed Care”	Providing particular individuals with comprehensive healthcare services in exchange for fixed pre-paid charges

“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“Nomination and Remuneration Committee”	the nomination and remuneration committee under the Board
“O2O”	online-to-offline and offline-to-online
“Operating Entities”	the entities we control through the contractual arrangements, namely Ping An Health Cloud and its subsidiaries
“Paying users”	the number of users that purchase products and/or services on our platform through mobile APP, WAP or plug in channels at least once during a certain period of time
“Ping An Annuity”	Ping An Annuity Insurance Company of China, Ltd. (平安養老保險股份有限公司), a company incorporated under the laws of the PRC on 13 December 2004 and a subsidiary of Ping An
“Ping An”/“Ping An Insurance (Group)”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company incorporated under the laws of the PRC whose shares are dually listed on the Shanghai Stock Exchange and the Stock Exchange (SSE: 601318; SEHK: 2318). It is our Controlling Shareholder
“Ping An Asset Management”	Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司), a company incorporated under the laws of the PRC on 27 May 2005, a subsidiary of Ping An
“Ping An Bank”	Ping An Bank Co., Ltd. (平安銀行股份有限公司), a company incorporated under the laws of the PRC on 22 December 1987 whose shares are listed on the Shenzhen Stock Exchange (SZSE: 000001), and a subsidiary of Ping An
“Ping An Group”	Ping An and its subsidiaries
“Ping An Health Cloud” or “PAHC”	Ping An Health Cloud Company Limited (平安健康互聯網股份有限公司), a company incorporated under the laws of the PRC on 20 August 2014 and one of our Operating Entities
“Ping An Health Insurance”	Ping An Health Insurance Company of China, Ltd. (平安健康保險股份有限公司), a company incorporated under the laws of the PRC on 13 June 2005 and a subsidiary of Ping An
“Ping An Life Insurance”	Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司), a company incorporated under the laws of the PRC on 17 December 2002 and a subsidiary of Ping An

Definitions

"Ping An Property & Casualty Insurance"	Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), a company incorporated under the laws of the PRC on 24 December 2002 and a subsidiary of Ping An
"Ping An Puhui"	Ping An Puhui Investment Consultation Co., Ltd. (平安普惠投資諮詢有限公司), a company incorporated under the laws of the PRC on 5 September 2005 and a close associate of Ping An
"Prospectus"	the prospectus of the Company dated 23 April 2018
"Reporting Period"	the six months ended 30 June 2022
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Yiteng"	Shanghai Yiteng Enterprise Management Consulting Co., Ltd. (上海醫騰企業管理諮詢有限公司), formerly known as Shanghai Pingan Health Culture Communication Company Limited (上海平安健康文化傳播有限公司), a company incorporated under the laws of the PRC on 21 November 2016, one of our subsidiaries
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each before share subdivision and with a par value of US\$0.000005 after share subdivision
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"USD"	United States dollars, the lawful currency of the United States
"%"	per cent

