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)

2024 Annual Report

Stock Code : 1833.HK

Ping An Health adheres to the value proposition of delivering "worry-free, time-saving, and money-saving" healthcare. Leveraging its extensive payer resources, broad service network, comprehensive standards, leading healthcare AI technology and the robust Ping An ecosystem, and through its strategic pillars of "family doctor" and "elderly care concierge", Ping An Health provides professional, comprehensive, high-quality, one-stop healthcare and elderly care services. The Company is also dedicated to providing every enterprise with a harmonious workplace, every family with a dedicated doctor, and every user with access to Ping An Health services.

Contents

Corporate Information

Directors

Executive Directors

Mr. Dou Li (Chairman)
Mr. Jun Wu

Non-executive Directors

Mr. Michael Guo
Ms. Fangfang Cai
Ms. Xin Fu
Mr. Ziyang Zhu

Independent Non-executive Directors

Mr. Yunwei Tang
Mr. Tianyong Guo
Dr. Wing Kin Anthony Chow

Audit and Risk Management Committee

Mr. Yunwei Tang (Chairman)
Mr. Tianyong Guo
Ms. Fangfang Cai

Nomination and Remuneration Committee

Mr. Tianyong Guo (Chairman)
Mr. Yunwei Tang
Dr. Wing Kin Anthony Chow
Mr. Michael Guo

Sustainable Development Committee

Dr. Wing Kin Anthony Chow (Chairman)
Mr. Dou Li
Ms. Xin Fu

Authorized Representatives

Mr. Dou Li
Mr. Cheng Liu

Company Secretary

Mr. Cheng Liu

Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor
22/F, Prince's Building
Central
Hong Kong

Registered Office

The offices of Maples Corporate Service Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Head Office and Principal Place of Business in China

5-8/F, Building B, INNO KIC
No. 298, Guo Xia Road, Yangpu District
Shanghai
PRC

Principal Place of Business in Hong Kong

Room 1922, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Principal Correspondent Banks

Bank of China (Hong Kong) Limited
1 Garden Road
Central
Hong Kong

Stock Code

1833

Company's Website

www.pagd.net

Listing Date

4 May 2018

Legal Advisors

As to Hong Kong laws:

DLA Piper Hong Kong
25th Floor, Three Exchange Square
8 Connaught Place, Central
Hong Kong

As to PRC law:

Haiwen & Partners
2605, Jing An Kerry Centre Tower 1
No. 1515 Nan Jing West Road
Shanghai
PRC

As to Cayman Islands law:

Maples and Calder (Hong Kong) LLP
26/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Chairman's Statement

Mr. Dou Li
Chairman of the Board and
Chief Executive Officer

Dear Esteemed Shareholders,

The year of 2024 marked the tenth anniversary of Ping An Health, a significant milestone, and a year of historic breakthrough for the Company. As a flagship in Ping An Group's health and senior care ecosystem, we have maintained a clear strategic positioning and unwavering strategic direction. During the year, we not only achieved revenue growth but also realized comprehensive profitability for the first time. Significant progress was made in strategic deepening, service capability enhancement, and technological innovation. These accomplishments could not happen without the trust and support of our shareholders, partners and users, as well as the dedication of every employee. On behalf of the Board, I would like to extend our sincerest gratitude to all of you!

The year of 2024 was a pivotal year for implementing the guiding principles of the 20th CPC National Congress and a crucial year for further advancing the "14th Five-Year Plan." Challenges in domestic economic operations and consumption growth were still lingering. Despite a highly volatile market environment, by utilizing family doctors and senior care concierges as service hubs, Ping An Health strengthened integration and mutual empowerment with Ping An Group's main financial business, unlocking more synergies between health care and insurance, and driving the growth in integrated finance business (F-end) and corporate clients (B-end). During the Reporting Period, Ping An Health recorded total revenue of RMB4,808.1 million, representing a year-on-year increase of 2.9% from 2023, with full-year profit of RMB88.3 million, marking the first time we achieved comprehensive profitability. In particular, revenues from F-end and B-end businesses recorded RMB2,416.5 million and RMB1,431.5 million, representing a year-on-year increase of 9.6% and 32.7%, respectively. The number of B-end enterprises cumulatively served reached 2,049, representing a year-on-year increase of 35.9%, further consolidating our market leadership. Additionally, through AI empowerment and enhanced input-output management, our resource allocation efficiency further enhanced, while economies of scale from businesses were increasingly pronounced, which drove a year-on-year 14.4 percentage-point decline in the expense ratio.

Over the past decade, Ping An Health has developed itself into a leading health service and senior care service provider in China by gaining deep insights into market demands, building differentiated and high-barrier unique advantages, and focusing on the development of family doctors and senior care concierges as two core hubs. During the Reporting Period, Ping An Health upgraded its family doctor service brand "Ping An Family Doctor", developing the "1-1-3-12" one-stop, proactive health management services system[1], and it provides "proactive health management, effective chronic disease control, and whole-course disease management" for users, aiming to address growing public medical and health needs. Certified by Peking University International Hospital and guided by the World Organization of Family Doctors (WONCA), the upgraded "Ping An Family Doctor" has family doctor team, the service standard and remote medical management of which are certified by the General Practice Branch of the Chinese Medical Association, and Royal Australian Institute of General Practitioners, respectively, significantly enhancing international competitiveness and brand influence of the Company. During the Reporting Period, Ping An Health had a family doctor membership of over 14 million, and the members used the family doctor service five times per capita, with the proactive service rate reaching 100%.

Meanwhile, leveraging Ping An Group's extensive ecosystem resources and service network, the Company further developed the "3-in-1" senior care concierge system integrating smart concierges, life concierges, and doctor concierges, offering 24/7 one-stop home-based senior care solutions covering 10 major home-based senior care scenarios. During the Reporting Period, Ping An Health continued to strengthen the construction of service systems in medical care, housing, nursing and entertainment scenarios, offering hundreds of home-based senior care services, empowering the principal business of Ping An Group and enhancing customer experience. As of now, our home-based senior care service was available in 75 cities across China, up by 21 cities from the end of last year. The Company constantly optimized user service experience, with further increase in NPS as compared with that of 2023. While senior care services and the silver economy, which are critical measures to address population aging, present immense market potential and growth prospects, challenges such as difficulties in expanding home-based service coverage, diverse customer needs, uneven service quality, and fragmented service integration persisted. Senior care services provide life security for seniors, while the silver economy caters to their diversified demands. We will further look into customer needs, and foster our market-leading advantages through comprehensive services by adhering to the approach of "standardization, centralized procurement, and supervision", namely standardizing services, optimizing resource allocation through centralized procurement and establishing a multi-tiered supervision mechanism, in a bid to continuously expand customer coverage.

In 2024, we upgraded and refined our "online, in-store, in-home, and in-company" service network to enhance our reputation. Centering on medical, health, and senior care service scenarios, the Company further upgraded its O2O service network during the Reporting Period, expanding to "online,

[1] "1-1-3-12" one-stop, proactive health management services system, which includes 1 team of professional and authoritative family doctors, 1 world-class standard service process, 3 proactive health management service solutions, and 12 scarce medical resources.

in-store, in-home, and in-company." In respect of the online network, we undertake to provide seconds-level consultation and whole-process accompanying service. For over 600 common medicines, we undertake to refund the price difference if users overpay, pay compensation for late delivery, and replace expired medicines. In addition, Ping An Health actively supports China's "internet +" health care initiatives. The Company has provided access to online social health insurance payment in cities such as Dongguan, Zhuhai, and Dalian, improving the medicine purchase experience for users covered by social health insurance. In respect of the in-store network, Ping An Health had about 50,000 in-house doctors and contracted external doctors in 29 specialties as of 31 December 2024. Among them, over 2,900 were renowned doctors, with some of them from top 100 hospitals according to Fudan University's China Hospital Ranking. Ping An Health had nearly 4,000 partner hospitals and partnered with about 105,000 health service providers, including nearly 2,600 health checkup service providers. In respect of the in-home network, enriching "in-home" services with the incorporation of home-based scenarios, the Company partnered with 235,000 pharmacies and over 150 senior care service providers, providing hundreds of home-based senior care service benefits as of 31 December 2024, to deliver premium experiences without users leaving their home. In respect of the in-company network, the Company provides corporate employees with proactive medical and health services. The Company also offers employees a variety of in-company activities, including in-company health education by renowned doctors, and Workplace Clinics, assisting enterprises in creating energetic workplaces.

In 2024, technology-driven transformation was accelerating the innovative development of AI healthcare. Ping An Health further bolstered its capabilities in informatization and digitization throughout the business processes, and continued to explore and innovate the application of AI in medical scenarios by independently stepping up research and development ("R&D") and tapping into Ping An Group's technological strengths. Ping An Health integrated DeepSeek with the large multi-modal model Ping An Medical Master and the doctor's workbench Ping An Doctor's Home, and completed validation and application under some scenarios, signifying a critical step for the Company to seize the niche of AI in the healthcare sector. Enabled by AI, Ping An Health significantly improved efficiency and quality in its medical service processes during the Reporting Period. In particular, AI-powered health checkup report interpretation achieved 100% coverage, with an analysis accuracy rate of 98%. The accuracy rate of real-time medical document analysis exceeded 90%, and the accuracy rate of AI-assisted diagnosis reached over 95%. AI-powered recommendation accuracy rate reached 99%. AI enabled whole-process 100%-coverage quality control of consultations, electronic medical records, etc. The AI-enabled improvement rate of abnormal indicators in chronic diseases reached 90%. Additionally, overall medical efficiency improved, with the service efficiency for family doctors, renowned doctors, and health managers increasing by approximately 62%, 42%, and 55% respectively, during the Reporting Period. With DeepSeek's integration and scenario validation, the Company will continuously advance the process of improving medical service access and creating health records for Ping An Group's 240 million retail financial customers. Moreover, the Company will fully leverage its unique advantage in closed-loop health care and insurance data to accelerate the application of large AI models in scenarios including multidisciplinary team (MDT) consultations on complex diseases.

In 2024, our organizational capabilities continued to improve, and agile management experienced rapid development. During the Reporting Period, we optimized the organizational structure by integrating and upgrading the original multiple business segments into six major centers, including the Sales Center, the Technology and Operation Center, the Healthcare Center, the Product Center, the Home-based Senior Care Business Center and the Shared Resource Center. Taking advantage of agile adjustment to flexible organizations, we improved the efficiency of cross-departmental coordination. Through the perfect training system and diversified development path, we have promoted the cooperation with integrated talents who have an insight into the synergy logic of insurance, healthcare, technology, senior care and other sectors, to achieve the win-win in personal value and corporate development. The Company also reconstructed healthcare service and senior care service models through digital management, enabled refined operation through full scenario process dashboard, optimized strategic layout based on data-driven decision, and improved service quality based on personalized user analysis. As can be seen, we have gradually transformed from a model of pursuit of performance delivery only to an innovation-powered, high-quality, sustainable development model.

In 2024, we remained grateful and committed to giving back. During the Reporting Period, to reward shareholders for their long-term support and improve the efficiency of fund utilization, Ping An Health distributed a special dividend of HK$9.7 per share, to all shareholders. Shareholders also had the option to choose scrip dividends. The special dividend represented a key approach to share development achievements with shareholders and underscored our confidence in future development of the Company. In this special dividend distribution, Ping An Group opted to receive scrip dividends, leading to the formal consolidation of Ping An Health into Ping An Group. Looking forward, while maintaining independent operations, the Company will enhance synergies with the Group's commercial insurance business and other integrated finance businesses, advance the "integrated finance + health and senior care" strategy, and develop the synergistic model of integrating health and senior care service providers, financial payers and corporate clients, further strengthening its competitiveness in health and senior care services and health management.

In 2024, we adhered to a long-term approach and built organic growth momentum. During the Reporting Period, Ping An Health made remarkable achievements in ESG development. For example, in April, Ping An Health officially became a participant in the United Nations Global Compact, and in October, Ping An Health's MSCI ESG rating was upgraded from Grade A to Grade AA, ranking the upper level among global peers and the first in the healthcare equipment industry. In December, we cooperated with various parties to jointly launch the "Yilu Jianxing (醫路健行)" national health literacy enhancement action, aiming to improve the public awareness and literacy on health management, boost the national health development, promote sustainable development of the big health ecosystem, and actively implement the national "Healthy China 2030" plan. The "Yilu Jianxing (醫路健行)" action is another practice of the Company to firmly fulfill social responsibility and promote sustainable development. In the future, the Company will continue to carry out a hundred of activities involving health management concepts, knowledge, skills promotion and experience in enterprises and communities, organically incorporate ESG concepts into its products and services, and the development of medical and healthcare ecosystems, and be dedicated to providing every enterprise with a healthy workplace, every family with a dedicated doctor, and every user with access to Ping An Health services.

In 2025, challenges and opportunities will coexist, under which we will ride on industry dynamics and be inspired. Ping An Group will accelerate its two-wheel driven strategy of "integrated finance + health and senior care". As the flagship of Ping An Group's health and senior care ecosystem, Ping An Health will empower the main financial business in terms of service scenarios and products, improve the "online, in-store, in-home, and in-company" network services, and continuously strengthen its service reputation and provide improved cost-effective services. Ping An Health will facilitate unified traffic entrance and aggregated one-click payment in an orderly manner, enhance the penetration of the "online, in-store, in-home, and in-company" services, and deeply implement "deep empowerment, word-of-mouth service, and innovative growth" through the medium and long-term strategy, so as to develop itself into the largest health and senior care service provider in China.

Dou Li
Chairman of the Board
Shanghai, March 2025

Management Discussion and Analysis

Ping An Health is a flagship of Ping An Group's health and senior care ecosystem. As Ping An Group advanced the "integrated finance + health and senior care" strategy, Ping An Health continued to strengthen the role of family doctors and senior care concierges as service hubs, integrated and upgraded its service networks, constantly optimized user service experience, and increased the penetration of Ping An Group's retail integrated financial customer base and corporate client base. By doing so, Ping An Health continued to synergize with and enable Ping An Group's integrated finance business across scenarios and products.

Ping An Health boasts abundant payer resources, widespread service provider networks, well-developed service standards, and strong support from Ping An Group's ecosystems. Ping An Health has developed a specialized, comprehensive, high-quality and one-stop "health and senior care" services platform to provide users with "worry-free, time-saving, and money-saving" health and senior care services. As Ping An Group continued to implement the "integrated finance + health and senior care" business strategy, the strategic value in greater synergies and mutual enablement between Ping An Health and Ping An Group in integrated finance business has become increasingly evident.

Key Financial Data

	Year ended 31 December		
	2024 **RMB'000**	2023 RMB'000	Year-on-year change
Revenue	**4,808,082**	4,673,562	+2.9%
Cost of sales	**(3,284,726)**	(3,165,049)	+3.8%
Gross profit	**1,523,356**	1,508,513	+1.0%
Selling and marketing expenses	**(763,507)**	(835,796)	-8.6%
Administrative expenses	**(929,981)**	(1,480,884)	-37.2%
– Including: research and development expenses	**(380,480)**	(537,417)	-29.2%
Other income	**34,822**	142,945	-75.6%
Other gains – net	**46,246**	89,962	-48.6%
Finance income – net	**182,557**	243,116	-24.9%
Share of gains of associates and joint ventures	**279**	251	+11.2%
Profit/(loss) before income tax	**93,772**	(331,893)	N/A
Income tax expense	**(5,450)**	(2,965)	+83.8%
Net profit/(loss) for the year	**88,322**	(334,858)	N/A
Loss attributable to:			
– Owners of the Company	**81,428**	(322,594)	N/A
– Non-controlling interests	**6,894**	(12,264)	N/A
Non-IFRS measure:			
Adjusted net profit/(loss)	**158,453**	(315,087)	N/A

- During the Reporting Period, the Company recorded a total revenue of RMB4,808.1 million, representing a year-on-year increase of 2.9% from RMB4,673.6 million in 2023. The Company's business delivered strong growth in 2024, driving its revenue back on track for growth.

- During the Reporting Period, revenue from F-end business and B-end business increased by 17.2% year on year. Specifically, F-end revenue reached RMB2,416.5 million, representing a year-on-year increase of 9.6% from RMB2,204.7 million in 2023; B-end revenue reached RMB1,431.5 million, representing a year-on-year increase of 32.7% from RMB1,078.5 million in 2023.

- During the Reporting Period, gross margin recorded by the Company was 31.7%, slightly lower than 32.3% in 2023. This decline was mainly due to a slight fluctuation in gross margin as the Company collaborated with Ping An Group to develop B-end corporate health management business by taking the initiative to seize market share through more competitively priced health services.

- During the Reporting Period, the Company continued to invest in research and development ("R&D") and build the senior care business team. In addition, the Company continued to improve operational efficiency through AI enablement, strengthened input-output management and other means. The economies of scale were gradually achieved with the growth of business scale. Total expenses reached RMB1,693.5 million, down by 26.9% year on year. Specifically, administrative expenses reached RMB930.0 million, representing a year-on-year decrease of 37.2%; and selling and marketing expenses reached RMB763.5 million, representing a year-on-year decrease of 8.6%;

- During the Reporting Period, Ping An Health continuously improved its operational efficiency, with steady growth in F-end business and rapid development of B-end business (mostly corporate health management business). Ping An Health recorded a profit of RMB88.3 million in 2024 versus a loss of RMB334.9 million in 2023, and adjusted net profit of RMB158.5 million in 2024 versus a loss of RMB315.1 million in 2023.

Key Operational Data

	2024	2023	Change
LTM paying users (in million)	**31.4**	32.3	-2.9%
Including: F-end paying users (in million)	**24.8**	26.3	-5.7%
B-end paying users (in million)	**5.8**	5.1	13.0%
Number of B-end enterprises served	**2,049**	1,508	35.9%

Note: 1. Figures may not match the calculation due to rounding.

- During the Reporting Period, Ping An Health's LTM paying users slightly decreased year on year to about 31.35 million in total, which was impacted by a fluctuation in the number of F-end paying users.

- Specifically, LTM paying users of F-end business reached about 24.81 million, representing a year-on-year decrease of about 5.7%, which was mainly impacted by a change in the business model for collaboration between Ping An Health and Ping An Property & Casualty Insurance. Under the original model, paying users were defined by users entitled to benefits. However, the new model focuses on users actually using benefits.

- Paying users of B-end business (mostly corporate health management business) reached about 5.812 million, representing a year-on-year increase of about 13.0%, which was largely due to a surge in the number of paying corporate clients amid rapid expansion of the corporate health management business.

- The number of B-end enterprises (mostly in the corporate health management business) cumulatively served reached 2,049, representing a year-on-year increase of about 35.9%.

Analysis of Main Business Operations

Ping An Health, centering on family doctor membership and senior care concierge services, continuously acted for payers and integrated providers during the Reporting Period. Leveraging the strengths of payers with a strong ability to pay as well as two core service hubs, the Company continued to integrate medical, health, and senior care service providers, and set up service standards and a supervision framework to ensure providers offer more cost-effective services. By doing so, the Company strengthened its brand reputation, optimized user service experience and increased user stickiness.

In respect of developing the role of family doctors as a service hub, the Company upgraded its family doctor service brand "Ping An Family Doctor" during the Reporting Period. Leveraging the robust family doctor team and premium services, Ping An Health continued to promote family doctor services under multiple scenarios, including collaboration between health care and claim settlement, services for health insurance (such as critical illness insurance) customers, and home-based senior care services.

In respect of developing the role of senior care concierges as a service hub, the Company continuously consolidated the senior care concierge service system during the Reporting Period. Ping An Health strives to deliver "worry-free, time-saving, and money-saving" service experience by building alliances, setting service standards, and promoting technology enablement for home-based senior care. Ping An Health joined hands with enterprises, universities and research institutes to launch the "Nursing Alliance," the "Housing Alliance" and the "Entertainment Alliance" for better senior care, continuously improving pension finance service capabilities together with Ping An Group.

In respect of the service network, the Company upgraded its online-to-offline ("O2O") service network, and continued to improve its corporate health management services during the Reporting Period. Ping An Health collaborated with Ping An Group to establish the "Ping An Corporate Health Protection Plan" for corporate clients, expanding the network from "online, in-store and in-home" to "online, in-store, in-home, and in-company."

Taking family doctors and senior care concierge services as two service hubs, Ping An Health enables payers through a continuously integrated "online, in-store, in-home, and in-company" service network. Regarding integrated finance channels (F-end), Ping An Health serves Ping An Group's retail integrated financial users under models including "insurance + health and senior care membership," "collaboration between health care and claim settlement" and "medical and health benefit services," and enables insurers in customer acquisition and retention, and claims reduction by improving customer health outcomes. Moreover, Ping An Health explored synergies in different insurance products and integrated scenarios to continuously enable Ping An Group's core integrated finance business. Regarding corporate clients (B-end), Ping An Health provided online medical consultation, offline medical visit assistance and other medical and health services under service models including "Health Checkup +" and "Health Management +" to address pain points in employee health management, protection and so on.

In respect of technological capabilities, Ping An Health integrated DeepSeek with the doctor's workbench Ping An Doctor's Home™ and the large multi-modal model Ping An Medical Master®, and completed validation and application under some scenarios. With the robust reasoning ability of DeepSeek, Ping An Health continued to strengthen AI application in integration of massive medical data, and enable medical and health service scenarios, including medical services (e.g. assisted triage, assisted diagnosis of specific diseases, assisted medical record generation, and medical quality control), disease risk prediction, chronic disease management (e.g. risk assessment, and personalized management plans), and health management. Ping An Health will continuously advance the process of improving medical service access and creating health records for Ping An Group's 240 million retail financial customers[1]. Moreover, Ping An Health will make full use of its unique advantages in closed-loop health care and insurance data, an in-house medical large model, and vertically trained large models in medical scenarios to accelerate the application of large AI models in scenarios including multidisciplinary team (MDT) consultations on complex diseases.

1. Payers

Ping An Group's integrated finance business (F-end)

Ping An Group continues to advance the "integrated finance + health and senior care" strategy. As a flagship of Ping An Group's health and senior care ecosystem, Ping An Health continues to synergize with the Group's integrated finance business, providing online/offline one-stop, 24/7 proactive health and senior care services for the Group's retail integrated financial customers. In this way, Ping An Health supports the Group's integrated finance business by driving customer acquisition, retention, and conversion, and reducing claim payouts through improved customer health outcomes. Ping An Group's retail integrated financial customers using services from its health and senior care ecosystem had 1.6 times more contracts and 3.9 times[2] higher AUM per capita than non-users of these services as of 30 September 2024.

During the Reporting Period, Ping An Health continued to drive synergies with Ping An Life Insurance, Ping An Property & Casualty Insurance, Ping An Health Insurance, and Ping An Bank by continuously innovating its three models:

1) **Insurance + health and senior care membership.** By utilizing family doctors and senior care concierges as service hubs, Ping An Health provides differentiated medical and health services tailored to health insurance customers, with a primary focus on critical illness policyholders. For savings insurance customers at varying premium levels, primarily those holding annuity insurance schemes and life insurance schemes featuring a growing sum assured, the Company offers differentiated health and senior care services. By doing so, the Company helps boost the competitiveness of insurance products.

   Take high-premium savings insurance customers for example. Ping An Health collaborates with Ping An Life Insurance to create "insurance + home-based senior care" scenarios and a service system that covers the medical care, housing, nursing and entertainment scenarios. In this way, the Company provides one-stop, differentiated home-based senior care service for these customers.

2) **Collaboration between health care and claim settlement.** The Company utilizes family doctors as a core hub to provide medical insurance customers and other insurance customers with one-stop services, including online consultation, guidance on offline medical networks, and health management. This model enables precise guidance on hospital selection, improves customer health outcomes, and reduces the incidence of secondary claims, thereby leading to lower claim payouts. During the Reporting Period, the Company served 2.09 million policyholders through family doctors under this model.

[1] The data is from Ping An Group's Q3 2024 Results.
[2] The data is from Ping An Group's Q3 2024 Results.

3) **Medical and health benefit services.** To address the needs of financial customers holding policies of medical insurance and accident insurance or using banking services, the Company continues to diversify and upgrade medical and health service benefits that are integrated into insurance policies. The Company continues to enhance operations of high-value customers, such as policyholders, through innovative products and services, including at-home testing and cancer screening, and proactive and targeted user operations, to increase stickiness and value of policyholders.

By centering on family doctors and senior care concierges, Ping An Health rolled out "online, in-store, in-home and in-company" blockbuster services, such as "online" consultation with renowned doctors, "in-store" outpatient appointment and hospital admission assistance, and "in-home" home-based nursing. In this way, the Company continued to promote its services' penetration among Ping An Group's 240 million retail financial customers by transitioning from creating synergies with critical illness insurance and million-cover medical insurance to forming synergies with savings insurance through innovation. Moreover, the Company continued to innovate, expanding from "insurance + health and senior care membership" to "collaboration between health care and claim settlement." As a result, the Company's F-end business achieved steady growth during the Reporting Period, with ARPU increasing 17.6% year on year. F-end revenue grew 9.6% year on year to RMB2,416.5 million.

Corporate clients (B-end)

Under the "worry-free, time-saving, and money-saving" service philosophy, Ping An Health is committed to providing professional, comprehensive, high-quality, one-stop corporate health management solutions to corporate clients (B-end), with the goal of enhancing employee health and wellbeing. The corporate health management business serves as a key engine for the long-term growth of B-end business.

In respect of customers and users, Ping An Health continuously collaborates with corporate clients from Ping An Group's channels. The Company specifically targets the large and medium-sized enterprises that have substantial budget for corporate health management, clear employee health management plans, and a strong ability and willingness to pay. The Company offers comprehensive health management solutions tailored to their employees, assisting Ping An Group in developing the "Ping An Corporate Health Protection Plan" for corporate clients. Moreover, the Company proactively expands its own sales channels by leveraging experience and capability gained through collaboration with Ping An Group's channels. As Ping An Health continues to expand its corporate client base through both Ping An Group's channels and the Company's own channels, the number of corporate clients served by the Company has grown rapidly. As of 31 December 2024, the number of the enterprises cumulatively served reached 2,049, representing a year-on-year increase of 35.9%, with 86% from Ping An Group's channels, and 14% from Ping An Health's own channels. Moreover, corporate clients using both "Health Checkup +" and "Health Management +" increased 18.4% year on year.

In respect of products and services, Ping An Health continuously improves its corporate health management product portfolio. The Company strengthened online/offline customer operations through corporate health managers (family doctors for corporate clients) under its "online, in-store, in-home and in-company" service network. The Company offers end-to-end proactive health management and precisely recommends products and services online based on employees' health records; the Company organizes in-company health activities offline to deliver specific health management services, making employees healthier and more satisfied.

During the Reporting Period, revenue from the B-end business grew 32.7% year on year to RMB1,431.5 million. Revenue from the corporate health management business, a key driver of B-end business growth, reached RMB1,050.7 million, up 9.5% year on year, or 69.7% from the first half of 2024. In the second half of 2024, revenue from the corporate health management business accounted for 92.0% of B-end business revenue, compared with 54.6% in the first half of 2024.

Individual customers (C-end)

Once user habits are formed, the Company is poised to make significant strides in its F2C/B2C strategy, thereby forging a second development curve.

2. Membership Manager

Family doctors

Ping An Health upgraded its "Ping An Family Doctor" brand in 2024, introducing the "1-1-3-12" one-stop, proactive health management services system. The upgraded "Ping An Family Doctor" is certified by Peking University International Hospital and guided by the World Organization of Family Doctors (WONCA).

With the ongoing exploration and implementation of the "insurance + health care" synergistic model, Ping An Health has continuously enhanced its family doctor service capabilities. In December 2024, Ping An Health, as the sole corporate representative, participated in the formulation of the *Specification for Remote and Internet-based Family Doctor Health Care Services*, led by the Chairman of the General Practice Branch of the Chinese Medical Association. The Specification is China's first group standards in online family doctor services, marking an important step towards standardized online family doctor services in China.

Benefiting from the above progress, Ping An Health had a family doctor membership of over 14 million during the Reporting Period. The members used the family doctor service five times per capita in 2024, up 35.1% from 31 December 2023, with the proactive service rate reaching 100%.

Senior care concierges

Ping An Health continuously promotes the senior care concierge service system by incorporating AI concierges, life concierges and doctor concierges, offering 24/7 online, one-stop home-based senior care solutions across ten home-based senior care scenarios. AI concierges, using smart speakers and a proprietary smart system, serve as life assistants and enable smart IoT connections. Life concierges are available around the clock to help the elderly access services in the ten scenarios. Doctor concierges offer 24/7 audio and video health consultations, customize health management plans, and proactively care about the physical health of the elderly.

Moreover, Ping An Health integrated excellent service providers and industry experts in various scenarios under a standard service framework. The Company continuously advanced the building of the four Alliances for home-based senior care. Following the launch of the "Nursing Alliance" in 2023, Ping An Health launched the "Housing Alliance" and the "Entertainment Alliance" in March and August 2024 respectively. During the Reporting Period, the Company set about building a multi-modal senior care service system that combines "home-based senior care + sojourn-based senior-care + senior care institutions," providing personalized services for elderly people at different ages with different senior care needs.

As of 31 December 2024, the home-based senior care service was available in 75 cities nationwide, an increase of 21 cities from 31 December 2023, and the number of users entitled to the service increased by 143% from 31 December 2023. In addition, user service experience was optimized, with a constantly improved NPS. In this way, the Company supports Ping An Life Insurance in customer acquisition and policyholder value increase.

3. O2O Medical, Health, and Senior Care Service Network

During the Reporting Period, the Company upgraded its O2O service network, expanding from "online, in-store and in-home" to "online, in-store, in-home, and in-company."

In respect of the online network, we undertake to provide seconds-level consultation and whole-process accompanying service. For over 600 common medicines, we undertake to refund the price difference if users overpay, pay compensation for late delivery, and replace expired medicines. Thanks to vast amounts of medical consultation data and AI enablement, we lead the industry in key metrics such as the accuracy rate of triage, the comprehensiveness of consultation, and the accuracy rate of diagnosis and treatment plans regarding online image-text consultation, voice consultation and so on. By doing so, the Company has maintained high standards of service quality and safety. Moreover, leveraging stronger bargaining power over platform-based and large-scale service procurement, the Company has ensured a clear price advantage for its core services in the market.

In addition, Ping An Health actively supports China's "internet +" health care initiatives. The Company has provided access to online social health insurance payment in cities such as Dongguan, Zhuhai, and Dalian, improving the medicine purchase experience for users covered by social health insurance.

In respect of the in-store network, Ping An Health had about 50,000 in-house doctors and contracted external doctors in 29 specialties as of 31 December 2024. Among them, over 2,900 were renowned doctors, with some of them from top 100 hospitals according to Fudan University's China Hospital Ranking. Ping An Health had nearly 4,000 partner hospitals as of 31 December 2024. Moreover, Ping An Health partnered with about 105,000 health service providers, including nearly 2,600 health checkup service providers as of 31 December 2024, to offer various products and services including health checkups, senior care, dental care, anti-aging care, and health and wellbeing.

In respect of the in-home service network, the Company partnered with 235,000 pharmacies and over 150 senior care service providers, providing hundreds of home-based senior care service benefits as of 31 December 2024.

In respect of the in-company network, the Company provides corporate employees with proactive medical and health services. The Company also offers employees a variety of in-company activities, including in-company health education by renowned doctors and Workplace Clinics, assisting enterprises in creating energetic workplaces.

4. Technology Enablement

Ping An Health further bolstered its capabilities in informatization and digitization throughout the business processes, and continued to explore and innovate AI application in medical scenarios by independently stepping up R&D and tapping into Ping An Group's technological strengths. As of the announcement date of 2024 Annual Results, Ping An Health has deployed, applied and validated DeepSeek's large model.

Ping An Health continuously upgraded the large multi-modal model Ping An Medical Master® based on Ping An's five world-leading medical databases on diseases, prescriptions, medical products, medical resources, and personal health, as well as data of 1.44 billion consultations. With the deployment and application of DeepSeek, Ping An Health continuously leverages AI models to enable scenarios such as massive data integration, and medical, health, and senior care services.

In respect of massive data processing, we boast a medical database that includes hundreds of millions of doctor-patient conversations, disease diagnosis, medical prescriptions, drug instructions, and hospital details, as well as a financial database that covers data such as claims information from Ping An's 240 million integrated financial customers and tens of thousands of Ping An's financial products. Leveraging these two databases, we train large AI models through Ping An's unique massive closed-loop health care and insurance data in strict line with relevant requirements of laws and regulations.

In respect of medical and health service scenarios, the Company upgraded the doctor's workbench Ping An Doctor's Home™. Apart from using Standard Operating Procedures ("SOPs") for managing medical processes to improve service performance, Ping An Health enhanced AI's role across key areas. These include medical services (e.g. assisted triage, assisted diagnosis of specific diseases, assisted medical record generation, and medical quality control), disease risk prediction, chronic disease management (e.g. risk assessment, and personalized management plans), health management, and other medical and health services.

Enabled by AI, Ping An Health significantly improved efficiency and quality in its medical service processes during the Reporting Period. AI-powered health checkup interpretation achieved 100% coverage, with an analysis accuracy rate of 98%. The accuracy rate of real-time medical document analysis exceeded 90%, and the accuracy rate of AI-assisted diagnosis reached over 95%. The AI-powered recommendation accuracy rate reached 99%. AI enabled whole-process 100%-coverage quality control of consultations, electronic medical records, etc. The AI-enabled improvement rate of abnormal Indicators in chronic diseases reached 90%. Additionally, overall medical efficiency improved, with the service performance[3] of family doctors, renowned doctors, and health managers increasing by approximately 62%, 42%, and 55% respectively, during the Reporting Period.

With DeepSeek's integration and scenario validation, Ping An Health will continuously advance the process of improving medical service access and creating health records for Ping An Group's 240 million retail financial customers. Moreover, Ping An Health will leverage its unique advantages including closed-loop health care and insurance data to accelerate the application of large AI models in scenarios including multidisciplinary team (MDT) consultations on complex diseases.

Long-term Strategies and Management Outlook

With the development of society and the economy, access to more diverse medical services, and a continuous rise in public health awareness, demand for diverse and personalized health care services has been increasingly growing. In recent years, the State Council and relevant government authorities have introduced a set of policies and directives, such as the *Opinions of the State Council on Promoting High-quality Development of Service Consumption* and the *Key Tasks for Deepening the Medical System Reform in 2024*, which explicitly emphasized the need to speed up the expansion of commercial health insurance, drive innovation in commercial health insurance products, and promote the synergistic development of commercial health insurance alongside social health insurance, health care, and the pharmaceutical industry.

[3] Service performance means the average service cost per customer.

As a flagship of Ping An Group's health and senior care ecosystem and a consolidated subsidiary, Ping An Health is well-positioned to capitalize on the favorable policies that are accelerating the growth of commercial insurance and health management. With the integration of social health insurance and commercial insurance in settlement, as well as information sharing between commercial health insurance information platforms and the national medical security information platform, the Company will leverage its strengths in big data and AI to enhance synergies with the Group's commercial insurance business and other integrated finance businesses, advance the "integrated finance + health and senior care" strategy, and develop a synergistic model integrating health and senior care service providers, financial payers and corporate clients.

Going forward, Ping An Health will keep striving to create sustained long-term value for users, shareholders, and society. The Company will provide users with high-quality medical and health services, deliver steady returns to shareholders, and unswervingly support the Digital China and the Healthy China initiatives.

Revenue and Gross Profit by Segment

	Year ended 31 December		Year-on-year
	2024	2023*	change
	RMB'000	RMB'000	
Revenue:			
Medical services	**2,168,815**	2,068,125	+4.9%
Health services	**2,356,482**	2,550,363	-7.6%
Senior care services	**282,785**	55,074	+413.5%
Total of revenue	**4,808,082**	4,673,562	+2.9%
Gross profit:			
Medical services	**938,048**	826,775	+13.5%
Health services	**502,974**	674,816	-25.5%
Senior care services	**82,334**	6,922	+1,089.5%
Total of gross profit	**1,523,356**	1,508,513	+1.0%
Gross margin:			
Medical services	**43.3%**	40.0%	+3.3 pps
Health services	**21.3%**	26.5%	-5.2 pps
Senior care services	**29.1%**	12.6%	+16.5 pps
Total of gross margin	**31.7%**	32.3%	-0.6 pp

* In the context of Ping An Group's consistent pursuit of the "integrated finance + health and senior care" strategy, as a flagship in Ping An Group's health and senior care ecosystem, Ping An Health is the integrator and provider of senior care services. The senior care services business is an important part of the Company's strategic layout, which contributes to a new business growth. The Company disclosed its revenue by segment (including three segments, namely medical services, health services and senior care services) to better reflect the Company's business strategy. Segment information in the same period of 2023 has been restated.

Medical Services:

During the Reporting Period, revenue from medical services recorded RMB2,168.8 million, representing an increase of 4.9% from RMB2,068.1 million in the same period of 2023. The increase in revenue from medical services was mainly because Ping An Health continuously deepened synergy with Ping An Group's integrated finance business for the purpose of providing a wide range of medical services centered on family doctors, such as online consultation, medical visit assistance, consultation with renowned doctors and chronic disease management.

During the Reporting Period, gross margin of medical services recorded 43.3%, representing a slight increase of 3.3 pps year on year. This was mainly due to structural changes in the medical business.

	Year ended 31 December		Year-on-year
	2024	2023*	change
	RMB'000	RMB'000	
Revenue	**2,168,815**	2,068,125	+4.9%
Gross profit	**938,048**	826,775	+13.5%
Gross margin	**43.3%**	40.0%	+3.3 pps

Health Services:

During the Reporting Period, revenue from health services recorded RMB2,356.5 million, representing a decrease of 7.6% from RMB2,550.4 million in the same period of 2023. The decrease was mainly attributable to contract fulfillment concentrated due to some one-off factors, resulting in a high revenue base in 2023.

During the Reporting Period, gross margin of health services recorded 21.3%, representing a year-on-year decrease of 5.2 pps. This was mainly due to the increased proportion of revenue from business with relatively low profitability resulting from the Company's expansion of corporate health management business, leading to a decrease in the gross margin of this business segment.

	Year ended 31 December		Year-on-year
	2024	2023*	change
	RMB'000	RMB'000	
Revenue	**2,356,482**	2,550,363	-7.6%
Gross profit	**502,974**	674,816	-25.5%
Gross margin	**21.3%**	26.5%	-5.2 pps

Senior Care Services:

During the Reporting Period, Ping An Health continued to promote and deepen the in-depth integration with Ping An Group's integrated finance, and actively expanded the senior care services business centered on senior care concierges. The revenue from senior care services for 2024 recorded RMB282.8 million, compared to RMB55.1 million for the same period in 2023.

During the Reporting Period, the gross margin of senior care services recorded 29.1%, representing a year-on-year increase of 16.5 pps. This was mainly due to the Company's continuous efforts to develop a comprehensive "3-in-1" senior care concierge system integrating smart concierges, daily life concierges, and doctor concierges, covering multi-scenario service experience, thus comprehensively improving the gross margin.

	Year ended 31 December		Year-on-year
	2024	2023*	change
	RMB'000	RMB'000	
Revenue	**282,785**	55,074	+413.5%
Gross profit	**82,334**	6,922	+1,089.5%
Gross margin	**29.1%**	12.6%	+16.5 pps

Selling and Marketing Expenses

Selling and marketing expenses for 2024 amounted to RMB763.5 million, representing a decrease of 8.6% from RMB835.8 million for 2023. The decrease of selling and marketing expenses was mainly due to continuously strengthened input-output management and the continuous optimization of resource allocation efficiency.

Administrative Expenses

Administrative expenses for 2024 amounted to RMB930.0 million, representing a decrease of 37.2% from RMB1,480.9 million for 2023. The decrease of administrative expenses was mainly due to the decrease in manpower and related expenses as a result of the continuous improvement in staffing efficiency.

Other Income

Other income amounted to RMB34.8 million in 2024, representing a decrease of 75.6% from RMB142.9 million for 2023. The decrease was mainly attributable to the decrease in the government grants.

Other Gains – Net

Other net gains for 2024 amounted to RMB46.2 million, representing a decrease of 48.6% from other net gains of RMB90.0 million for 2023, mainly attributable to the change in impairment amount of receivables.

Finance Income – Net

Net finance income amounted to RMB182.6 million in 2024, down 24.9% compared with net finance income of RMB243.1 million in 2023, which was mainly attributable to the decrease in the interest income of the Company.

Profit/Loss for the Year and the Non-IFRS Measure: Adjusted Net Profit/Loss

Our net profit for the year 2024 amounted to RMB88.3 million, and net loss for the year 2023 amounted to RMB334.9 million. 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 Annual Report and future annual reports, the "adjusted net profit/loss" may be used in exchange with the "net profit/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 predict our consolidated operating results in the same way as our management. However, the "adjusted net profit/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, net foreign exchange losses and net gains on disposal of a joint venture, adjusted net profit in 2024 amounted to RMB158.5 million, and adjusted net loss in 2023 amounted to RMB315.1 million. The following table sets forth adjusted net profit/loss for the years ended 31 December 2024 and 2023 as the most directly comparable financial measure (namely net profit/loss for the year) calculated and presented in accordance with IFRS:

	Year ended 31 December	
	2024	2023*
	RMB'000	RMB'000
Net profit/(loss) for the year	**88,322**	(334,858)
Excluding:		
Share-based payments	**49,242**	29,113
Foreign exchange losses	**20,889**	2,869
Net gains on disposal of a joint venture	**–**	(12,211)
Adjusted net profit/(loss)	**158,453**	(315,087)

Liquidity and Financial Resources

Our cash and other liquid financial resources as of 31 December 2024 and 31 December 2023 were as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
RMB	**1,954,331**	1,776,663
USD	**60,889**	65,902
HK$	**29,433**	23,946
	2,044,653	1,866,511

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

As of 31 December 2024, our total available funds were RMB13,064.7 million, including cash and cash equivalents of RMB2,044.7 million, restricted cash of RMB100.3 million, term deposits of RMB2,398.4 million, and financial assets of RMB8,521.3 million. The financial assets purchased have effectively improved the yields and liquidity of the Company's idle funds. The financial assets mainly include the wealth management products issued by Ping An Wealth Management and Ping An Bank, etc.

Cash flows for the years ended 31 December 2024 and 31 December 2023 were as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Net cash generated from/(used in) operating activities	**99,329**	(282,859)
Net cash generated from/(used in) investing activities	**114,646**	(1,486,060)
Net cash used in financing activities	**(38,438)**	(67,356)
Net increase/(decrease) in cash and cash equivalents	**175,537**	(1,836,275)
Cash and cash equivalents at the beginning of the year	**1,866,511**	3,700,689
Effects of exchange rate changes on cash and cash equivalents	**2,605**	2,097
Cash and cash equivalents at the end of the year	**2,044,653**	1,866,511

Net cash generated from investing activities mainly included payments of RMB14,047.6 million for subscription of wealth management products and term deposits and proceeds of RMB14,195.6 million from redemption of wealth management products and term deposits.

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Purchase of property, plant and equipment, intangible assets	**34,244**	42,960

Our capital expenditures primarily comprised the expenditure for purchasing property, plant and equipment (mainly office and telecommunication equipment) and intangible assets.

Foreign Exchange Risk

For the year ended 31 December 2024, 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 and HKD/RMB exchange rates. Considering foreign exchange risk potentially brought by the fluctuations in the exchange rates, the Company completed preparation for utilization of financial instruments in 2020 and held such instruments in 2024 in response to the fluctuations in the exchange rates at any time.

Pledge of Assets

As of 31 December 2024, none of our assets were pledged.

Provisions

For the provisions, please refer to note 30. "Provisions" to the consolidated financial statements in this Annual Report.

Significant Investments Held

For the year ended 31 December 2024, we did not hold any material investments with a value of 5% or more of the Group's total assets.

Material Investment and Future Plans of Capital Assets

As of 31 December 2024, we had no material investment and other plans for capital assets.

Material Acquisitions and Disposals of Subsidiaries and Joint Ventures

For the year ended 31 December 2024, we did not carry out any material acquisitions and disposals of subsidiaries and joint ventures.

Employee and Remuneration Policy

The Group had a total of 1,563 employees as of 31 December 2024, the majority of whom were based in various cities in the PRC, including Shanghai, Guangzhou, Shenzhen, Hefei, Beijing and Qingdao. 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. Please refer to note 7 to the consolidated financial statements in this Annual Report for details. 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 training sessions 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.

Pension Scheme

Most employees of our Group have participated in a contribution pension scheme (the "Pension Scheme") subsidized by government entities. The Group pays the required amount of contribution, which is based on a certain percentage of employees' base salary, to the Pension Scheme on a monthly basis, and the relevant government entity will be responsible for paying the pension for retired staff. The above payments will be recognized as expenses at the time of actual payment. Pursuant to the Pension Scheme, the Group does not have any other material statutory or committed obligations in respect of the pension scheme.

During the year ended 31 December 2024, no contribution was forfeited (by the Group on behalf of its employees who leave the pension plan prior to vesting fully in such contribution) and used by the Group to reduce the existing level of contribution. As at 31 December 2024, there was no forfeited contribution available for reducing the level of contribution to pension schemes in future years.

Directors and Senior Management

Directors

The biographical particulars of the Directors of the Group are set out as follows:

Executive Directors

Mr. Dou Li (李斗), aged 48, has been a non-executive Director of the Company since August 2023 when he joined the Group. He is currently an executive Director, the chairman of the Board and the chief executive officer of the Company. Mr. Li currently serves as the chairman of the board of directors of the Company's subsidiaries, including Kang Jian Information Technology (Shenzhen) Co., Ltd. and Ping An Health Cloud Company Limited, and is also a director of Glorious Delight Limited. Mr. Li has successively held senior management positions in various fields such as medicine, fast-moving consumer goods, insurance and elderly care. He has profound insights and extensive experience in understanding consumer needs, for which he deployed back-end product research and development, the development of supply channel and digital operations. Mr. Li served as a special assistant to the chairman of Ping An Life Insurance Company of China, Ltd. and the vice president of sales and the demand general manager of China of Mars Wrigley Confectionery (China) Ltd. (瑪氏箭牌糖果(中國)有限公司).

Mr. Li obtained a bachelor's degree in international business management from Guangdong University of Foreign Studies and a master's degree in enterprise management from the University of Minnesota.

Mr. Jun Wu (吳軍), aged 59, joined the Group in October 2021 and is currently an executive Director and the president of the Company. Mr. Wu currently holds leadership positions in various subsidiaries of the Group, including the director of Glorious Delight Limited, the director and general manager of Kang Jian Information Technology (Shenzhen) Co., Ltd. and Ping An Health Cloud Company Limited, and the head of various branches of the Group. Mr. Wu joined Ping An Group in 1993 and successively served as a general manager of Fujian Branch, Jiangsu Branch and Shanghai Branch of Ping An Property & Casualty Insurance, an assistant to general manager of Ping An Property & Casualty Insurance, and the deputy secretary of the party committee of Ping An Property & Casualty Insurance. He was awarded the title of Outstanding Young Entrepreneur of Fujian Province. Mr. Wu has prolonged exposure to the healthcare ecosystem with rich experience in sales and customer service, and specializes in a combination of the online and offline customer business model.

Mr. Wu obtained a bachelor's degree in Thermal Engineering and Power Machinery from Huazhong University of Science and Technology; a master's degree in Marine Internal Combustion Engine from Wuhan University of Technology; and an EMBA degree from Advanced Institute of Finance of Shanghai Jiao Tong University.

Non-executive Directors

Mr. Michael Guo (郭曉濤), aged 53, has been a non-executive Director of the Company since March 2024 when he joined the Group. He joined Ping An Group in 2019 and is currently an executive director, the co-chief executive officer and deputy general manager of Ping An Group. Mr. Guo has been serving as a director of PKU Healthcare Management Co., Ltd. since December 2024, a director of Ping An Bank since September 2024, a director of Ping An Property & Casualty Insurance since August 2024, a director of Ping An Life Insurance since May 2024 and a non-executive director of OneConnect Financial Technology Co., Ltd. (壹賬通金融科技有限公司, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 06638)) since November 2023. Mr. Guo successively served as the deputy chief human resources officer and chief human resources officer of Ping An Group from August 2022 to September 2023, and successively served as special assistant to the chairman and executive deputy general manager of Ping An Property & Casualty Insurance before that. Before joining Ping An Group, Mr. Guo was a partner and managing director of Boston Consulting Group and global co-chief executive officer of capital markets business of Willis Towers Watson.

Mr. Guo holds a master's degree in Business Administration from The University of New South Wales in Australia.

Ms. Fangfang Cai (蔡方方), aged 51, joined the Group in March 2024, and is currently a non-executive Director of the Company. She joined Ping An Group in 2007 and is currently an executive director and a senior vice president of Ping An Group, and a director of a number of majority-owned subsidiaries of Ping An Group, including Ping An Life Insurance, Ping An Property & Casualty Insurance and Ping An Bank. Ms. Cai served as the chief human resources officer of Ping An Group from March 2015 to April 2023, and successively served as the deputy general manager and general manager of the remuneration planning and management department of the human resources center, the deputy chief financial officer and the general manager of the planning department and the deputy chief human resources officer of Ping An Group before that. Ms. Cai had served as a non-executive Director of the Company from May 2016 to August 2021. Before joining Ping An Group, Ms. Cai served as the consulting director of Watson Wyatt Consultancy (Shanghai) Ltd. and the audit director on the financial industry of British Standards Institution Management Systems Certification Co., Ltd.

Ms. Cai holds a bachelor's degree in International Trade from Guangdong University of Foreign Studies (廣東外語外貿大學) and a master's degree in Accounting from The University of New South Wales in Australia.

Ms. Xin Fu (付欣), aged 45, has been a non-executive Director of the Company since March 2023 when she joined the Group. Ms. Fu is currently an executive director and the deputy general manager of Ping An Group and a director of a number of subsidiaries of Ping An Group, including Ping An Life Insurance, Ping An Bank and Ping An Asset Management. Ms. Fu has also been a non-executive director of OneConnect and Lufax Holding. Ms. Fu was the general manager of the planning department of Ping An Group from October 2017 to January 2023, the deputy chief financial officer of Ping An Group from March 2020 to March 2022, and the chief operating officer of Ping An Group from March 2022 to September 2023. Before joining Ping An Group, Ms. Fu was a partner of Roland Berger Management consulting in financial services practices, and an executive director of PricewaterhouseCoopers.

Ms. Fu holds a master's degree in business administration from Shanghai Jiao Tong University, the PRC.

Mr. Ziyang Zhu (朱梓陽), aged 29, has been a non-executive Director of the Company since December 2021 when he joined the Group. He has been the vice president of Hopson Development Holdings Limited (合生創展集團有限公司, "Hopson Development", a company whose shares are listed on the Stock Exchange, stock code: 0754) since July 2021, responsible for the science and technology sector of Hopson Development. He has been a non-executive director, the chairman of the risk control committee of the board of directors and a member of the strategy committee of the board of directors of Genertec Universal Medical Group Company Limited (通用環球醫療集團有限公司, a company whose shares are listed on the Stock Exchange, stock code: 2666) since July 2021. He has been a non-executive director of YSB Inc. (藥師幫股份有限公司, a company whose shares are listed on the Stock Exchange on 28 June 2023, stock code: 9885) since February 2021. Mr. Zhu served as the assistant to the principal of the strategy committee (戰略委員會主任助理) of Hopson Development.

Mr. Zhu holds a bachelor's degree in Management from Beijing Institute of Technology.

Independent Non-executive Directors

Mr. Yunwei Tang (湯雲為), aged 80, has been an independent non-executive Director of the Company since May 2018 when he joined the Group. Mr. Tang has extensive experience in accounting and financial management. He has been serving as an independent director of China Jushi Co., Ltd. (中國巨石股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600176) since 2019. Mr. Tang served as an independent director of Lufax Holding from 2021 to 2022, an independent director of ADAMA Co., Ltd. (安道麥股份有限公司, formerly known as Hubei Sanonda Co., Ltd. (湖北沙隆達股份有限公司), a company listed on the Shenzhen Stock Exchange, stock code: 000553) from 2017 to 2020, and an independent director of Universal Scientific Industrial (Shanghai) Co., Ltd. (環旭電子股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 601231) from 2017 to 2023. Mr. Tang successively served as a lecturer, an associate professor, a professor, an assistant to the president and a vice president of Shanghai University of Finance and Economics (上海財經大學) from 1984 to 1993 and the president from 1993 to 1999. Mr. Tang was appointed as a member of China Accounting Standards Committee (中國會計準則委員會) by the Ministry of Finance of the PRC in 1998 and the president of Shanghai Accounting Association (上海市會計學會) in 2008.

Mr. Tang holds a bachelor's degree in Accounting, a master's degree in Economics and a doctorate degree in Economics from Shanghai University of Finance and Economics (formerly known as Shanghai Institute of Finance and Economics). Mr. Tang is a senior member of the Chinese Institute of Certified Public Accountants, an honorary member of the Association of Chartered Certified Accountants in the UK, and was honored by the American Accounting Association as a distinguished international visiting lecturer.

Mr. Tianyong Guo (郭田勇), aged 56, has been an independent non-executive Director of the Company since May 2018 when he joined the Group. He has been serving as an independent director of Kweichow Moutai Co., Ltd. (貴州茅臺酒股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600519) since 2022. Mr. Guo was an independent director of Digiwin Software Co., Ltd. (鼎捷軟件股份有限公司, a company listed on the Shenzhen Stock Exchange, stock code: 300378) from 2014 to 2020, an independent director of Hundsun Technologies Inc. (恒生電子股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600570) from 2014 to 2021, an 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 the Shanghai Stock Exchange, stock code: 603580) from 2018 to 2022, an independent director of Ping An Bank from 2016 to 2022 and an independent director of Shandong Fengxiang Co., Ltd. (山東鳳祥股份有限公司, a company listed on the Hong Kong Stock Exchange, stock code: 09977) from 2020 to 2023. Mr. Guo has been working at the Central University of Finance and Economics (中央財經大學) since 1999 and has been serving as a professor and a doctoral tutor of the School of Finance since 2007 and 2010, respectively.

Mr. Guo holds a bachelor's degree in Science from Shandong University (山東大學), a master's degree in Economics from Renmin University of China (中國人民大學) and a doctorate degree in Economics from Tsinghua University PBC School of Finance (清華大學五道口金融學院) (formerly known as Graduate School of the People's Bank of China (中國人民銀行研究生部)).

Dr. Wing Kin Anthony Chow (周永健), aged 74, has been an independent non-executive Director of the Company since May 2018 when he joined the Group. He has been serving as a non-executive director of Kingmaker Footwear Holdings Limited (信星鞋業集團有限公司), a company listed on the Stock Exchange, stock code: 1170) since May 1994, an independent non-executive director of OneConnect since October 2020, an independent non-executive director of Beijing North Star Company Limited (北京北辰實業股份有限公司, a company whose shares are listed on the Shanghai Stock Exchange and the Stock Exchange, SSE: 601588, SEHK: 00588) since May 2021 and an independent non-executive director of China Resources Beverage (Holdings) Company Limited (華潤飲料(控股)有限公司, a company whose shares are listed in Hong Kong, stock code: 2460) since October 2024. Dr. Chow served as an independent non-executive director of MTR Corporation Limited (香港鐵路有限公司, a company listed on the Stock Exchange, stock code: 0066) from May 2016 to May 2022 and an independent non-executive director of S.F. Holding Co., Ltd. (順豐控股股份有限公司, a company listed on the Shenzhen Stock Exchange, stock code: 002352) from December 2016 to December 2022.

Dr. Chow was awarded the Honorary Fellowship of the Hong Kong Institute of Education, the Honorary Fellowship of King's College London, and the Doctor of Social Sciences, honoris causa by the Open University of Hong Kong. Dr. Chow was admitted as a solicitor of the Supreme Court of England & Wales, and appointed as an attesting officer by the Ministry of Justice of the PRC.

Senior Management

The biographical particulars of the senior management of the Group are set out as follows:

Mr. Dou Li (李斗) is the executive Director and the chief executive officer of the Company. His biographical particulars are set out in the part headed "Directors" in this section.

Mr. Jun Wu (吳軍) is the executive Director of the Company. His biographical particulars are set out in the part headed "Directors" in this section.

Ms. Luoqi Zang (臧珞琦), aged 44, has been the executive vice president and chief financial officer of the Company since March 2022 when she joined the Group. Ms. Zang is experienced in financial and operation management, corporate risk control and financing, investment and M&A management of global multinational enterprises as well as Chinese Internet companies. She worked at PricewaterhouseCoopers and Deloitte at domestic and abroad, as well as InterContinental Hotels Group PLC, Caocao Chuxing and Didi Chuxing, and served as senior executives of the company and finance department.

Ms. Zang, a Chartered Global Management Accountant (CGMA), a fellow of the Chartered Institute of Management Accountants (CIMA) and a fellow of The Institute of Public Accountants (IPA), obtained a bachelor's degree in Arts from Fudan University and a master's degree in Business Administration from the University of Melbourne.

Mr. He Liquan (賀立權), aged 46, has been the senior vice president and chief technology officer of the Company since September 2020 when he joined the Group. Mr. He holds several patents and participated in a number of projects under the national "863 Program", and has extensive experience in Internet-based healthcare, digital intelligence of enterprises and medical institutions, technology strategy and architecture management, and R&D management. He served as a director and the chief technology officer of Ping An Wanjia, and an assistant to general manager of Ping An Smart City.

Mr. He, a high-level talent in Shenzhen, an expert of the Science, Technology and Innovation Commission of Shenzhen Municipality, a national senior programmer, an accountant and a senior software evaluator, obtained a bachelor's degree in management from Wuhan University and a master's degree in management from Peking University.

Company Secretary

Mr. Cheng Liu (劉程), aged 51, joined the Group in May 2020 and currently serves as the secretary of the Board and a company secretary of the Company. Mr. Liu served in various positions including the deputy head of the office of the Board and the securities affairs representative of Ping An Group. He was deeply involved in many significant capital operation projects of Ping An Group, including Ping An Group's Initial Public Offering in HKEx in 2004, Initial Public Offering on the Shanghai Stock Exchange in 2007, strategic acquisition of the original Shenzhen Development Bank Co., Ltd. ("Shenzhen Development Bank", a company listed on the Shenzhen Stock Exchange, stock code: 000001), the merger of Shenzhen Development Bank and the original Ping An Bank, and issuance of convertible bond in 2013. Mr. Liu also served as a member of expert group on corporate governance of China Insurance Association.

Mr. Liu holds a bachelor's degree of Economics in Computer Science and Technology from Hunan University (formerly known as Hunan Finance and Economics School), a master's degree in Business Administration (FMBA) from Tsinghua University-Chinese University of Hong Kong, a master's degree in Corporate Governance from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). Mr. Liu is currently a fellow member of both the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute in the United Kingdom.

Directors' Report

The Directors are pleased to present their report together with the consolidated financial information of the Group for the year ended 31 December 2024.

Global Offering

The Company was incorporated in the Cayman Islands on 12 November 2014 as an exempted company with limited liability under the Cayman Companies Law. With the approval from the Registrar of Companies in Hong Kong on 8 December 2017, the Company started to operate business under the name of "Ping An Healthcare and Technology Company Limited 平安健康醫療科技有限公司" in Hong Kong.

The Company was listed on the Main Board of the Stock Exchange on 4 May 2018 with stock code 1833.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are offering medical services, as well as healthcare services.

The analytical statements for revenue and results of business segments of the Group are set out in the section headed "Management Discussion and Analysis" and note 5 to the consolidated financial statements in this Annual Report.

Use of Net 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.

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"), and 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 a 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 completed the placing of 80,000,000 ordinary shares to no less than six placees 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.

Change in Use of Proceeds

Reference is made to the announcement of the Company dated 14 November 2024, and after careful consideration and detailed evaluation of the Company's operations and business strategies, the Board has resolved to change the intended use of the unutilized net proceeds as follows:

Intended use of net proceeds	Amount of net proceeds unutilized before the revision	Revised allocation of net proceeds	Amount of net proceeds utilized as of 31 December 2024	Balance of net proceeds unutilized as of 31 December 2024	Intended timetable for use of the unutilized net proceeds
			(HK$ in million)		
Business expansion	120.8	120.8	120.8	–	–
Funding our potential investments, acquisitions of domestic companies and the strategic alliances with domestic companies as well as our overseas expansion plan	1,537.9	544.9	–	544.9	Before 31 December 2025
Further developing core businesses of the Group	7,828.0	544.9	118.3	426.6	Before 31 December 2030
Working capital and general corporate purposes (including dividend distribution)	–	8,276.1	509.8	7,766.3	Before 31 December 2025

For further details of "Reasons for the Change in Use of Proceeds" and "Benefits of the Change in Use of Proceeds", please refer to the announcement of the Company dated 14 November 2024.

Results

The results of the Group for the year ended 31 December 2024 are set out in the consolidated income statement and the consolidated statement of comprehensive income in this Annual Report.

Business Review

The business review and performance analysis of the Group as of the Reporting Period are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this Annual Report.

The status of the Group's compliance with the relevant laws and regulations that have material impact on the Group is set out in the section headed "Litigation and Compliance" on page 54, and the description of the principal risks and uncertainties facing the Company is set out in the section headed "Corporate Governance Report" on pages 55 to 74. The aforesaid discussion forms a part of this Directors' Report.

Dividend Policy

The Board has resolved to adopt a dividend policy to set out the conditions of declaration and payment of dividend to the Company's Shareholders by the Board. The declaration and payment of dividend shall be determined by the Board at its sole discretion and in compliance with all the applicable requirements under the Cayman Companies Law and the Articles of Association of the Company (including but not limited to restrictions on dividend declaration and payment). When recommending the payment of any dividend, the Board should also consider the following criteria, including:

a the actual and expected results of operations and cash flow and financial position of the Group;

b general business conditions and business strategies;

c distributable profit, retained earnings and/or distributable reserves of the Company and the members of the Group;

d the Group's expected working capital requirements and future expansion plans;

e the Group's indebtedness level and liquidity position;

f legal, regulatory and other contractual restrictions on the Group's declaration and payment of dividend;

g other factors that the Board deems appropriate.

Dividend

On 14 November 2024, the Board recommended the declaration and distribution of the special dividend out of the share premium account under the reserves of the Company in the amount of HK$9.7 per Share (the "Special Dividend"). The Special Dividend will be payable in cash, with eligible holders of Shares being given an option to elect to receive the Special Dividend wholly in the form of new Shares (except for Hong Kong Securities Clearing Company Nominees Limited, which may elect to receive their entitlement partly in cash and partly in the form of new Shares). As approved at the extraordinary general meeting held on 4 December 2024 and based on the election for scrip dividend under the Scrip Dividend Scheme, the total actual cash dividend paid by the Company amounted to nearly HK$4.5 billion, and a total of 1,042,630,820 new Shares were allotted and issued as the Special Dividend. Dealing of such new Shares on the Stock Exchange commenced at 9:00 a.m. on 27 January 2025 (Hong Kong time). For further details of the Special Dividend, please refer to the announcements of the Company dated 14 November 2024, 16 December 2024 and 7 January 2025, as well as the circulars of the Company dated 19 November 2024 and 17 December 2024.

Save as disclosed above, from the end of the Reporting Period and up to the date of this annual report, we did not pay or declare any other dividend.

Reserves

Details of the changes in reserves of the Group and the Company for the year ended 31 December 2024 are set out in the consolidated statement of changes in equity and note 27 and note 37(c) to the consolidated financial statements in this Annual Report.

Distributable Reserves

As of 31 December 2024, the Company did not have any distributable reserves.

Property, Plant and Equipment

Details of the changes in property, plant and equipment of the Group for the year ended 31 December 2024 are set out in note 17 to the consolidated financial statements in this Annual Report.

Share Capital

Details of the changes in share capital of the Company for the year ended 31 December 2024 are set out in note 25 to the consolidated financial statements in this Annual Report.

Subsidiaries

Details of the subsidiaries of the Company are set out in note 38 to the consolidated financial statements in this Annual Report.

Borrowings

As at 31 December 2024, except for the borrowings obtained by Yingjian Medical, a subsidiary of the Company, from its shareholder Yingjian Enterprise Management Consulting, we did not have any outstanding loans. As at 31 December 2024, the Group's gearing ratio was 78.67%, which was calculated by dividing the Group's total liabilities by its total assets as at 31 December 2024.

Donation

For the year ended 31 December 2024, the donation expenditures of the Group amounted to approximately RMB660.0 thousand (2023: RMB9.6 thousand).

Financial Summary

A summary of the condensed consolidated results and financial position of the Group is set out on page 161 of this Annual Report.

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

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares within the meaning of the Listing Rules). As of 31 December 2024, the Company did not hold any of these treasury shares.

Debentures in Issue

For the year ended 31 December 2024, the Group did not issue any debentures.

Significant Relationship with Stakeholders

Employees

As at 31 December 2024, the Group had a total of 1,563 employees. During the Reporting Period, relationship between the Company and the employees remained stable. The Company did not experience any strikes or other labor disputes which would have material impact on the business activities of the Company.

Users

As of 31 December 2024, the number of paying users reached about 31.35 million, representing a decrease of 2.9% from that for the 12 months ended 31 December 2023. Specifically, the number of B-end enterprises cumulatively served reached 2,049, the number of paying users of B-end reached about 5.812 million; and the number of paying users of F-end reached about 24.81 million.

Suppliers

During day-to-day operation and management, the Company maintained constant communication with the suppliers to understand their opinions and needs and responded actively in order to enhance trust from partnering suppliers and strengthen bilateral cooperative relationship.

Major Customers and Suppliers

For the year ended 31 December 2024, the Group's five largest customers accounted for approximately 32% of the Group's total revenue and the Group's largest customer accounted for approximately 16% of the Group's total revenue. Besides, for the year ended 31 December 2024, the Group's five largest suppliers accounted for approximately 13% of the Group's total cost and the Group's largest supplier accounted for approximately 3% of the Group's total cost. To the knowledge of the Directors, Ping An Life Insurance, Ping An Property & Casualty Insurance, Ping An Bank, Ping An Health Insurance and Ping An Annuity, each being one of our five largest customers, were subsidiaries of Ping An Group. Other than the foregoing, during the year ended 31 December 2024, none of our Directors, their close associates or any Shareholder (who or which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in any of our five largest customers.

Remuneration Policy and Director's Remuneration

The Company has established a Nomination and Remuneration Committee for reviewing the Group's remuneration policy and structure for remuneration of the Directors and senior management of the Group. The remuneration is recommended or determined based on each Director's and senior management personnel's qualifications, position and seniority. As for the non-executive Directors, their remuneration is determined by the Board upon recommendation from the Nomination and Remuneration Committee. Details of the remuneration of the Directors and the five highest paid individuals are set out in note 8 and note 9 to the consolidated financial statements in this Annual Report.

None of the Directors waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Employee Incentive Scheme

The EIS was approved by the Board on 26 December 2014 and was amended by the Board subsequently from time to time.

Purpose

The purpose of the EIS is to attract and retain talents, to promote the long-term sustainable development of the Company and related entities, to realize the maximization of shareholder value, and to align the interests of the Shareholders, the Company and the employees.

Eligible Participants

The EIS Participants include employees and any other persons as determined by the Board. The scope of grantees, specific targets and the number of EIS Options to be granted in each tranche will be determined by the Board with reference to the position and performance of the EIS Participants.

Maximum Number of Shares

The aggregate number of EIS Shares which may be granted by the Company in accordance with the EIS is 70,000,000 Shares (subject to share subdivision on the Listing Date). As of 31 December 2024, the number of EIS Shares remaining available for grant was 27,978,616 Shares, representing 1.29% of the issued Shares as at the date of this Annual Report. As of 31 December 2024, the aggregate number of Shares underlying the outstanding EIS Options granted by the Company under the EIS was 6,870,259 Shares (subject to share subdivision on the Listing Date).

Limit for Each Participant

Under the EIS, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant.

Remaining Life of EIS

As approved by the resolution of the Board, the EIS is valid and effective for a period from 26 December 2014 and up to 31 December 2025. Any options that are outstanding on the expiry date of the EIS shall remain in force according to the terms of the EIS.

Consideration

No consideration is required to be paid by the grantees for the grant of options under the EIS.

Vesting

Unless otherwise determined by the Board, the EIS Options granted will vest in four years, subject to a maximum of 25% each year. The first vesting date will be the first anniversary of the date of grant of the EIS Options.

Exercise Period

The validity period for any options granted under the EIS shall be 10 years commencing from the date of grant, subject to the Shareholders' approval of extension of the exercise period for an option beyond 10 years from the date of grant. The Board shall also determine any conditions, if any, that must be satisfied before all or part of an option may be exercised.

Exercise Price

Subject to the Listing Rules and the applicable laws and regulations, the Board shall have the sole discretion on the determination of the exercise price of the EIS Options granted.

The following table shows details of the options granted under the EIS during the year ended 31 December 2024:

Name	Position	Date of grant[1&2]	Number of grants (Shares)	Vesting period[3]	Exercise price (HK$/share)	Outstanding as of 1 January 2024 (Shares)	Exercised during the Reporting Period[4] (Shares)	Canceled/ Lapsed during the Reporting Period (Shares)	Outstanding as of 31 December 2024 (Shares)
Dou Li	Executive Director, chairman of the Board and chief executive officer	1 December 2023	300,000	1 December 2024 to 1 December 2027	-	300,000	-	-	300,000
Jun Wu	Executive Director and president	26 October 2021	300,000	26 October 2022 to 26 October 2025	-	228,345	70,110	7,095	151,140
		23 October 2022	100,000	23 October 2023 to 23 October 2026	-	100,000	23,370	1,250	75,380
Five highest paid individuals in aggregate		21 October 2020	100,000	21 October 2021 to 21 October 2024	-	51,115	23,370	2,365	25,380
		26 October 2021	300,000	26 October 2022 to 26 October 2025	-	228,345	70,110	7,095	151,140
		29 January 2022	430,000	29 January 2023 to 29 January 2026	-	386,625	159,822	10,169	216,634
		15 March 2022	250,000	15 March 2023 to 15 March 2026	-	250,000	58,425	3,125	188,450
		23 October 2022	200,000	23 October 2023 to 23 October 2026	-	200,000	46,740	2,500	150,760
		19 December 2022	40,000	19 December 2023 to 19 December 2026	-	40,000	9,348	500	30,152
		1 December 2023	300,000	1 December 2024 to 1 December 2027	-	300,000	-	-	300,000

Name	Position	Date of grant[1&2]	Number of grants (Shares)	Vesting period[3]	Exercise price (HK$/share)	Outstanding as of 1 January 2024 (Shares)	Exercised during the Reporting Period[4] (Shares)	Canceled/ Lapsed during the Reporting Period (Shares)	Outstanding as of 31 December 2024 (Shares)
Other grantees		31 December 2014	4,917,500	31 December 2015 to 31 December 2018	0.63	-	-	-	-
		31 March 2015	280,000	31 March 2016 to 31 March 2019	0.63	27,500	27,500	-	-
		30 June 2015	148,000	30 June 2016 to 30 June 2019	0.63	-	-	-	-
		1 October 2015	11,534,500	1 October 2016 to 1 October 2019	0.91	57,674	57,674	-	-
		25 February 2016	3,923,000	25 February 2017 to 25 February 2020	5.95	105,300	104,500	-	800
		31 March 2017	16,475,800	31 March 2018 to 31 March 2021	26.47	875,979	-	314,465	561,514
		30 November 2017	14,287,098	30 November 2018 to 30 November 2021	37.84	1,237,702	-	163,016	1,074,686
		31 December 2017	840,000	31 December 2018 to 31 December 2021	37.84	-	-	-	-
		28 February 2019	3,867,694	28 February 2020 to 28 February 2023	0-36.21	719,631	527,712	90,993	100,926
		31 May 2019	188,335	31 May 2020 to 31 May 2023	-	8,459	7,655	766	38
		31 August 2019	110,713	31 August 2020 to 31 August 2023	-	19,038	17,977	1,061	-
		8 September 2019	100,000	8 September 2020 to 8 September 2023	-	24,865	23,750	1,115	-
		30 November 2019	25,575	30 November 2020 to 30 November 2023	-	-	-	-	-
		21 October 2020	1,852,100	21 October 2021 to 21 October 2024	-	620,942	360,802	57,056	203,084
		31 December 2020	166,600	31 December 2021 to 31 December 2024	-	35,854	25,197	7,849	2,808
		11 January 2021	300,000	21 October 2021 to 21 October 2024	-	153,345	70,110	7,095	76,140
		31 May 2021	260,000	31 May 2022 to 31 May 2025	-	212,500	12,125	63,250	137,125
		24 August 2021	3,284,700	24 August 2022 to 24 August 2025	-	184,904	14,773	-	170,131
		26 October 2021	248,600	26 October 2022 to 26 October 2025	-	10,656	3,271	7,331	54

Name	Position	Date of grant[1&2]	Number of grants (Shares)	Vesting period[3]	Exercise price (HK$/share)	Outstanding as of 1 January 2024 (Shares)	Exercised during the Reporting Period[4] (Shares)	Canceled/ Lapsed during the Reporting Period (Shares)	Outstanding as of 31 December 2024 (Shares)
		29 January 2022	2,799,200	29 January 2023 to 29 January 2026	-	1,533,964	672,252	154,096	707,616
		20 May 2022	230,000	20 May 2023 to 20 May 2026	-	30,000	7,011	15,375	7,614
		26 July 2022	25,000	26 July 2023 to 26 July 2026	-	6,250	5,937	313	-
		23 October 2022	375,000	23 October 2023 to 23 October 2026	-	243,750	87,637	4,688	151,425
		19 December 2022	5,472,000	19 December 2023 to 19 December 2026	-	4,086,750	1,035,887	599,081	2,451,782
		23 November 2024	162,000	23 November 2025 to 23 November 2028	-	-	-	-	162,000
Total[5]			**73,493,415[6]**			**11,651,148**	**3,429,585**	**1,513,304**	**6,870,259**

Notes:

1. The EIS Options were granted on 23 November 2024. The closing price immediately before the date on which the EIS Options were granted was HK$14.12/share;

2. The performance of the EIS Options granted during the year depended on the degree of satisfaction of specific performance, including fulfillment of the key performance indicators by the Company overall as a group and the grantees;

3. The EIS Options may be exercised once vested, subject to a period of 10 years commencing from the date of grant;

4. The weighted average closing price immediately before the date on which the EIS Options were exercised was HK$14.88/share for the Directors; the weighted average closing price immediately before the date on which the EIS Options were exercised was HK$14.76/share for the five highest paid individuals; the weighted average closing price immediately before the date on which the EIS Options were exercised was HK$14.50/share for other grantees;

5. For the avoidance of double counting, it represents the sum of the options of the five highest paid individuals (including the Directors Mr. Dou Li and Mr. Jun Wu) and other grantees;

6. The number of shares granted was the number of shares originally granted, including the number of shares canceled/lapsed and re-granted.

Equity-linked Agreements

Save for the EIS mentioned above, no equity-linked agreements were entered into by the Group or subsisted during the year ended 31 December 2024.

Directors

The list of Directors who were in office during the year ended 31 December 2024 and up to the date of this Annual Report is as follows:

Executive Directors

Mr. Dou Li (Chairman)
Mr. Jun Wu

Non-executive Directors

Ms. Sin Yin Tan (resigned on 19 March 2024)
Mr. Michael Guo (appointed on 19 March 2024)
Ms. Fangfang Cai (appointed on 19 March 2024)
Ms. Xin Fu
Mr. Ziyang Zhu

Independent Non-executive Directors

Mr. Yunwei Tang
Mr. Tianyong Guo
Dr. Wing Kin Anthony Chow

Directors and Senior Management

Biographical particulars of the Directors and senior management of the Group are set out in the section headed "Directors and Senior Management" of this Annual Report.

Directors' Service Contracts

Each of the Directors has entered into a service contract with the Company. The principal particulars of these service contracts include: (a) a valid term of three years commencing from the date of approval of their respective appointment by the Shareholders' general meeting; and (b) the service contracts are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the Memorandum and Articles of Association of the Company and the applicable Listing Rules.

None of the Directors has entered into a service contract that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Save as disclosed in the section headed "Connected Transactions and Continuing Connected Transactions" below, neither the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during the year ended 31 December 2024.

Permitted Indemnity

Each of the Directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him or her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favor, or in which he or she is acquitted.

The Company has arranged appropriate insurance coverage for the Directors in connection with the discharge of their responsibilities.

Management Contracts

Save for service contracts of the Directors, no contract concerning the management and operation of the whole or any substantial part of the business of the Company was entered into by the Company or subsisted during the Reporting Period.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in this Annual Report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of the Company or any other body corporate; none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

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

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations, within the meaning of Part XV of the SFO, which 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 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 the 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)
Mr. Dou Li(2)	Beneficial owner	300,000	Long positions	0.03%
Mr. Jun Wu(3)	Beneficial owner	226,520	Long positions	0.02%

Notes:

(1) The calculation is based on the total number of Shares in issue of 1,118,812,900 Shares as of 31 December 2024.

(2) As of 31 December 2024, Mr. Dou Li was entitled to 300,000 Shares pursuant to the Employee Incentive Scheme, where no Share was held upon exercise of EIS Options under the Employee Incentive Scheme.

(3) As of 31 December 2024, Mr. Jun Wu was entitled to 226,520 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 31 December 2024, 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 were taken or deemed to have been 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 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

As of 31 December 2024, so far as known to the Directors, 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)]
Glorious Peace [(2)]	Beneficial owner	441,000,000	Long positions	39.41%
An Ke Technology Company Limited [(2)]	Interest in controlled corporations	441,000,000	Long positions	39.41%
Ping An [(2)]	Interest in controlled corporations	441,000,000	Long positions	39.41%
Hopson Development Holdings Limited[(3)]	Interest in controlled corporations	89,284,776	Long positions	7.98%
Sounda Properties Limited[(3)]	Interest in controlled corporations	89,284,776	Long positions	7.98%
Mang Yee Chu[(3)]	Interest in controlled corporations	89,284,776	Long positions	7.98%

Notes:

(1) The calculation is based on the total number of Shares in issue of 1,118,812,900 Shares as of 31 December 2024.

(2) As of 31 December 2024, Glorious Peace directly held 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.

(3) According to the form of disclosure of interest ("form of disclosure of interest") dated 19 December 2024 filed by Hopson Development Holdings Limited ("Hopson Development") in relation to the relevant event on 16 December 2024, Hopson Development, through a series of corporations controlled by it, was interested in an aggregate of 89,284,776 Shares of the Company. According to the form of disclosure of interest filed by Sounda Properties Limited ("Sounda") dated 19 December 2024 in relation to the relevant event on 16 December 2024, Sounda was indirectly interested in a total of 89,284,776 Shares of the Company through Hopson Development which was controlled by Sounda. According to the form of disclosure of interest filed by Mr. Mang Yee Chu dated 19 December 2024 in relation to the relevant event on 16 December 2024, Sounda was wholly-owned by Mr. Mang Yee Chu. As such, Mr. Mang Yee Chu was deemed to be interested in the interest held by Sounda.

(4) Pursuant to Section 336 of the SFO, the Shareholders are required to file disclosure of interests forms 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 relevant forms of disclosure of interest received by the Company as of 31 December 2024. The Company may not have sufficient information on the breakdown of the relevant interests and cannot verify the accuracy of information on the forms of disclosure of interest.

Save as disclosed above, as of 31 December 2024, 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.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Memorandum and Articles of Association or the Cayman Islands Companies Law which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

Tax Relief and Exemption

The Board is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

Directors' Interests in Competing Business

None of the Directors had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the Reporting Period.

Contracts with Controlling Shareholders

Save as disclosed in the section headed "Connected Transactions and Continuing Connected Transactions" below, no contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their respective subsidiaries during the year ended 31 December 2024.

Connected Transactions and Continuing Connected Transactions

The Group has entered into the following connected transactions and continuing connected transactions during the year ended 31 December 2024:

Connected Transactions

For the year ended 31 December 2024, the Company had no one-off connected transactions which were required to be disclosed under the Listing Rules.

Non-Exempt Continuing Connected Transactions

The following transactions of the Group constituted continuing connected transactions for the Company for the year ended 31 December 2024 (the "Continuing Connected Transactions").

1. *Provision of Products and Services Framework Agreement*

On 20 August 2020, the Group entered into a provision of products and services framework agreement (the "Provision of Products and Services Framework Agreement") with Ping An, pursuant to which the Company shall provide various types of products and services to Ping An and/or its associates. Fees will be paid to the Company by Ping An and/or its associates in respect of the provision of such products and services. The term of the Provision of Products and Services Framework Agreement shall be three years commencing from 1 January 2021. For further details of the Provision of Products and Services Framework Agreement, please refer to the announcement of the Company dated 20 August 2020 and the circular of the Company dated 14 October 2020.

Renewal of the transaction

As the Provision of Products and Services Framework Agreement has expired on 31 December 2023, the Company renewed the Provision of Products and Services Framework Agreement and entered into the 2023 provision of products and services framework agreement (the "2023 Provision of Products and Services Framework Agreement") with the Parties to the 2023 Provision of Products and Services Framework Agreement (all of them are associates of Ping An) on 25 October 2023. Pursuant to which the Group shall provide various types of products and services to the Recipients of the Products and Services, including, but not limited to (1) online medical services comprising online consultation, hospital referral, inpatient arrangement, second opinion services, electronic prescriptions and health management; (2) prepaid packages for the purchase of healthcare products and services; (3) provision of products in the Group's health mall, which is an online platform offering diversified and evolving products offering, mainly including healthcare products such as medicines, health supplements and medical devices and wellness products such as fitness equipment and accessories and personal care products, and (4) advertising and consulting services. Fees shall be paid to the Group by the Recipients of the Products and Services in respect of the provision of such products and services by the Group. The terms of the 2023 Provision of Products and Services Framework Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from 1 January 2024 to 31 December 2026, both dates inclusive. Relevant details are set out in the announcement of the Company dated 25 October 2023 and the circular of the Company dated 24 November 2023.

Ping An is a substantial Shareholder of the Company and therefore is a connected person of the Company.

The annual cap for the year ended 31 December 2024 was RMB2,929.0 million, while the actual transaction amount for the year ended 31 December 2024 was approximately RMB1,642.1 million.

2. *Services Purchasing Framework Agreement*

On 20 August 2020, the Group entered into a services purchasing framework agreement (the "Services Purchasing Framework Agreement") with Ping An, pursuant to which Ping An and/or its associates shall provide a wide spectrum of services to the Group. The Group shall, in return, pay service fees to Ping An and/or its associates. The precise scope of service, service fee calculation, method of payment and other details of the service arrangement shall be agreed between the relevant parties separately. The term of the Services Purchasing Framework Agreement shall be three years commencing from 1 January 2021. For further details of the Services Purchasing Framework Agreement, please refer to the announcement of the Company dated 20 August 2020 and the circular of the Company dated 14 October 2020.

Renewal of the transaction

As the Services Purchasing Framework Agreement has expired on 31 December 2023, the Company renewed the Services Purchasing Framework Agreement and entered into the 2023 services purchasing framework agreement (the "2023 Services Purchasing Framework Agreement") with the Parties to the 2023 Services Purchasing Framework Agreement (all of them are associates of Ping An) on 25 October 2023. Pursuant to which the Service Providers shall provide a wide spectrum of services to the Group, including but not limited to consulting services, health management services, business promotion services, outsourcing services relating to finance, human resources and administrative matters, insurance services, online traffic redirecting services and customer referral services. The Group shall, in return, pay service fees to the Service Providers. The precise scope of the service, service fee calculation, method of payment and other details of the service arrangement will be agreed between the relevant parties separately. The terms of the 2023 Services Purchasing Framework Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from 1 January 2024 to 31 December 2026, both dates inclusive. Relevant details are set out in the announcement of the Company dated 25 October 2023 and the circular of the Company dated 24 November 2023.

Ping An is a substantial Shareholder of the Company and therefore is a connected person of the Company.

The annual cap for the year ended 31 December 2024 was RMB851.2 million, while the actual transaction amount for the year ended 31 December 2024 was approximately RMB582.7 million.

3. *Services Purchasing Agreement*

Kang Jian, a wholly-owned subsidiary of the Company, has entered into the 2024 Services Purchasing Agreement with Ping An on 19 March 2024, for a term commencing on 19 March 2024 and ending on 31 December 2024. The service fees payable by Kang Jian to Ping An under the 2024 Services Purchasing Agreement are estimated to be RMB6.62 million, which will be paid in four equal instalments (subject to the final actual settlement amount). For further details of the Services Purchasing Agreement, please refer to the announcement of the Company dated 19 March 2024.

Ping An is a substantial Shareholder of the Company and therefore is a connected person of the Company.

The annual cap for the year ended 31 December 2024 was RMB6.62 million, while the actual transaction amount for the year ended 31 December 2024 was approximately RMB6.25 million.

4. *Property Leasing Framework Agreement*

On 20 August 2020, the Group entered into the property leasing framework agreement (the "Property Leasing Framework Agreement") with Ping An, pursuant to which the Group will lease properties from Ping An and/or its associates for office use. The parties shall enter into separate agreements setting out the specific terms and conditions (including property rents, payment methods and other usage fees) in respect of the relevant leased property based on the principles, and within the parameters provided, under the Property Leasing Framework Agreement.

The term of the Property Leasing Framework Agreement shall be three years commencing from 1 January 2021. For further details of the Property Leasing Framework Agreement, please refer to the announcement of the Company dated 20 August 2020.

Renewal of the transaction

As the Property Leasing Framework Agreement has expired on 31 December 2023, the Company renewed the Property Leasing Framework Agreement and entered into the 2023 property leasing framework agreement (the "2023 Property Leasing Framework Agreement") with the Parties to the 2023 Property Leasing Framework Agreement (all of them are associates of Ping An) on 25 October 2023. Pursuant to which the Group shall lease properties from the parties to the 2023 Property Leasing Framework Agreement and/or their subsidiaries and companies that can be controlled through a scheme of arrangement, if applicable (the "Lessors") for office use, including but not limited to the properties of the Lessors in Beijing, Shanghai and Guangzhou. The terms of the 2023 Property Leasing Framework Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from 1 January 2024 to 31 December 2026, both dates inclusive. Relevant details are set out in the announcement of the Company dated 25 October 2023.

Ping An is a substantial Shareholder of the Company and therefore is a connected person of the Company.

Pursuant to IFRS 16, the lease of properties by the Group as lessee under the Property Leasing Framework Agreement will be recognised as right-of-use assets. In respect of the Property Leasing Framework Agreement, the annual cap of the total value of right-of-use asset relating to the leases for the year ended 31 December 2024 was RMB39.3 million, while the total value of the right-of-use assets as at 31 December 2024 was approximately RMB8.6 million.

5. Financial Service Framework Agreement

On 20 August 2020, the Company entered into a financial service framework agreement (the "Financial Service Framework Agreement") with Ping An, pursuant to which Ping An Bank shall provide deposit service, and Ping An and/or its associates shall provide wealth management service to the Group. For the deposit service provided, the Group deposits cash into the Group's bank accounts at Ping An Bank. In return, Ping An Bank pays deposit interests to the Group. In respect of the wealth management service, the Group purchases wealth management products from Ping An and/or its associates and receives investment income in return. The term of the Financial Service Framework Agreement shall be three years commencing from 1 January 2021. For further details of the Financial Service Framework Agreement, please refer to the announcement of the Company dated 20 August 2020 and the circular of the Company dated 14 October 2020.

Renewal of the transaction

As the Financial Service Cooperation Framework Agreement has expired on 31 December 2023, the Company renewed the Financial Service Framework Agreement and entered into the 2023 financial service cooperation framework agreement (the "2023 Financial Service Cooperation Framework Agreement") with the Parties to the 2023 Financial Service Cooperation Framework Agreement (all of them are associates of Ping An) on 25 October 2023. Pursuant to which the Deposit Service Provider under the 2023 Financial Service Cooperation Framework Agreement shall provide deposit service to the Group, and Wealth Management Service Providers under the 2023 Financial Service Cooperation Framework Agreement shall provide wealth management service (including structural deposit products) to the Group. With respect to the deposit service provided, the Group deposits cash into the bank accounts of the Group at the Deposit Service Provider, including cash generated from the Group's daily business operations, the proceeds generated from the financing activities of the Group and the net proceeds received from the global offering of the Company, provided that the Deposit Service Provider is qualified to take deposits. In return, the Deposit Service Provider shall pay deposit interest to the Group. In respect of the wealth management service, the Group purchases investment products and service from Wealth Management Service Providers and receive investment income in return. The terms of the 2023 Financial Service Cooperation Framework Agreement were entered into on normal commercial terms after arm's length negotiations and shall be valid from 1 January 2024 to 31 December 2026, both dates inclusive. Relevant details are set out in the announcement of the Company dated 25 October 2023 and the circular of the Company dated 24 November 2023.

Ping An is a substantial Shareholder of the Company and therefore is a connected person of the Company.

(i) the annual cap of maximum daily balance of deposits to be placed by the Group with Ping An Bank for the year ended 31 December 2024 was RMB10,000.0 million, while the actual maximum daily balance for the year ended 31 December 2024 was approximately RMB4,751.4 million,

(ii) the annual cap of interest income received by the Group from Ping An Bank for the deposits for the year ended 31 December 2024 was RMB320.0 million, while the actual transaction amount for the year ended 31 December 2024 was approximately RMB30.2 million,

(iii) the annual cap of maximum daily balance of wealth management products purchased by the Group from Ping An and/or its associates for the year ended 31 December 2024 was RMB10,000.0 million, while the actual maximum daily balance for the year ended 31 December 2024 was approximately RMB8,082.2 million, and

(iv) the annual cap of investment income paid to the Group by Ping An and/or its associates for the year ended 31 December 2024 was RMB422.0 million, while the actual transaction amount for the year ended 31 December 2024 was approximately RMB156.3 million.

The Company confirms that the execution and enforcement of the specific agreements under the above continuing connected transactions for the year ended 31 December 2024 have followed the pricing principles of such continuing connected transactions.

Annual Review by the Independent Non-Executive Directors and the Auditor

During the Reporting Period, the independent non-executive Directors have reviewed the Continuing Connected Transactions and confirmed that they had been entered into and carried out:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) in accordance with the terms of relevant agreements governing them that are fair and reasonable and in the interest of the Shareholders as a whole.

The auditor of the Company has performed certain agreed-upon procedures regarding the continuing connected transactions entered into by the Group during the year ended 31 December 2024 as set out above, in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules", both issued by the HKICPA, and confirms that:

(i) nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;

(ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

(iv) with respect to the aggregate amount of each of the continuing connected transactions (other than those transactions with Operating Entities under the Contractual Arrangements), nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company; and

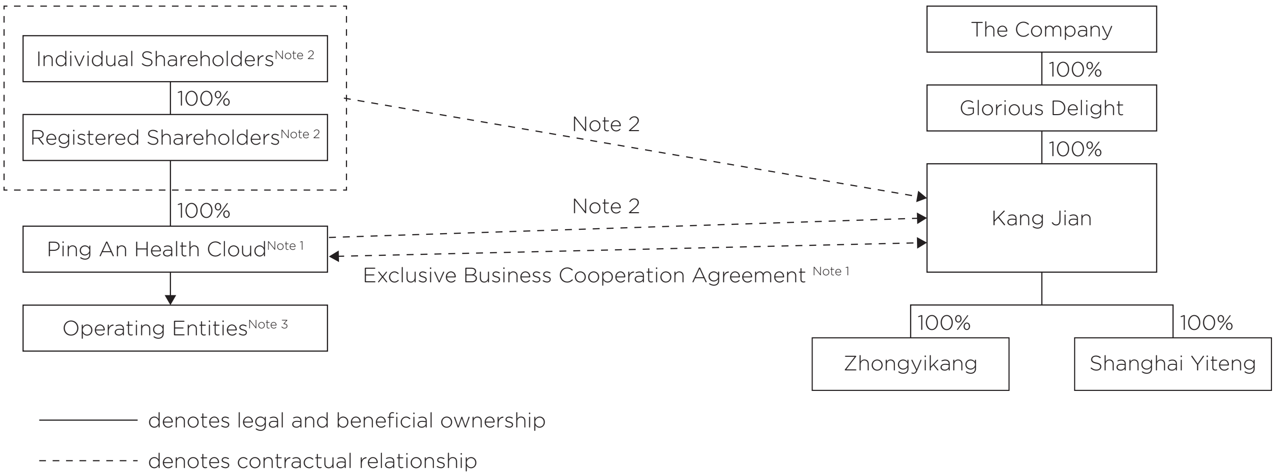
(v) with respect of the disclosed continuing connected transactions with Operating Entities under the Contractual Arrangements, nothing has come to their attention that causes the auditor to believe that dividends or other distributions have been made by Operating Entities to the holders of any of the equity interests of Operating Entities that are not otherwise subsequently assigned or transferred to the Group.

During the Reporting Period, saved as disclosed in the "Connected Transactions and Continuing Connected Transactions" in this Annual Report (and such transactions have complied with the disclosure requirements under Chapter 14A of the Listing Rules), none of the related party transactions as disclosed in note 33 to the consolidated financial statements constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Contractual Arrangements

The WOFE (as defined below) under the Group has entered into a series of contractual arrangements (the "Contractual Arrangements") with Operating Entities and the PAHC Shareholders (as defined below), pursuant to which the Group obtained effective control over, and received all the economic benefits generated by, the businesses operated by the Operating Entities.

Accordingly, through the Contractual Arrangements, the Group's Operating Entities' results of operations, assets and liabilities, and cash flows are consolidated into the Group's financial statements. For the year ended 31 December 2024, the total loss of the Operating Entities of the Group was approximately RMB6,800.7 million; as at 31 December 2024, the total assets of the Operating Entities of the Group were approximately RMB8,819.3 million. The following simplified diagram illustrates the flow of economic benefits from the Group's Operating Entities to the Group stipulated under the Contractual Arrangements:



Notes:

1. Kang Jian provides business support, technical and consulting services in exchange for service fees from Ping An Health Cloud.

2. The PAHC Shareholders (as defined below) executed the exclusive equity option agreement and the exclusive asset option agreement in favor of Kang Jian, for the acquisition of all or part of the equity interests in and all or part of the assets in Ping An Health Cloud.

   The PAHC Shareholders executed powers of attorney in favor of Kang Jian, for the exercise of all Shareholders' rights in Ping An Health Cloud.

   The PAHC Shareholders granted first priority security interests in favor of Kang Jian, over the entire equity interests in Ping An Health Cloud.

   Ping An Financial Technology, Shenzhen Kang Wei Jian Enterprise Management Company Limited, Shenzhen Kang Rui Jian Enterprise Management Company Limited and Urumqi Guangfengqi are collectively referred to as "Registered Shareholders". Ms. Wenjun Wang and Mr. Wenwei Dou are collectively referred to as "Individual Shareholders" (Registered Shareholders and Individual Shareholders together known as "PAHC Shareholders").

3. As at 31 December 2024, Ping An Health Cloud held 26 Operating Entities, namely Jiangxi Pingan Health Pharmacy, Tianjin Kuaiyijie, Qingdao Ping An Kangjian Internet Hospital, Hefei Ping An Kangjian Internet Hospital, Jiangsu Nabaite, Yinchuan Pingan Internet Hospital, Wanjia Healthcare, Shanghai Pingan Wanjia, Shenzhen Pingan Wanjia, Xiamen Wanjia, Xiamen Siming Wanjia, Anan Outpatient Service Department, Pingan Health Insurance Agency, Guangzhou Jifan, Hainan Pingan Health, Hebei Nabaite, Yingjian Medical, Shanghai Yingjian Clinics, Guangxi Shuguang Health Technology, Chengdu Ping An Kangjian Internet Hospital, Shanghai Pingan (Eighth Hospital), Tianjin Pingan Kangjian Internet Hospital, Guangzhou Kangjian Internet Hospital, Ping An (Jiangsu) Internet, Shanghai Mengchong (上海盟寵) and Ping An Yingxiang.

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

(a) Exclusive Business Cooperation Agreement

Ping An Health Cloud entered into an exclusive business cooperation agreement (the "Exclusive Business Cooperation Agreement") with Kang Jian on 18 October 2017, pursuant to which, in exchange of an annual service fee, Ping An Health Cloud agreed to engage Kang Jian, the wholly-owned foreign enterprise ("WOFE"), as its exclusive provider of business support, technical and consulting services, including but not limited to, technical services, network support, business consultation, equipment, leasing, market consultancy, system integration, product research and development and system maintenance. Under the Exclusive Business Cooperation Agreement, the service fee shall consist of 100% of the profit before tax of Ping An Health Cloud, after deducting any accumulated losses of Ping An Health Cloud and its subsidiaries from the preceding fiscal year, costs, expenses, tax and other statutory contribution in relation to the respective fiscal year.

(b) Exclusive Equity Option Agreement

Ping An Health Cloud entered into an exclusive equity option agreement (the "Exclusive Equity Option Agreement") with Kang Jian and the PAHC Shareholders on 18 October 2017, pursuant to which, Kang Jian has the irrevocable and exclusive right to purchase, or to designate one or more persons to purchase, from the Registered Shareholders all or any part of their equity interests in Ping An Health Cloud at any time and from time to time in Kang Jian's absolute discretion to the extent permitted by the PRC laws for consideration as the higher of (a) a nominal price or (b) the lowest price as permitted under applicable PRC laws. The Exclusive Equity Option Agreement is for an initial term of ten years and may be extended for five-year terms indefinitely. It shall remain effective unless terminated (a) by mutual agreement; or (b) in writing by Kang Jian with 30 days' notice.

(c) Exclusive Asset Option Agreement

Ping An Health Cloud entered into an exclusive asset option agreement (the "Exclusive Asset Option Agreement") with Kang Jian and the PAHC Shareholders on 18 October 2017, pursuant to which, Kang Jian has the irrevocable and exclusive right to purchase, or to designate one or more persons to purchase, from Ping An Health Cloud all or any part of its assets at any time at Kang Jian's absolute discretion and to the extent permitted by the PRC laws for consideration as the higher of (a) a nominal price or (b) the lowest price as permitted under applicable PRC laws. The Exclusive Asset Option Agreement is for an initial term of ten years and may be extended for five-year terms indefinitely. It shall remain effective unless terminated (a) by mutual agreement; or (b) in writing by Kang Jian with 30 days' notice.

(d) Powers of Attorney

Ping An Health Cloud entered into an irrevocable power of attorney (the "Powers of Attorney") with Kang Jian and the PAHC Shareholders on 18 October 2017, pursuant to which the PAHC Shareholders appointed Kang Jian, any director authorized by Kang Jian (except the PAHC Shareholders) and his/her successors, or a liquidator replacing Kang Jian's director as their exclusive agent and attorney to act on their behalf on all matters concerning Ping An Health Cloud and to exercise all of their rights as a Registered Shareholder of Ping An Health Cloud in accordance with the PRC laws and the articles of association of Ping An Health Cloud. The term of the Powers of Attorney shall be the same as the term of the Exclusive Business Cooperation Agreement.

(e) Equity Pledge Agreement

Ping An Health Cloud entered into an equity pledge agreement (the "Equity Pledge Agreement") with Kang Jian and the PAHC Shareholders on 18 October 2017, pursuant to which the Registered Shareholders agreed to pledge as first charge all of their equity interests in Ping An Health Cloud to Kang Jian as collateral security for any and all of the guaranteed debt under the Contractual Arrangements and to secure the performance of their obligations under the Contractual Arrangements. During the pledge period, Kang Jian shall be entitled to receive any dividends or other distributable benefits arising from the pledged equity.

The pledge in favor of Kang Jian shall take effect upon the completion of registration with the relevant administration for industry and commerce and shall remain valid after all the contractual obligations of the PAHC Shareholders and Ping An Health Cloud under the Contractual Arrangements have been fully performed and all the outstanding debts of the PAHC Shareholders and Ping An Health Cloud under the Contractual Arrangements have been fully paid.

Should an event of default (as provided in the Equity Pledge Agreement) occur and unless it is successfully resolved to Kang Jian's satisfaction within 30 days upon being notified by Kang Jian, Kang Jian may demand that the Registered Shareholders immediately pay all outstanding payments due under the Contractual Arrangements and/or dispose of the pledged equity interest to repay any outstanding payments due to Kang Jian.

The pledges under the Equity Pledge Agreement completed the registration with the relevant PRC authorities pursuant to the PRC laws and regulations on 9 March 2018.

Save as disclosed above, there were no other new contractual arrangements entered into, renewed and/or re-entered into between the Group and the PAHC Shareholders and/or Operating Entities during the year ended 31 December 2024. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the year ended 31 December 2024.

For the year ended 31 December 2024, none of the Contractual Arrangements had been unwound on the basis that none of the restrictions that led to the adoption of the Contractual Arrangements had been removed. As of 31 December 2024, the Group had not encountered interference or encumbrance from any PRC governing bodies in operating the businesses through the Operating Entities under the Contractual Arrangements.

For the year ended 31 December 2024, the revenues of the Group mainly came from Ping An Health Cloud and its respective subsidiaries.

Qualification Requirements

Updates in Relation to the Qualification Requirements

On 11 December 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (the "FITE Regulations"), which were amended on 10 September 2008, 6 February 2016 and 1 May 2022. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, including Internet information services. On 6 September 2024, the National Development and Reform Commission and the Ministry of Commerce issued the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (effective on 1 November 2024), according to which the proportion of foreign-funded shares in value-added telecommunications services shall not exceed 50% (except for e-commerce, domestic multiparty communications, store and forward, and call centers). On 7 April 2022, the State Council promulgated the Decision on Amending and Repealing Certain Administrative Regulations, which amended the FITE Regulations and canceled the qualification requirements for foreign investors in foreign-invested telecommunications enterprises investing in and operating value-added telecommunications businesses under the FITE Regulations. On 8 April 2024, the Ministry of Industry and Information Technology issued the Announcement of the Ministry of Industry and Information Technology on Launching the Pilot Program of Expanding the Opening-Up of Value-Added Telecommunications Services. The pilot program shall be launched first in the Beijing Comprehensive Demonstration Zone for Further Opening-up of the Service Sector, the Lin-Gang Special Area of China (Shanghai) Pilot Free Trade Zone and the Leading Area in Socialist Modernization, the Hainan Free Trade Port, and the Shenzhen Leading Demonstration Zone of Socialism with Chinese Characteristics (the "Pilot Areas"). In the Pilot Areas, restrictions on the percentage of shareholding of foreign investors shall be removed for internet data centers (IDC), content distribution networks (CDN), internet service providers (ISP), online data processing and transaction processing, as well as information release platforms and delivery services (excluding internet news information, online publishing, internet audio-visual services, and internet cultural operations) in information services, information protection and processing service business (the "Pilot Businesses"). On 23 October 2024, the Ministry of Industry and Information Technology organized a symposium on the pilot program of expanding the opening-up of value-added telecommunications services, and officially launched the pilot program of expanding the opening-up of value-added telecommunications services in Beijing, Shanghai, Hainan and Shenzhen (the "Pilot Program"). As (1) despite the abolishment of the aforementioned qualification requirements for value-added telecommunications services and the percentage of the shareholding of foreign investors in a company engaging in the Pilot Businesses in the Pilot Areas, the operation of value-added telecommunications services outside of the Pilot Areas and the operation of value-added telecommunications services other than the Pilot Businesses in the Pilot Areas are still subject to restrictions on the percentage of shareholding of foreign investors, and foreign investors that meet these requirements must obtain approvals from MIIT and/or its authorized local counterparts; (2) after the Decision on Amending and Repealing Certain Administrative Regulations came into effect on 1 May 2022, the competent authorities have not issued further implementation rules or operation guidelines; (3) after the Pilot Program launched in October 2024, the approval time and results are subject to uncertainty.

Reasons for Adopting the Contractual Arrangements

Our value-added telecommunication services business, Internet cultural business, radio and television program production and operation business to the public and operation of online medical institutions operated through the Operating Entities and its respective subsidiaries are subject to foreign investment restriction and prohibitions in accordance with the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) and other laws and regulations and regulatory requirements in the PRC. Since foreign investment in such business areas in which we currently operate is subject to restrictions under the current applicable PRC laws and regulations, after consultation with our PRC legal advisor (Haiwen & Partners), we considered that it was not viable for the Company to hold our Operating Entities that operate the above businesses directly through equity ownership in our current practice. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Operating Entities through the Contractual Arrangements between Kang Jian, on the one hand, and our Operating Entities and its respective Shareholders, on the other hand. The Contractual Arrangements allow the results of operations and assets and liabilities of Ping An Health Cloud and its subsidiaries to be consolidated into our results of operations and assets and liabilities under IFRS as if they were subsidiaries of the Group. For details of the foreign investment restrictions relating to the Contractual Arrangements, please refer to the sections headed "Contractual Arrangements – PRC Regulatory Background" and "Contractual Arrangements – Development in the PRC Legislation on Foreign Investment" on pages 221 to 224 and pages 243 to 248 of the Prospectus.

The Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to the Group's legal structure and business, and that such transactions have been and will be entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that, given that the Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to the Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among others, the announcement, circular and independent Shareholders' approval requirements.

Risks Relating to the Contractual Arrangements

There are certain risks that are associated with the Contractual Arrangements, including:

If the PRC government finds that the agreements that establish the structure for operating our businesses in the PRC do not comply with applicable PRC laws and regulations, or if these laws/regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of the interests in the Operating Entities.

Our Contractual Arrangements may not be as effective in providing operational control as direct ownership, and Ping An Health Cloud or its Shareholders may fail to perform their obligations under our Contractual Arrangements.

We may lose the ability to use and benefit from assets held by Ping An Health Cloud that are material to our business operations if Ping An Health Cloud declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

The ultimate Shareholders of Ping An Health Cloud may have conflicts of interest with us, which may materially and adversely affect our business.

We conduct our business operations in the PRC through Ping An Health Cloud and its subsidiaries by way of the Contractual Arrangements, but certain terms of the Contractual Arrangements may not be enforceable under the PRC laws.

If we exercise the option to acquire equity ownership and assets of Ping An Health Cloud, the ownership or asset transfer may subject us to certain limitations and substantial costs.

Potential impact to the Company if the Contractual Arrangements are not treated as domestic investment.

Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

Further details of these risks are set out in the section headed "Risk Factors – Risks Relating to Our Contractual Arrangements" on pages 61 to 68 of the Prospectus.

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and the compliance with the Contractual Arrangements:

(a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion as and when they arise;

(b) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year; and

(c) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements and the legal compliance of Kang Jian and the Operating Entities in dealing with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waivers from the Stock Exchange

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules upon Listing as the parties to the Contractual Arrangements, namely Ping An Financial Technology and Urumqi Guangfengqi are connected persons of the Company. Ping An Financial Technology is a subsidiary of Ping An, our Controlling Shareholder, and is therefore an associate of Ping An. As at 31 December 2024, Urumqi Guangfengqi held 30% of the equity interest of Ping An Health Cloud.

In respect of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject, however, to the following conditions:

(a) no change without independent non-executive Directors' approval;

(b) no change without independent Shareholders' approval;

(c) on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding, on the one hand, and the Operating Entities, on the other hand, that framework may be renewed and/or re-entered into upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements; and

(d) we will disclose details relating to the Contractual Arrangements on an on-going basis.

Annual Review by the Independent Non-Executive Directors and the Auditor

For the year ended 31 December 2024, the independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that:

(a) the transactions carried out during the year ended 31 December 2024 had been entered into in accordance with the relevant provisions of the Contractual Arrangements;

(b) no dividends or other distributions had been made by Ping An Health Cloud to the holders of any of its equity interests which were not otherwise subsequently assigned or transferred to the Group;

(c) any new contracts entered into, renewed and/or re-entered into between the Group and Ping An Health Cloud during the year ended 31 December 2024 are fair and reasonable, or advantageous to our Shareholders, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole; and

(d) the Contractual Arrangements had been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Company's auditor has confirmed in a letter in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the HKICPA, under the requirements of Rule 14A.56 of the Listing Rules, to the Board that the transactions carried out pursuant to the Contractual Arrangements during the year ended 31 December 2024 had received the approval of the Board, had been entered into in accordance with the relevant provisions of the Contractual Arrangements, and that no dividends or other distributions had been made by the Operating Entities to the holders of any of their equity interests that were not otherwise subsequently assigned or transferred to the Group.

Auditor

The consolidated financial information of the Group has been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. The Company has not changed its auditor during any of the past three years.

Important Events After the Reporting Period

Save as disclosed in note 35 to the consolidated financial statements, no important events affecting the Group occurred after 31 December 2024 and up to the date of this Annual Report.

Audit and Risk Management Committee

The Audit and Risk Management Committee has reviewed the consolidated financial statements of the Group as of 31 December 2024. The Audit and Risk Management Committee has also discussed with the management of the Company the accounting policies and practices and internal controls adopted by the Company. Based on the above review and discussion with the management of the Company, the Audit and Risk Management Committee is satisfied that the consolidated financial statements of the Group have been prepared in accordance with the applicable accounting standards.

Sufficiency of Public Float

The Company has obtained a waiver from the Stock Exchange and the Stock Exchange has accepted, under Rule 8.08(1)(d) of the Listing Rules, a lower public float percentage of not less than 21.3% at the issued share capital of the Company.

During the Reporting Period and as at the date of this Annual Report, based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained the minimum public float as permitted by the Stock Exchange.

Litigation and Compliance

To the best knowledge of the Board, the Group has complied with the relevant laws and regulations that have a significant effect on the Group in all material respects. Save as disclosed in note 30 to the consolidated financial statements, no litigation or claim of material importance is pending or threatened against any member of the Group.

Changes of Directors and Chief Executives and Their Information

During the Reporting Period and up to the date of this Annual Report, changes of Directors and chief executives are set out as follows:

1. Mr. Michael Guo was appointed as a non-executive Director of the Company and a member of the Nomination and Remuneration Committee on 19 March 2024;

2. Ms. Fangfang Cai was appointed as a non-executive Director of the Company and a member of the Audit and Risk Management Committee on 19 March 2024;

3. Ms. Sin Yin Tan ceased to be a non-executive Director of the Company, and members of the Audit and Risk Management Committee and the Nomination and Remuneration Committee on 19 March 2024 due to personal work arrangement.

Pursuant to the disclosure requirement under Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors are as follows:

1. Mr. Michael Guo, a non-executive Director, has served as a director of Ping An Life Insurance since May 2024, a director of Ping An Property & Casualty Insurance since August 2024, an executive director of Ping An since September 2024, a director of Ping An Bank since September 2024 and a director of PKU Healthcare Management Co., Ltd. since December 2024;

2. Ms. Xin Fu, a non-executive Director, has served as a director of Ping An Bank since March 2024 and an executive director of Ping An since September 2024;

3. Dr. Wing Kin Anthony Chow, an independent non-executive Director, has served as an independent non-executive director of China Resources Beverage (Holdings) Company Limited (a company whose shares are listed in Hong Kong, stock code: 2460) since October 2024.

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

By the order of the Board
Chairman
Mr. Dou Li

12 March 2025

Corporate Governance Report

The Board is pleased to present the Corporate Governance Report of the Company.

Corporate Culture

Ping An Health, as a corporate healthcare management service provider, adheres to the value proposition of "worry-free, time-saving and money-saving", by being committed to the sound system and improved corporate governance structure and fully considering the interests of its stakeholders, such as employees and consumers, and addressing social and public interests of the society such as ecological and environmental protection bodies in order to create a better and sustainable future together. For the details of the corporate culture, system and governance level of Ping An Health, please refer to the section headed Environmental, Social and Governance Report in this Annual Report.

Corporate Governance Practices

The Board is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that the Company's affairs are conducted in accordance with relevant laws and regulations and to enhance the transparency and accountability of the Board to Shareholders.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value and formulate its business strategies and policies.

The Company was listed on the Main Board of the Stock Exchange on 4 May 2018. The Company has adopted the code provisions as set out in the Corporate Governance Code as our code of corporate governance.

In the opinion of the Directors, during the Reporting Period, the Company has complied with all applicable code provisions set out in the Corporate Governance Code, save and except for code provision C.2.1 which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Details of the deviations are set out in the section headed "Chairman and Chief Executive Officer" in this Corporate Governance Report.

The Board will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors' dealings in the securities of the Company. Having made specific enquiry to all the Directors, all the Directors confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period.

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.

Board of Directors

Board composition

The Board of the Company has nine Directors (including the chairman), comprising two executive Directors, four non-executive Directors and three independent non-executive Directors.

The list of Directors is as follows:

Executive Directors

Mr. Dou Li (Chairman, member of the Sustainable Development Committee)
Mr. Jun Wu

Non-executive Directors

Mr. Michael Guo (Member of the Nomination and Remuneration Committee)
Ms. Fangfang Cai (Member of the Audit and Risk Management Committee)
Ms. Xin Fu (Member of the Sustainable Development Committee)
Mr. Ziyang Zhu

Independent Non-executive Directors

Mr. Yunwei Tang (Chairman of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee)
Mr. Tianyong Guo (Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Management Committee)
Dr. Wing Kin Anthony Chow (Chairman of the Sustainable Development Committee and member of the Nomination and Remuneration Committee)

Mr. Michael Guo and Ms. Fangfang Cai were appointed as non-executive Directors of the Company on 19 March 2024 and confirmed that they (i) have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 18 March 2024, and (ii) understand his or her obligations as a director of a listed issuer under the Listing Rules.

The biographies of the Directors are set out in the section headed "Directors and Senior Management" of this Annual Report. There is no relationship between Directors and senior management.

Chairman and Chief Executive Officer

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. However, having considered the relevant principles under code provision C.2.1 of the Corporate Governance Code and reviewed the management structure of the Company, the Board is of the view that:

Mr. Dou Li concurrently holds the positions of both the chairman and the chief executive officer of the Company. 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 of the Company 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 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 of the Company can perform his duties diligently and effectively. At the same time, based on the actual situation of the Company and considering Mr. Dou Li's professional competence and extensive experience in various fields such as medicine, fast-moving consumer goods, insurance and elderly care, vesting the roles of both chairman and chief executive officer in the same person is beneficial to the implementation and execution of the strategies and business of the Company. Based on the above reasons, the Board is of the opinion that the Company's management structure is superior to the arrangements under the code provision and 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.

Independent Non-executive Directors

The Company has established a number of mechanisms to ensure that the Board has access to independent views and opinions to promote the steady development of the Company. The relevant mechanisms are set out in the Terms of Reference of the Audit and Risk Management Committee, the Terms of Reference of the Nomination and Remuneration Committee, the Terms of Reference of the Sustainable Development Committee and the Articles of Association of the Company. The Board will review such relevant mechanisms at least once every year from time to time to ensure their reasonableness and effectiveness.

In respect of the structure, number of members and composition of the Board, the Company requires the minimum proportion and number of independent non-executive Directors in the Board to ensure that the composition of executive Directors, non-executive Directors and independent non-executive Directors of the Company remains balanced, so that the Board maintains a strong independent element. The Company will review the independence, professional qualifications and prior experience of the independent non-executive Directors to ensure that the independent non-executive Directors have sufficient talents, vision and opportunities to provide influential independent opinions, so as to ensure that the Board can think from multiple perspectives in decision-making.

The Company has also established a guarantee mechanism for Directors to perform their duties, which creates a good condition for the Board to obtain independent views and opinions. The number of meetings in which the Directors attended and expressed their opinions requires the Directors to perform their duties. Notices and documents of Board meetings shall be delivered to all Directors in advance in order to allow the Directors to understand the contents of the meetings and to form their independent opinions. Where appropriate, the secretary to the Board shall seek independent professional advice for the Directors when they are required to perform their duties, which provides an effective channel for the opinions to be included in the scope of diversity. For independent non-executive Directors, the relevant provisions also include the rights to know of the independent non-executive Directors. The Company shall not remove the independent non-executive Directors without reason, and the Company shall provide the independent non-executive Directors with appropriate remuneration, so as to clear obstacles for independent non-executive Directors to express an independent and objective view.

In addition, the independent non-executive Directors also play a significant role in the matters reviewed or approved by the Board. If a substantial Shareholder or a Director has a material conflict of interest in a matter to be considered by the Board, the Company will require the relevant matter to be considered by the Board at a Board meeting and the independent non-executive Directors who have no material interest in the matter to be present at the Board meeting, so as to enable the independent non-executive Directors to exchange views with other Directors in a timely manner. If the transaction is a material connected transaction, it shall be submitted to the Board for discussion after being approved by the independent Directors in order to safeguard the interests of the Company as a whole. The independent non-executive Directors may also express their independent opinions to the Board on a number of matters, including the appointment and removal of Directors, the appointment and removal of senior management, remuneration and external guarantees provided by the Company.

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors and representing at least one-third of the number of members of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also appointed independent non-executive Directors who represent at least one-third of the Board in accordance with Rule 3.10A of the Listing Rules.

Confirmation of Independence of Independent Non-executive Directors

The Company has received confirmation from each of the independent non-executive Directors in respect of his independence pursuant to Rule 3.13 of the Listing Rules, and the Company considered each of the relevant Directors to be independent during the Reporting Period.

Non-executive Directors and Re-election of Directors

The non-executive Directors (including independent non-executive Directors) are appointed for a specific term of three years, subject to the Memorandum and Articles of Association and the Listing Rules.

Under the Memorandum and Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of general meeting at which he retires and shall be eligible for re-election at the general meeting.

The Memorandum and Articles of Association also provides that all Directors appointed to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after their appointment and shall then be eligible for re-election at that meeting.

Responsibilities of the Directors

The Board is responsible for the management of the Company and accountable to the Shareholders for the assets and resources entrusted by them. The Board represents and is obliged to act in the interests of the Shareholders as a whole.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulation of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board is responsible for decision-making in all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. The Board has delegated its powers relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company to Mr. Dou Li, the chief executive officer.

Board Committees

The Board has established three committees, namely, the Audit and Risk Management Committee, the Nomination and Remuneration Committee and the Sustainable Development Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit and Risk Management Committee, the Nomination and Remuneration Committee and the Sustainable Development Committee are available on the websites of the Company and the Stock Exchange.

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 control 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. Yunwei Tang and Mr. Tianyong Guo and one non-executive Director, namely, Ms. Fangfang Cai. Mr. Yunwei Tang, being the chairman of the Audit and Risk Management Committee, is appropriately qualified as required.

During the Reporting Period, the Audit and Risk Management Committee has held four meetings. Details of the individual attendance records of each member of the committee are set out in the section headed "Attendance Record of Directors at Meetings". At the meeting, the Audit and Risk Management Committee reviewed the interim results announcement and interim report of the Group for the six months ended 30 June 2024, the management accounts of the Group for the three months ended 31 March 2024 and the nine months ended 30 September 2024 as well as the risk management and internal control system and the arrangements that allow the employees to raise concerns about the possible misconduct and made suggestions to the Board.

The Company has established special internal audit function which carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control system. The Audit and Risk Management Committee, on behalf of the Board, reviews the construction, implementation and inspection work of the management of the Company in the risk management and internal control system on a quarterly basis, and reviews the effectiveness of the risk management and internal control system on an annual basis. The Company gives the Directors sufficient instructions and information for performing their duties, so that the Directors can make an informed assessment when financial and other information is submitted for approval. The Audit and Risk Management Committee continues to review the risk management and internal control system on behalf of the Board. The review processes include but are not limited to holding meetings with each of the business and functional management teams, legal and compliance department, audit and monitoring department and external auditors, reviewing relevant work reports and key performance indicator information, and discussing major risks with the senior management of the Company.

Nomination and Remuneration Committee

The Company has established a Nomination and Remuneration Committee in compliance with the Corporate Governance Code. The primary duties of the Nomination and Remuneration Committee are to make recommendations to the Board on the remuneration policy and structure of the Directors and senior management of the Company, and on the establishment of a formal and transparent procedure for developing remuneration policy, to ensure that neither Director nor any of his/her associate be involved in deciding his/her own remuneration; to determine, based on the authorization of the Board, the remuneration package for individual executive Director and senior management of the Company, including monetary benefits, benefits in kind, pension rights and compensation amount (including compensation payable for loss or termination of office or appointment); to timely review the structure, size and composition of the Board and committees under the Board, and to advise on any change to be made to the Board and committees under the Board for coping with strategies of the Company; to study the criteria and procedures for selection of Directors and senior management, to make recommendation to the Board on the appointment and reappointment of Directors and plans for succession of Directors (especially the chairman and the chief executive officer), and to assess the independence of independent non-executive Directors.

The Nomination and Remuneration Committee has formulated and reviewed the board diversity policy of the Company, covering all aspects and factors of the board diversity, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience. The Nomination and Remuneration Committee will discuss and agree on the measurable objectives of achieving board diversity (if necessary) and recommend them to the Board for adoption.

When identifying and selecting suitable Director candidates, the Nomination and Remuneration Committee will consider the personality, qualifications, experience, independence and other necessary conditions for coordinating corporate strategies and achieving board diversity (if appropriate) of the relevant candidates before making recommendations to the Board.

The Nomination and Remuneration Committee comprises three independent non-executive Directors, namely Mr. Tianyong Guo, Mr. Yunwei Tang and Dr. Wing Kin Anthony Chow and one non-executive Director, namely Mr. Michael Guo. Mr. Tianyong Guo is the chairman of the Nomination and Remuneration Committee.

During the Reporting Period, the Nomination and Remuneration Committee held two meetings. Details of the individual attendance records of each member of the committee were set out in the section headed "Attendance Record of Directors at Meetings". At the meeting, the Nomination and Remuneration Committee reviewed the matter relating to the Directors who were subject to re-election and retirement, reviewed the remuneration package of senior management of the Company and nominated new candidates for directorship.

According to code provision E.1.5 of the Corporate Governance Code, the remuneration for members of the senior management of the Company for the year ended 31 December 2024 within the following bands is set out below:

	Number of Persons
RMB3,000,001 – RMB5,000,000	2
RMB5,000,001 – RMB7,000,000	1
Above RMB7,000,001	1

The remuneration details of all Directors and the five persons with the highest remuneration (other than Directors) for the year ended 31 December 2024 are set out in note 8 and note 9 to the consolidated financial statements.

Nomination Policy for Directors

From the needs of the Company's business development, if the Nomination and Remuneration Committee considers it necessary to recommend directors to the Board, the Nomination and Remuneration Committee may take such measures as it deems appropriate to identify and evaluate candidates.

The secretary of the Nomination and Remuneration Committee is required to convene a Nomination and Remuneration Committee meeting and invites the Board members to nominate candidates (if any) for the Nomination and Remuneration Committee to consider before the meeting. The Nomination and Remuneration Committee may also nominate candidates who are not nominated by the Board members.

The Nomination and Remuneration Committee may recommend to the Board candidates recommended or nominated by the Company's Shareholders as the nominees elected by the Board. The appointment or re-election of Directors and the succession plan of Directors are subject to the approval by the Board.

The Nomination and Remuneration Committee may refer the candidate's personal profile and recommendations to the Board for consideration when recommending candidates. In order for the proposal to be effective, the recommendation must clearly state the nomination intention and the candidate agrees to be nominated. The personal profile must include and/or be accompanied by full details of the candidate required to be disclosed under the Listing Rules, including the information and/or confirmation required by Rule 13.51(2) of the Listing Rules.

According to Article 16.4 of the Memorandum and Articles of Association, a Shareholder can serve a notice to the Company within the lodgment period of its intention to propose a resolution to elect a certain person other than the candidate listed in the circular of the general meeting as a Director without the recommendation of the Board or the review and nomination of the Nomination and Remuneration Committee. Details of the candidates so proposed will be sent to all Shareholders through a supplementary circular.

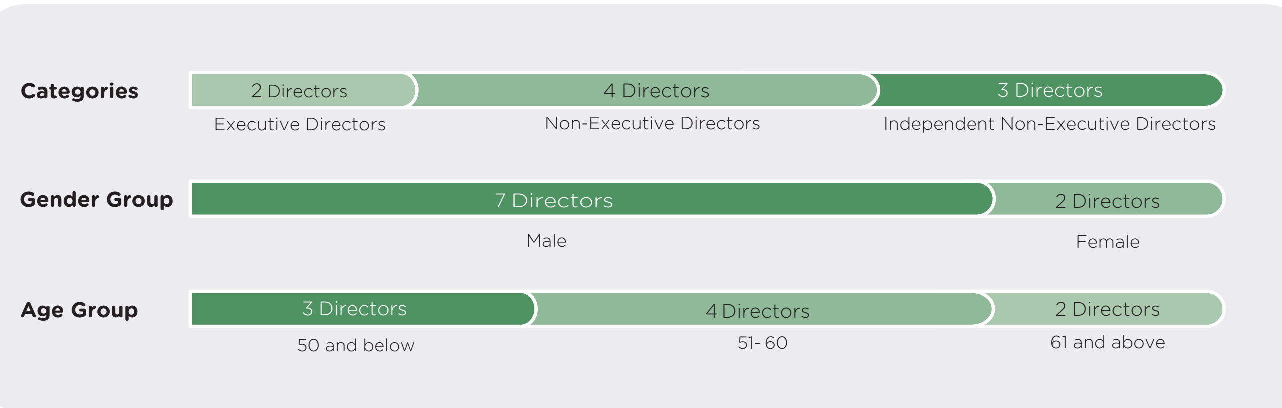
Diversity Policy

The Company recognizes and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the talents, skills, regional and industry experience, background, gender and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All appointments of the members of the Board are based on merit, in the content of the talents, skills and experience which the Board as a whole requires for operation.

The Nomination and Remuneration Committee of the Company reviews and assesses the composition of the Board and makes recommendations to the Board on appointment of new Directors. The Nomination and Remuneration Committee also oversees the conduct of the annual review of the effectiveness of the Board. In reviewing and assessing the composition of the Board, the Nomination and Remuneration Committee has considered the benefits of all aspects of diversity, including but not limited to those described above, in order to maintain an appropriate range and balance of talents, skills, experience and background of the Board. In recommending candidates for appointment to the Board, the Nomination and Remuneration Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity of the Board. In overseeing the conduct of the annual review of the effectiveness of the Board, the Nomination and Remuneration Committee will consider the balance of talents, skills, experience, independence and knowledge of the Board and the diversity representation of the Board.

Expertise and skills of the Directors include finance, financial management, law and health-tech, etc. The Nomination and Remuneration Committee considers that the Board is sufficiently diversified.

The diversified composition of the Board provides professional support for the effective decision-making of the Board



As at 31 December 2024, the gender ratio of the Group's workforce was 39.6% male to 60.4% female. The Company has implemented fair employment practices and recruitment is based on merit without discrimination. We will continue to strive for a higher female representation with reference to the Shareholders' expectations and recommended best practices, so as to achieve suitable and balanced gender diversity.

Sustainable Development Committee

The Company has established the Sustainable Development Committee in accordance with the Articles of Association. The primary duties of the Sustainable Development Committee are to assist the Board in identifying and evaluating the Company's ESG opportunities and risks, supervising and evaluating the implementation and performance of ESG initiatives and projects, and advising the Board on ESG-related legal, regulatory and compliance development and public policy trends.

The Sustainable Development Committee comprises one independent non-executive Director Dr. Wing Kin Anthony Chow, one executive Director Mr. Dou Li and one non-executive Director Ms. Xin Fu. Dr. Wing Kin Anthony Chow is the chairman of the Sustainable Development Committee.

During the Reporting Period, the Sustainable Development Committee held two meetings. Details of the individual attendance records of each member of the committee were set out in the section headed "Attendance Record of Directors at Meetings". At the meeting, the Sustainable Development Committee reviewed the sustainable development strategies, targets and action plans of the Group, etc.

Attendance Record of Directors at Meetings and Continuous Professional Development

The Directors must always be aware of their duties as Directors and the operations, business activities and development of the Company.

Every newly appointed Director has received formal, comprehensive and tailored induction on the occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of the Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. The Company will arrange internal briefings for Directors and provide reading materials on relevant topics to Directors where appropriate. All Directors are encouraged to attend relevant training at the Company's expenses.

During the Reporting Period, the Company has provided the Directors with relevant reading information such as the latest legal and regulatory information for their reference and learning, to ensure that the Directors understand the business and operations of the Group and their duties and obligations.

During the Reporting Period, all Directors have pursued continuous professional development and have received training and training materials, including those from the Company's eligible professionals/lawyers, about matters relevant to their duties as directors of a listed company. They are also kept abreast of matters relevant to their role as Directors by attendance at conferences and reading relevant materials.

The attendance record of each Director at the general meetings, Board and Board committee meetings of the Company held during the Reporting Period and their participation in continuous professional development are set out in the table below:

Name of Directors	Number of Meetings Attended/Number of Meetings Eligible to Attend from 1 January 2024 to 31 December 2024					
	General Meeting	Board	Audit and Risk Management Committee	Nomination and Remuneration Committee	Sustainable Development Committee	Participation in continuous professional development
Executive Directors						
Mr. Dou Li (Chairman)	2/2	5/5	-	-	2/2	✓
Mr. Jun Wu	2/2	5/5	-	-	-	✓
Non-executive Directors						
Ms. Sin Yin Tan [(1)]	0/0	1/1	1/1	1/1	-	
Mr. Michael Guo [(2)]	2/2	4/4	-	1/1		✓
Ms. Fangfang Cai [(3)]	2/2	4/4	3/3	-		✓
Ms. Xin Fu	2/2	5/5	-	-	2/2	✓
Mr. Ziyang Zhu	2/2	5/5	-	-	-	✓
Independent Non-executive Directors						
Mr. Yunwei Tang	2/2	5/5	4/4	2/2	-	✓
Mr. Tianyong Guo	2/2	5/5	4/4	2/2	-	✓
Dr. Wing Kin Anthony Chow	2/2	5/5	-	2/2	2/2	✓

During the Reporting Period, save as disclosed in the above table, the chairman has held one meeting with the independent non-executive Directors without the presence of other Directors.

Notes:

(1) Ms. Sin Yin Tan resigned as a non-executive Director of the Company, and a member of each of the Audit and Risk Management Committee and the Nomination and Remuneration Committee of the Company on 19 March 2024;

(2) Mr. Michael Guo was appointed as a non-executive Director of the Company, and a member of the Nomination and Remuneration Committee of the Company on 19 March 2024;

(3) Ms. Fangfang Cai was appointed as a non-executive Director of the Company, and a member of the Audit and Risk Management Committee of the Company on 19 March 2024.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the Corporate Governance Code.

The Board is responsible for reviewing the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the Corporate Governance Code and the disclosure in this Corporate Governance Report. The Board has performed the above duties during the Reporting Period.

Director's Financial Reporting Responsibility on Consolidated Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2024.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement from the Company's independent auditor, PricewaterhouseCoopers, regarding its reporting responsibility on the financial statements is set out in the Independent Auditor's Report on pages 75 to 79 of this Annual Report.

Risk Management and Internal Control

An adequate and effective risk management and internal control system is an important guarantee to achieve the strategic goals of the Company. The risk management and internal control system shall ensure that the Company complies with the relevant laws, regulations and regulatory policies, the business activities of the Company are carried out effectively, and that the accounting records are true and accurate.

The Board and the management of the Company have always attached great importance to the establishment of the risk management and internal control system, and regarded it as one of the core contents of the operation, management and business activities, so as to continuously establish the risk management and internal control system that matches its strategies and integrates with its businesses.

The Board confirms its responsibility for ensuring that the Company establishes and maintains a fully effective risk management and internal control system. The Board is responsible for overseeing the risks exposure to the Company, determining the nature and level of risk that the Company is willing to take to achieve its development goals and implement its relevant strategies, and actively analyzing and developing strategies to manage the key risks exposure to the Company. The Audit and Risk Management Committee, on behalf of the Board, reviews the construction, implementation and inspection work of the management of the Company in the risk management and internal control system on a quarterly basis, and reviews the effectiveness of the risk management and internal control system on an annual basis. The Company gives the Directors sufficient instructions and information for performing their duties, so that the Directors can make an informed assessment when financial and other information is submitted for approval.

In order to ensure the effectiveness of the risk management and internal control system, the Company has adopted a "three lines of defense" model comprising the operational management carried out by business departments/functional departments, the risk management carried out by the risk control department, and the independent audit and anti-fraud investigation carried out by the audit and monitoring department, and established the risk management and internal control organizational structure under the supervision and guidance of the Board with reference to the actual situation of the Company.

First Line of Defense – Operations and Management

The first line of defense primarily consists of the Company's various business departments and functional departments, which are responsible for daily operations and management, as well as designing and implementing relevant controls to address risks.

Second Line of Defense – Risk Management

The second line of defense primarily consists of the Company's various risk control departments. Among them, the internal control department is responsible for formulating policies related to risk management and internal control, planning and developing the risk management and internal control systems, leading the identification and monitoring of the risks and internal control of the Company, assisting the first line of defense in establishing and improving its risk management and internal control systems, and performing supervisory functions, which reasonably ensures the effective implementation of risk management and internal control activities of the first line of defense, and reporting any findings and follow-up actions to the Audit and Risk Management Committee. Each sub-risk control department is responsible for assisting and supervising the implementation of risk management systems across various risk categories by their respective departments, promptly identifying risk vulnerabilities, and reporting any risk or internal control matters to the legal and compliance department.

Third Line of Defense – Independent Assurance

The audit and monitoring department fulfills the third line of defense functions and is responsible for providing an independent evaluation of the effectiveness of the risk management and internal control system of the Company, receiving multi-channel reports, following up and investigating suspected fraud incidents, meanwhile assisting the management in promoting anti-corruption education to all employees of the Company. Internal audit and investigation results are reported directly to the Audit and Risk Management Committee. Before the formal confirmation that the problems found in the audit are completely rectified, the audit and monitoring department is responsible for reviewing the rectification plan proposed by the management of the Company on the problems found in the audit and reviewing the adequacy and effectiveness of the relevant rectification measures.

The aforesaid risk management and internal control system is designed to manage, and do not completely eliminate the risk that the Company may not be able to implement its business strategy, and may only make reasonable, but not absolute, assurances of material misstatement or loss.

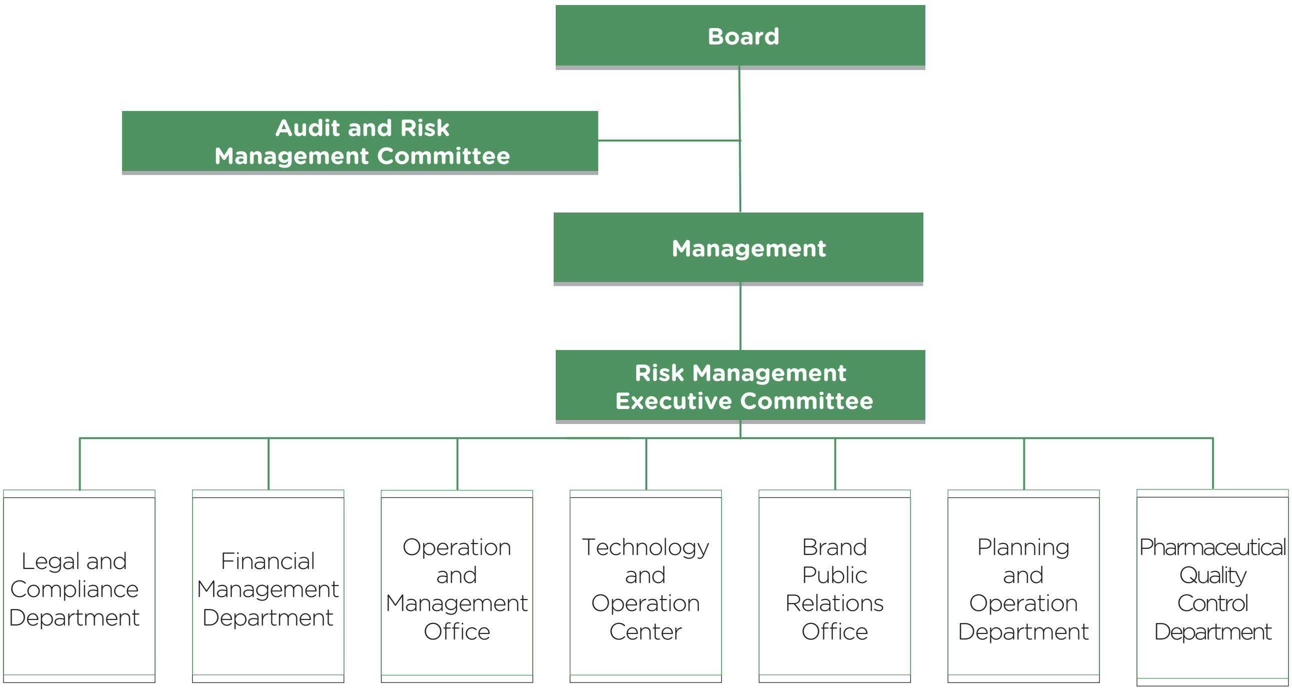
Risk Management

The Company has always been committed to continuously improving the risk management organizational structure and standardizing the risk management system. In 2024, the Company further optimized the risk management and internal control systems, and leveraging the Risk Management Executive Committee's role as the "baton" and "wind vane" in macro risk management, further reinforced the risk management responsibilities of the first line of defense and strengthened the risk management efforts by the risk control departments of the second line of defense across various sub-risk areas. The Company continuously enriched risk monitoring tools, enabling the second line of defense to delve deeper into the frontlines of business operations, and actively providing risk management and internal control support during business processes. By enhancing digital capabilities, the Company further assisted the business in more comprehensively and promptly identifying and managing risks, fostering healthy business development. The Company consistently improved system rigid control, gradually transitioning from "human-based prevention" to a dual approach of "human-based prevention" + "technology-based prevention." While enhancing risk identification technical capabilities, the Company appointed risk management specialists in various departments to strengthen risk identification outreach, embedding risk management into the frontlines of business and operations, which further increased risk identification touchpoints and reporting channels, sharpened the Board's sensitivity to risks and truly achieved early risk detection, reporting, resolution, and handling.

The audit and monitoring department continued to conduct independent audits on different key business and management areas, enhancing its digital audit capabilities to more efficiently identify risks and provide timely and effective independent evaluations. The Company further strengthened the promotion of values to its employees, raised expectations for managers, and utilized digital means to actively and promptly follow up on and investigate suspected fraud incidents. Additionally, the Company further enhanced the collaboration among the three lines of defense to more effectively support the Company's development.

Risk Management Organizational Structure:

The Company has implemented the requirements of external laws, regulations and regulatory policies, the Memorandum and Articles of Association and relevant systems on risk management, and has established a risk management organizational structure under which the Board shall assume the ultimate responsibility, the management shall directly lead with support from the Risk Management Executive Committee and close cooperation among various functional departments to cover all business lines and risks.



The Board is the highest decision-making body for risk management of the Company and is responsible for the effectiveness of risk management of the Company. The Board has established the Audit and Risk Management Committee to comprehensively understand and evaluate the Company's major risks and their management status, and supervise the effectiveness of the operation of the risk management system. As a professional committee under the management of the Company, the Risk Management Executive Committee of the Company is the leading body of the Company's risk management for conducting risk management and making major decisions thereof, which shall be responsible for the overall risk management of the Company. The duties of the Risk Management Executive Committee of the Company mainly include reviewing the overall objectives of risk management, risk appetite, risk limits and basic policies and principles of risk management, guiding the establishment and improvement of various risk management systems as well as promoting the building of a comprehensive risk management culture within the Company.

The Risk Management Executive Committee of the Company is chaired by the chairman of the Company while the vice chairmen shall be assumed by the general manager of the Company and the leader for comprehensive risk management. Its members comprise leaders in charge of the management of different risks. The committee comprehensively covers the Company's compliant operational risk, liquidity risk, strategic risk, operational risk, brand reputation risk, information technology risk and medical risk, which fully implements the responsibilities of risk management.

Risk Management Culture:

With the continuous improvement of the risk management system, the Company has formed a comprehensive risk management culture and atmosphere among the Board, the management and employees of the Company, and gradually established an effective and smooth risk management mechanism from top to bottom and vice versa, laying a solid foundation for the risk management to play a full role in daily operation and support management and decision-making. In respect of training on risk awareness, the Company provides regular risk management and internal control training to all employees through various channels such as on-site and online courses and education series campaigns. The training covers topics such as risk management system, key risk analysis and internal control activities. In addition, the training is conducted at different tiered and hierarchical levels, and the risk management training is included in the compulsory courses for new employees, and targeted and customized training is organized for key positions in risk management to enhance the overall employees' risk awareness.

The Company has established a closed-loop mechanism of pre-event risk education, in-process tool-based monitoring, and post-event reward and penalty, incorporating risk management into the Company's culture, system and processes, and job responsibilities and fully integrating risk management and internal control, thus gradually forming a flywheel effect.

Risk Management Methods:

The Company continues to optimize its risk management system, improve its organizational structure, formulate risk management policy and guidelines, standardize the risk management procedures and fulfill risk management responsibilities. The Company adopts qualitative and quantitative risk management methods to effectively identify, assess and mitigate risks.

- The Company has established an optimal risk governance framework and risk management communication and reporting mechanism, and integrated risk management culture into the overall process of corporate culture establishment. The Company will strengthen the centralized risk management from the perspectives of policy formulation, system construction and risk reporting.

- The Company utilizes tools and methods such as the risk dashboard and stress tests to continuously develop and optimize the risk management techniques and models to identify, analyze and manage risks with qualitative and quantitative methods.

- The Company continues to improve its risk warning mechanism, providing timely and effective alerts on industry developments, regulatory information and risk events, guarding against potential risks and optimizing its risk management mechanism.

- The Company carries out comprehensive assessment of risk management capabilities, and constantly improves risk management monitoring indicators and measurement methods, promoting the smart transformation of the risk management to enhance the efficiency of risk management of the Company.

Risk Management Process

In 2024, the Company strictly complied with external regulatory requirements. The Company has strategically established a prudent risk appetite, adhered to the concept of closed-loop management throughout the life cycle, and ensured that risks were controllable, traceable and reducible through comprehensive coverage for and collaboration among pre-event, in-process and post-event stage.

For the pre-event stage, the Company has established a sound risk identification and assessment mechanism, comprehensively identified potential risks through data analysis, expert evaluation and industry benchmarking, and developed targeted control measures, risk database and emergency plan.

For the in-process stage, the Company dynamically monitored risks through the establishment of a three-tier risk transmission system, including bottom-line indicators, limit indicators and daily monitoring indicators, by virtue of the intelligent monitoring tools and early warning systems. The bottom-line indicator is the minimum requirement on risk tolerance to ensure that the Company's operations do not cross the red line. The limit indicator is used as the threshold for risk early warning, to remind risk overrun in a timely manner. The daily monitoring indicator focuses on the real-time tracking of key risk points to ensure that the risks are controllable. Through dynamic monitoring and analysis, the Company can detect anomalies in time and take corrective measures to ensure that risks are under control.

For the post-event stage, the Company has established a strict rectification mechanism and reward and punishment system to conduct in-depth analysis on risk events, summarize experience and lessons, and optimize management systems and processes. The Company also rewarded departments or staffs with excellent performance, and pursued responsibilities for dereliction of duty, developing closed-loop management. Through a series of measures, the Company has effectively improved its risk management capabilities and ensured its operations are sound and sustainable.

Risk Analysis:

The Company classifies risks into different categories to ensure that risks are identified and managed systematically. The risk exposures of the Company may change as its business scale, operational scope, complexity and external environment continue to change. Key risk definitions and applicable strategies are summarized as follows:

Compliant Operation Risk

Compliant operation risk refers to the risk of direct or indirect losses due to inadequate internal operational procedures, personnel, systems or external events.

The Company continues to pay attention to and implement regulatory compliance and operational risk management strategies. Based on the existing compliance management and internal control system, the Company integrates advanced internal and external experience, methods and tools, establishes and improves the compliance operational risk management system on an ongoing basis, enhances the internal control and operational risk management and strengthens the coordination among various departments. The Company also establishes daily monitoring and reporting mechanism to regularly report the overall risk situation to the management, and continuously improves the effectiveness and standard of risk management.

Information Technology Risk

Information technology risk refers to the operational, legal and reputational risks faced by the Company due to natural factors, human factors, technical loopholes and management flaws in the application of information technology.

The Company closely follows the national development plan and risk management requirements, continuously promotes the transformation of intelligent and data-based operations, and strengthens the management and control of information technology risks. On the one hand, it improves the ability to prevent, monitor and respond to information security compliance and information security risks, and builds a sound intelligent prevention and control system for information security compliance and information security risks. On the other hand, the Company strengthens the risk management system of technology research and development and technology operation, enhances the safety management of technology research and development, and improves the efficiency and stability of technology operation.

Brand Reputation Risk

Brand reputation risk refers to the risk of negative comments on the Company from stakeholders due to the Company's operation, management or external events, resulting in brand reputation and other related losses.

The Company has established reputation risk management, press spokesperson and press release management, market activities management and social media management policies to comprehensively guide press releases and publicity and reputation risk management. The Company adheres to a full-process management mechanism of assessment in advance, crisis management during an event and review and summary afterwards, and combines the network system of brand culture ambassadors and irregular brand culture training, public opinion management training and reputation risk scenario drills to continuously improve the management standard of brand reputation risk.

Operational Risk

Operational risk refers to the risk of losses resulting from inadequate or failed operational processes, people and cross-departmental assistance.

The Company has always attached great importance to the management and control of operational risks. A risk management organization consisting of professionals has been established to continuously improve the effectiveness and standard of operational risk management through deepening the promotion of operational risk management policies, covering core business areas such as procurement, sales, products, and operations in an end-to-end manner, continuously monitoring risk points focusing on business characteristics, forming closed-loop management, strengthening the construction of digital risks control system and improving the timeliness of risk monitoring and management.

Strategy Risk

Strategy risk refers to the risk of mismatch between the Company's strategies and the market environment and the Company's ability due to ineffective procedures for strategy planning and implementation or changes in the business environment.

The management of the Company has attached great importance to strategy planning, which can only be implemented after strict discussion and review. The Company has also monitored the implementation of the strategy through the mechanisms of budget management, execution monitoring, and operation analysis and adjustment.

Medical Risk

Medical risk refers to the risk that injury or disability may occur to patients in the course of receiving medical services and all possible medical safety incidents related to patients, society or the Company.

The Company keeps up with the requirements of policies and regulations, timely improves the management regulations relating to the Company's Internet hospital management and Internet diagnosis and treatment, and establishes a professional management team for medical compliance management and medical quality control. Through the three-level quality control and training system, the operation of ISO9001 quality management system and the sound complaint handling procedure system, the Company continuously improves medical quality, service quality and customer satisfaction. It also maintains insurance coverage for medical liability risks associated with our operations.

The Audit and Risk Management Committee assists the Board in examining the overall risk profile of the Company and reviewing changes in the nature and severity of the Company's major risks. The Audit and Risk Management Committee considers that the management of the Company has taken appropriate measures to address and manage the key risks at a level acceptable to the Board.

Internal Control

The management of the Company is responsible for designing, implementing and maintaining the effectiveness of its internal control system, and the Board and the Audit and Risk Management Committee are responsible for exercising supervision over the appropriateness and effective implementation of the internal control measures introduced by the management.

Important segments of the Company's internal control system include delineating the management responsibilities of each party in key business segments, formulating clear written policies and procedures regarding important business processes and conveying them to employees. The Company's policy is the management standard of each business process, covering aspects such as finance, legal affairs and operation, and all employees shall strictly implement it.

In order to further strengthen the management's responsibility for the Company's internal control system and clearly confirm the effectiveness of the control system by the management, the management of the Company conducts self-assessment and confirmation of the internal control of key businesses and strategic business lines. The legal and compliance department assists the management in compiling the self-assessment questionnaire, guides the management of relevant departments in carrying out self-assessment, and collects, reviews and verifies the self-assessment results. The self-assessment and review results have been directly reported to the Audit and Risk Management Committee for consideration.

In addition, the audit and monitoring department shall supervise the management in the construction of risk management and internal control system, regulate the management in the implementation of appropriate measures to objectively evaluate the effectiveness of the risk management and internal control system of the Company and report the evaluation results to the Audit and Risk Management Committee at least on an annual basis. The audit and monitoring department directly makes a report to the Audit and Risk Management Committee in a timely manner regarding major internal control deficiencies, exercises supervision over the implementation of the rectification plan by the management, and reviews the full effectiveness of relevant rectification.

Effectiveness of Risk Management and Internal Control

The Audit and Risk Management Committee continues to review the risk management and internal control system on behalf of the Board, and reviews it at least once every year. The review processes include but are not limited to holding meetings with each of the business and functional management teams, legal and compliance department, audit and monitoring department and external auditors, reviewing relevant work reports and key performance indicator information, and discussing major risks with the senior management of the Company.

For the year ended 31 December 2024, the Board considers that the risk management and internal control system of the Company was effective and sufficient. The risk management and internal control system for finance, operation and compliance of the Company is effective and adequate.

In addition, the Board has confirmed that the accounting and financial reporting functions and ESG performance and reporting of the Company have been performed by the employees with appropriate qualifications and experience who have received adequate and appropriate training and development. Based on the work report of the Audit and Risk Management Committee, the Board has confirmed that the internal audit function of the Company is sufficient, the relevant resources and budget are sufficient, and the relevant employees are equipped with appropriate qualifications and experience, and have received sufficient training and development.

The Company has formulated an insider management, securities dealing and information disclosure policy to provide comprehensive guidance for the Directors, senior management, Shareholders holding more than 5% and other relevant employees in handling confidential information, dealing in securities and supervising information disclosure. Disclosure of regular reports, provisional reports and emergency handling of the Company are released after reasonable examination, so as to ensure that the information disclosed is true, accurate and complete, without false records, misleading statements or major omissions. The Board is responsible for implementing the procedural provisions in the information disclosure policy, and the Company's audit and monitoring department is responsible for checking and supervising the effective operation of the procedures, and for supervising and urging the correction of abnormal behaviors.

Remuneration of the Auditor

The table below sets out details of fees paid/payable for audit and non-audit services provided by the member firms within the PricewaterhouseCoopers network for the year ended 31 December 2024:

Services provided to the Company	Fees paid and payable (RMB'000)
Audit service	7,000.0
Non-audit services	1,225.4
Total	8,225.4

Company Secretary

Mr. Cheng Liu, the company secretary of the Company, is responsible for making recommendations to the Board on corporate governance matters and ensuring the Company's compliance with the policies and procedures of the Board, applicable laws, rules and regulations. Details for the biographies of Mr. Liu are set out in the section headed "Directors and Senior Management – Senior Management" of this Annual Report.

During the year ended 31 December 2024, Mr. Liu has taken no less than 15 hours of relevant professional training in compliance with the requirements of Rule 3.29 of the Listing Rules.

Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at the general meetings, including the election of individual Directors. All resolutions put forward at the general meeting will be voted by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of Extraordinary General Meeting and Putting Forward Proposals

Under the Memorandum and the Articles of Association, general meetings shall be convened on the written requisition of any two or more Shareholders of the Company deposited at the principal office of the Company in Hong Kong, specifying the agenda of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one of the Shareholders of the Company which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong, specifying the agenda of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following address:

Address: 6/F, Building B, INNO KIC, No. 298, Guo Xia Road, Yangpu District, Shanghai, PRC (For the attention of the investor relation team)

Email: PUB_PAJKIR@pingan.com.cn

Communication with Shareholders and Investor Relations

During the Reporting Period, the Company fulfilled its obligation of information disclosure in strict compliance with regulatory requirements to timely and fairly disclosed all its information, and ensured that all Shareholders, domestic and foreign institutions and individual investors have equal access to company information.

The information disclosed during the Reporting Period was true, accurate and complete, and there was no violation of the information disclosure provisions.

During the Reporting Period, the Company adhered to the principles of compliance, objectiveness, interaction, fairness and efficiency in providing services proactively and passionately to institutional and individual investors domestically and overseas, aiming at promoting the accuracy and service level of investor relations, continuously improving the mutual understanding between investors and the Company, and enhancing the level of corporate governance.

In 2024, the Company provided illustrations of its results by means of interim results presentation, domestic and overseas non-deal roadshows, reverse roadshows, investor open day, conferences of domestic and foreign investment banks and securities brokers, and made constant and extensive communication with institutional investors and small and medium-sized investors, and actively promoted itself to the market, thereby deepening the understanding of the market about the Company and its communication with the Company. Meanwhile, the Company maintains a website at www.pagd.net and a public email of PUB_PAJKIR@pingan.com.cn, which serve as a communication platform with the Shareholders and investors. Shareholders and investors are welcome to write a letter directly to the investor relations team or email to the public email address of the Company for any enquiries. The public can also view and follow our latest business development, corporate governance practices and relevant information on the website platform.

In 2024, the Company held two investor performance briefings and conducted 304 communications with investors through emails, telephone and offline channels. Moreover, the Company was committed to improving the mechanisms of investors information collection and market information feedback, strengthening the dynamic monitoring of analyst reports and media and public opinions, and paid special attention to the investors' concerns and advice to improve the communication quality with investors in a targeted way, aiming at enhancing its governance level and intrinsic value.

Therefore, the Company confirms that it has complied with the principles and measures required by the shareholders' communication policy during the Reporting Period. After the Board's review of the shareholders' communication and investor relations activities conducted by the Company during 2024, the Board considers that such shareholders' communication policy has been properly implemented and is effective.

Changes in the Memorandum and Articles of Association

During the Reporting Period, the Company has amended its Memorandum and Articles of Association. Pursuant to the announcement dated 19 March 2024 in relation to the amendments to the Memorandum and Articles of Association and the approval of the resolution in relation to the amendments to the Memorandum and Articles of Association at the general meeting held on 22 April 2024, the Memorandum and Articles of Association which came into effect after such amendments were published on 22 April 2024 on the website of HKEX.

Independent Auditor's Report

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

Opinion

What we have audited

The consolidated financial statements of Ping An Healthcare and Technology Company Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 80 to 160, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit is related to impairment assessment on goodwill.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment on goodwill Refer to note 2.10, 4(a) and 15 to the consolidated financial statements. As at 31 December 2024, the Group held a significant amount of goodwill amounting to RMB1,677.7 million, of which RMB961.6 million arose from the acquisition of Ping An Wanjia Healthcare Management Co., Ltd. (formerly named as of Ping An Wanjia Healthcare Investment Management Co., Ltd. when acquired) in 2018 and RMB707.3 million arose from the acquisition of Smart Health Business in 2022. Based on management's assessment, there is no impairment charge for goodwill. We focused on this area due to the magnitude of the carrying amount of the asset and the fact that significant judgements were required by management (i) to identify whether any impairment indicators existed for the asset during the year; (ii) to determine the appropriate recoverable amounts, being higher of the fair value less costs of disposal and value in use; and (iii) to select key assumptions to be adopted in the valuation models for the impairment assessments, including forecast revenue growth rate, gross profit margin, terminal growth rate, and discount rate used in the projection period.	We obtained an understanding of the management's internal control and assessment process on goodwill impairment and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We validated the key controls in respect of impairment assessments, including the periodic evaluation of impairment indications as to whether indicators of impairment exist by corroborating with the management and market information, the determination of appropriate impairment approaches, the adoption of valuation models and the assumptions and calculation of impairment charge. Management performs annual impairment assessments by themselves or with the help of external valuer on the Group's goodwill by comparing the carrying amounts with the recoverable amounts, which are assessed by using the value-in-use method with the adoption of discounted cash flows for each separately identifiable cash-generating unit ("CGU") for which the goodwill has been allocated. We assessed the competence, capabilities and the objectivity of the external valuer by considering professional experience, industry reputation and our previous experience with the valuer. We assessed the reasonableness of the basis management used to identify separate groups of CGUs containing goodwill, the impairment approaches, and the valuation models used in management's impairment assessments.

Key Audit Matter	How our audit addressed the Key Audit Matter
	We assessed the key assumptions used in valuation model, including forecast revenue growth rate, gross profit margin, terminal growth rate, and discount rate by examining the approved financial forecast models, comparing future prediction against the applicable industry or business data, and understanding the management's operational planning and historical financial information to assess the reasonableness. We also assessed certain key valuation assumptions by reference to independent market analysis with the assistance of our internal valuation specialists. We independently tested the mathematical accuracy of calculation applied in the valuation models and the calculation of impairment charges. Based on the procedures performed, we found the assessment of management for impairment charge of goodwill to be appropriate.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kam Chin.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 12 March 2025

Consolidated Income Statement

For the year ended 31 December 2024

(All amounts expressed in RMB thousand unless otherwise stated)

		Year ended 31 December	
	Note	**2024**	2023
Revenue	5	**4,808,082**	4,673,562
Cost of sales	5, 6	**(3,284,726)**	(3,165,049)
Gross profit		**1,523,356**	1,508,513
Selling and marketing expenses	6	**(763,507)**	(835,796)
Administrative expenses	6	**(929,981)**	(1,480,884)
Other income	10	**34,822**	142,945
Other gains – net	11	**46,246**	89,962
Operating loss		**(89,064)**	(575,260)
Finance income	12	**185,956**	250,002
Finance costs	12	**(3,399)**	(6,886)
Finance income – net	12	**182,557**	243,116
Share of profits of associates and joint ventures	19	**279**	251
Profit/(loss) before income tax		**93,772**	(331,893)
Income tax expense	13	**(5,450)**	(2,965)
Profit/(loss) for the year		**88,322**	(334,858)
Profit/(loss) attributable to:			
– Owners of the Company		**81,428**	(322,594)
– Non-controlling interests		**6,894**	(12,264)
		88,322	(334,858)
Earnings/(loss) per share attributable to owners of the Company			
– Basic (RMB yuan)	14	**0.08**	(0.30)
– Diluted (RMB yuan)	14	**0.07**	(0.30)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

(All amounts expressed in RMB thousand unless otherwise stated)

		Year ended 31 December	
	Note	**2024**	2023
Profit/(loss) for the year		**88,322**	(334,858)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**43,431**	25,745
Other comprehensive income for the year, net of tax		**43,431**	25,745
Total comprehensive income/(loss) for the year		**131,753**	(309,113)
Total comprehensive income/(loss) attributable to:			
– Owners of the Company		**124,859**	(296,849)
– Non-controlling interests		**6,894**	(12,264)
		131,753	(309,113)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

(All amounts expressed in RMB thousand unless otherwise stated)

		As at 31 December	
	Note	**2024**	2023
ASSETS			
Non-current assets			
Goodwill	15	**1,677,692**	1,677,692
Right-of-use assets	16	**42,501**	80,951
Property, plant and equipment	17	**77,145**	85,682
Other intangible assets	18	**22,349**	42,489
Investments in associates and joint ventures	19	**110,225**	109,212
Term deposits	24	**1,447,368**	1,196,614
Total non-current assets		**3,377,280**	3,192,640
Current assets			
Inventories	20	**93,446**	198,575
Trade receivables	21	**1,107,306**	1,190,392
Contract related assets	5	**202,330**	159,215
Prepayments and other receivables	22	**381,786**	347,919
Financial assets at fair value through profit or loss	23	**8,521,344**	5,330,666
Restricted cash	24	**100,337**	84,796
Term deposits	24	**951,031**	4,149,327
Cash and cash equivalents	24	**2,044,653**	1,866,511
Total current assets		**13,402,233**	13,327,401
Total assets		**16,779,513**	16,520,041

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

(All amounts expressed in RMB thousand unless otherwise stated)

		As at 31 December	
	Note	**2024**	2023
EQUITY AND LIABILITIES			
Equity			
Share capital	25	**35**	35
Treasury shares	26	**(1)**	(1)
Reserves	27	**10,722,077**	20,497,766
Accumulated losses		**(7,132,742)**	(7,214,170)
Total equity attributable to owners of the Company		**3,589,369**	13,283,630
Non-controlling interests		**(9,750)**	(16,644)
Total equity		**3,579,619**	13,266,986
Liabilities			
Non-current liabilities			
Lease liabilities	16	**16,382**	49,989
Trade and other payables	29	**11,498**	10,990
Provisions	30	**95,000**	95,000
Total non-current liabilities		**122,880**	155,979
Current liabilities			
Trade and other payables	29	**2,203,776**	2,201,371
Dividend payable	31	**9,891,572**	–
Contract liabilities	5	**953,044**	852,084
Lease liabilities	16	**28,622**	43,621
Total current liabilities		**13,077,014**	3,097,076
Total liabilities		**13,199,894**	3,253,055
Total equity and liabilities		**16,779,513**	16,520,041

The accompanying notes form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 80 to 160 were approved by the Board of Directors on 12 March 2025 and were signed on its behalf:

Li Dou
Director

Wu Jun
Director

Consolidated Statement of Changes In Equity

For the year ended 31 December 2024

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	Share capital	Reserves	Treasury shares	Accumulated losses	Total	Non-controlling interests	Total equity
	Attributable to owners of the Company							
As at 1 January 2024		**35**	**20,497,766**	**(1)**	**(7,214,170)**	**13,283,630**	**(16,644)**	**13,266,986**
Profit for the year		**-**	**-**	**-**	**81,428**	**81,428**	**6,894**	**88,322**
Other comprehensive income for the year		**-**	**43,431**	**-**	**-**	**43,431**	**-**	**43,431**
Share-based payments	27	**-**	**49,242**	**-**	**-**	**49,242**	**-**	**49,242**
Exercise of share options	27	**-**	**396**	**-**	**-**	**396**	**-**	**396**
Dividend declared	31	**-**	**(9,869,492)**	**-**	**-**	**(9,869,492)**	**-**	**(9,869,492)**
Share of other reserves of associates		**-**	**734**	**-**	**-**	**734**	**-**	**734**
As at 31 December 2024		**35**	**10,722,077**	**(1)**	**(7,132,742)**	**3,589,369**	**(9,750)**	**3,579,619**

	Note	Share capital	Reserves	Treasury shares	Accumulated losses	Total	Non-controlling interests	Total equity
	Attributable to owners of the Company							
As at 1 January 2023 as originally presented		35	20,423,914	(1)	(6,964,368)	13,459,580	(1,072)	13,458,508
Change in accounting policy		-	-	-	72,792	72,792	-	72,792
As at 1 January 2023 restated		35	20,423,914	(1)	(6,891,576)	13,532,372	(1,072)	13,531,300
Loss for the year		-	-	-	(322,594)	(322,594)	(12,264)	(334,858)
Other comprehensive income for the year		-	25,745	-	-	25,745	-	25,745
Share-based payments	27	-	29,113	-	-	29,113	-	29,113
Exercise of share options	27	-	4,857	-	-	4,857	-	4,857
Disposal of equity interests in a joint venture		-	(1,823)	-	-	(1,823)	-	(1,823)
Disposal of partial equity interests in subsidiaries		-	13,526	-	-	13,526	(3,308)	10,218
Share of other reserves of associates		-	2,434	-	-	2,434	-	2,434
As at 31 December 2023		35	20,497,766	(1)	(7,214,170)	13,283,630	(16,644)	13,266,986

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

(All amounts expressed in RMB thousand unless otherwise stated)

		Year ended 31 December	
	Note	**2024**	2023
Cash flows from operating activities			
Cash generated from/(used in) operations	32(a)	**99,847**	(279,285)
Income tax paid		**(518)**	(3,574)
Net cash generated from/(used in) operating activities		**99,329**	(282,859)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment and other intangible assets		**869**	2,604
Payments for property, plant and equipment and other intangible assets		**(34,244)**	(42,960)
Payment for acquisition of subsidiary, net of cash acquired		**-**	(69,944)
Proceeds from sales of financial assets at fair value through profit or loss		**8,657,171**	8,396,736
Payments for financial assets at fair value through profit or loss		**(11,634,902)**	(8,521,173)
Proceeds from sales of financial assets at amortized cost		**-**	511,987
Proceeds from disposal of investments in a joint venture		**-**	10,388
Interest received from term deposits with initial term of over three months		**288,013**	64,592
Proceeds from term deposits with initial term of over three months		**5,250,448**	787,805
Payments for term deposits with initial term of over three months		**(2,412,709)**	(2,877,183)
Proceeds from disposal of a subsidiary, net of cash acquired		**-**	1,000
Proceeds from the cash dividends declared by associates		**-**	250,088
Net cash generated from/(used in) investing activities		**114,646**	(1,486,060)
Cash flows from financing activities			
Payments for lease liabilities		**(38,834)**	(78,713)
Proceeds from exercise of share options		**396**	4,857
Proceeds from borrowings		**-**	10,500
Repayments for borrowings		**-**	(4,000)
Net cash used in financing activities		**(38,438)**	(67,356)
Net increase/(decrease) in cash and cash equivalents		**175,537**	(1,836,275)
Cash and cash equivalents at the beginning of the year	24	**1,866,511**	3,700,689
Effects of exchange rate changes on cash and cash equivalents		**2,605**	2,097
Cash and cash equivalents at the end of the year	24	**2,044,653**	1,866,511

The accompanying notes form an integral part of these consolidated financial statements.

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, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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 and offline resource in the People's Republic of China (the "PRC").

The Group's existing business was carried out through a domestic company and its subsidiaries, incorporated in the PRC, namely Ping An Health Cloud Company Limited ("PAHC"). PAHC and its subsidiaries are collectively defined as the "PRC Operating Entities" thereafter.

The PRC regulations restrict foreign ownership of companies that provide value-added telecommunications services, internet cultural business, radio and television program production and operation business to the public and operation of online medical institutions which include activities and services operated by the Group. To comply with the relevant PRC laws, the wholly-owned subsidiary of the Company, Kang Jian Information Technology (Shenzhen) Co., Ltd. ("Kang Jian"), has entered into a series of contractual arrangements (the "Contractual Agreements") including the Exclusive Business Cooperation Agreement, Exclusive Equity Option Agreement, Exclusive Asset Option Agreement, Powers of Attorney and Equity Pledge Agreement, with PAHC and its equity holders, which enable Kang Jian and the Company to control PAHC by:

- Governing the financial and operating policies of PAHC;
- Exercising equity holders' voting rights of PAHC;
- Receiving substantially all of the economic interest returns generated by PAHC in consideration for the business support, technical and consulting services provided by Kang Jian. Kang Jian has the obligation to provide financial assistance by way of entrusted bank loans, loans or other means;
- Obtaining an irrevocable and exclusive right to purchase, or to designate one or more persons to purchase, all or part of the equity interests or assets in PAHC from the respective equity holders at a minimum purchase price permitted under PRC laws and regulations. Kang Jian may exercise such options at any time. The right is automatically renewable upon expiry unless it is superseded by a new term confirmed by Kang Jian; and
- Obtaining a pledge over the entire equity interests of PAHC from its respective equity holders as collateral security for all of PAHC's payments due to Kang Jian and to secure performance of PAHC's obligation under the Contractual Arrangements.

1 General Information (Continued)

Nevertheless, there are still uncertainties regarding the interpretation and application of current and future PRC laws and regulations. The directors of the Company, based on the advice of its legal counsel, consider that the use of Contractual Arrangements is currently enforceable in the PRC except for certain provisions and does not constitute a breach of the relevant laws and regulations. Accordingly, the subsidiaries controlled through Contractual Agreements were consolidated in the financial statements.

As a result of the Contractual Arrangements, the Group is considered to control PAHC as it has rights to exercise power over PAHC, receive variable returns from its involvement with PAHC, and have the ability to affect those returns through its power over PAHC. Consequently, the Company regarded PAHC and its subsidiaries as controlled entities and consolidated the financial position and results of operations of these entities in the consolidated financial statements of the Group.

Glorious Peace Limited ("Glorious Peace") is the major shareholder of the Company, holding 39.41% of the shareholding interest in the Company as at 31 December 2024.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2 Summary of Material Accounting Policies

This note provides a list of potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB"), and the requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. Management also needs to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

(All amounts expressed in RMB thousand unless otherwise stated)

2 Summary of Material Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

New and amended standards and interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
Amendments to IFRS 16	Lease liability in sale and leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

New standards and interpretations 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 2024 and not been early adopted by the Group as at the reporting period are as follows:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

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 2024 or not been early adopted by the Group which are relevant to the Group's operation. The adoption of IFRS 18 is expected to impact presentation and disclosure in financial information.

Apart from IFRS 18, the Group believes that the application of other 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.

2 Summary of Material Accounting Policies (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRSs.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2 Summary of Material Accounting Policies (Continued)

2.2 Subsidiaries (Continued)

2.2.2 *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.2.3 *Change in ownership interests*

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs.

2.3 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements.

Structured entities are primarily asset management plans. Asset management plans are managed by asset managers and the plan invests mainly in funds. The Group holds equity interest in these asset management plans.

2.4 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Investments in associates in the form of ordinary shares are accounted for using the equity method of accounting in accordance with IAS 28. Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. The Group's investments in these associates include goodwill identified on acquisition, net of any accumulated impairment loss. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

2 Summary of Material Accounting Policies (Continued)

2.4 Associates (Continued)

If the ownership interest in an associate in the form of ordinary shares is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to "share of losses of associates and joint ventures" in the consolidated income statement.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognized in the consolidated statement of comprehensive income.

2.5 Joint venture

The Group has assessed the nature of its jointly controlled entities and determined them to be joint ventures. The Group has rights to the net assets of these jointly controlled entities.

Investments in joint ventures are accounted for using the equity method. Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and share of movements in other comprehensive income. Dividends received or receivable from joint venture are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

2 Summary of Material Accounting Policies (Continued)

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2.7 Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is RMB since the Company's primary subsidiaries were incorporated and are operating in the PRC and these subsidiaries considered RMB as their functional currency. The consolidated financial statements is presented in RMB, which is the Company's functional and the Group's presentation currency (unless otherwise stated).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in other gains – net in the income statement.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognized in other comprehensive income.

2 Summary of Material Accounting Policies (Continued)

2.7 Foreign currency translation (Continued)

Group companies (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.8 Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of comprehensive income in the year in which the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of comprehensive income in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalized as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal assumptions used for this purpose are as follows:

Category	Expected useful life	Estimated residual value rate
Office and telecommunication equipment	3-5 years	0-5%
Leasehold improvements	Over the shorter of economic useful lives and terms of the leases	–

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

2 Summary of Material Accounting Policies (Continued)

2.9 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

(b) Other intangible assets

The Group's other intangible assets mainly include software and licenses.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. The useful lives of intangible assets are assessed by the period of bringing economic benefits for the Group.

Intangible assets with finite lives are subsequently amortized on the straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

If the period of bringing economic benefits cannot be determined, intangible assets will be classified as indefinite intangible assets. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2 Summary of Material Accounting Policies (Continued)

2.9 Intangible assets (Continued)

(b) Other intangible assets (Continued)

(i) Software

Acquired software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

During the reporting period, the Group has no development costs recognized as intangible assets.

Capitalised development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(ii) Licenses

Licences include online drug sales license and other licences. They are initially recognized and measured at cost or estimated fair value of intangible assets acquired through business combinations.

2 Summary of Material Accounting Policies (Continued)

2.9 Intangible assets (Continued)

(b) Other intangible assets (Continued)

(iii) The useful lives of intangible assets are set as below:

	Expected useful life
Software	3-5 years
Online drug sales license	Indefinite useful lives
Other licenses	5 years

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any such indication exists, or when annual impairment testing for a non-financial asset is required, the Group makes an estimate of the asset's recoverable amount. A non-financial asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where the carrying amount of a non-financial asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For non-financial assets other than goodwill and intangible assets for indefinite life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the statement of comprehensive income.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. The recoverable amount is the higher of its fair value less costs of disposal and its value in use, determined on an individual asset (or cash-generating unit) basis, unless the individual asset (or cash-generating unit) does not generate cash flows that are largely independent from those of other assets or groups of assets (or groups of cash-generating units). Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

Intangible assets with indefinite useful lives are tested for impairment annually at each year end either individually or at the cash-generating unit level, as appropriate.

2 Summary of Material Accounting Policies (Continued)

2.11 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI"). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2 Summary of Material Accounting Policies (Continued)

2.11 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains – net. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains – net and impairment expense are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains – net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains – net in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 21 for further details.

2 Summary of Material Accounting Policies (Continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Inventories

Inventories are mainly merchandise and are stated at the lower of cost and net realizable value. Cost is determined using the weighted average costing method. Costs of purchased inventories are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Adjustments are recorded to write down the cost of inventory to the estimated net realizable value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as historical and forecasted consumer demand, and promotional environment. Write downs are recorded in cost of sales in the consolidated statement of profit or loss.

2.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand and at banks, other cash equivalents and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 Summary of Material Accounting Policies (Continued)

2.17 Treasury shares

Le An Xin (PTC) Limited ("Le An Xin") was set up as a special vehicle for the purpose of holding the ordinary shares for the Company's employees under the equity-settled share-based compensation plan (the "Share Option Plan") which will be awarded to employees in the future. As the Company has the power to govern the relevant activities of Le An Xin and can derive benefits from the contributions of the eligible directors, employees and other persons (collectively, the "Grantees"), the directors of the Company consider that it is appropriate to consolidate Le An Xin.

Own equity instruments which are acquired and held by the Group ("treasury shares") are recognized directly in equity at cost. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.19 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the consolidated statement of financial position.

(b) Pension obligations

The employees of the Group are mainly covered by various defined contribution pension plans. The Group makes and accrues contributions on a monthly basis to the pension plans, which are mainly sponsored by the related government authorities that are responsible for the pension liability to retired employees. Under such plans, the Group has no other significant legal or constructive obligations for retirement benefits beyond the said contributions, which are expensed as incurred. Certain employees are also provided with group life insurance but the amounts involved are insignificant.

(c) Housing benefits

The employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(d) Medical benefits

The Group makes monthly contributions for medical benefits to the local authorities in accordance with relevant local regulations for the employees. The Group's liability in respect of employee medical benefits is limited to the contributions payable in each period.

2 Summary of Material Accounting Policies (Continued)

2.19 Employee benefits (Continued)

(e) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.20 Share-based payments

An equity-settled share-based compensation plan was granted to the employees, under which the entity receives services from employees as consideration for equity instruments ("options") of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance;
- excluding the impact of any service and non-market performance vesting conditions;
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

If the terms of an equity-settled award are modified, at a minimum, an expense is recognized as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

2.21 Provisions

Provisions for legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2 Summary of Material Accounting Policies (Continued)

2.22 Revenue recognition

Revenues are recognized when, or as, the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

The progress towards complete satisfaction of performance obligation, depending on the nature of the good and service to be transferred, is measured based on one of the following methods that best depicts the Group's performance in satisfying the performance obligation:

- direct measurements of the value of individual services transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

If contracts involve the sale of multiple goods or services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as contract related assets and subsequently amortized when the related revenue is recognized.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2 Summary of Material Accounting Policies (Continued)

2.22 Revenue recognition (Continued)

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

The following is a description of the accounting policy for the principal revenue streams of the Group.

(a) Medical services

Medical services consist primarily of online consultation, hospital referral and appointment, inpatient arrangement, diagnosis and treatment of diseases and related pharmaceuticals, medical devices sales. During the year, this revenue stream is primarily derived from (1) medical services to customers; and (2) pharmaceuticals and medical devices sales.

The Group has the ability to determine the pricing of the services, nature of services and is responsible for providing the relevant medical services. Revenue from medical services is recognized on a gross basis.

<u>Medical services to customers</u>

The Group offers customized services to corporate customers, including their customers and employees. The Group also offers a wide range of medical services to individual users at various retail prices through its mobile app or offline clinic, including online diagnosis and treatment. The packages of services provided include online consultation services, audio and video consultations and healthcare products. The transaction price is allocated between the medical services and healthcare products offered based on their relative stand-alone selling prices.

The end customers or employees of corporate customers and individual customers are entitled to the services free of charge whenever the agreement with the Group or individual service is effective, which is typically for a period of one year after activation of service package.

The revenue of the healthcare products is recognized when the products are delivered. For the performance obligations which provide standby services on a when-and-if-available basis to customers, revenue is recognized over the period of validity. For the performance obligations contain limited service, revenue is recognized when services are rendered.

Since the corporate customers are usually required to make payments upon subscription of services, the Group records payments due from the corporate customers as receivable when the corporate customers are obligated to pay for the service based on the contracts and the corresponding unsatisfied performance obligation is recorded as contract liabilities. In other cases, the Group records a receivable from corporates after the services are rendered as the payment is in arrears and its right to consideration is unconditional.

Individual customers are usually required to make payments in advance for the medical services, the unsatisfied performance obligation is recorded as contract liabilities accordingly. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as contract related assets and subsequently amortized when the related revenue is recognized.

2 Summary of Material Accounting Policies (Continued)

2.22 Revenue recognition (Continued)

(a) Medical services (Continued)

Pharmaceuticals and medical devices sales

The Group is engaged in the sale of pharmaceutical products and medical devices to individual customers through its online store and offline pharmacies as well as offline pharmaceutical sale and marketing services to merchant customers.

Revenue from individual customers is recorded net of discounts and recognized when such products are delivered, either by third party couriers or at the Group's offline outlets, while net revenue is recognized when such products are delivered through external retail pharmacies upon the sales.

The Group also offers benefit cards to individual customers who could purchase pharmaceuticals in retail pharmacies at a fixed amount limit as specified on the cards as well as to seek for online consultation through the Group's app. Once the benefit cards are activated, the customers can purchase pharmaceuticals in retail pharmacies within the validity period. The external retail pharmacies are the principals given the external retail pharmacies take the inventory risk, determine the pricing and are responsible for the after sales service. The Group recognizes the expected breakage amount of the benefit cards as revenue taking into consideration the pattern of rights exercised by the customers during the validity period, which equals to cards selling amount deduct expected payment to pharmacies prior to expiration dates.

Revenue from sales to merchant customers are recognized at the point of acceptance on a gross basis. The Group manages inventories by adjusting inventories level based on fluctuations in supply and price, seasonality, popularity of a particular product and also taken into consideration the shelf life of pharmaceutical products. The Group also has sole discretion in determining the pricing and takes the obligation to provide after-sales services and to respond to return requests. The Group also cooperates with pharmaceutical companies and promotes digital marketing.

(b) Health services

Standardized healthcare services

The Group provides a variety of standardized healthcare service packages that integrate services provided by various healthcare institutions to meet the health-related needs of the users, such as health check-ups and beauty care. The Group principally generates revenue from selling the standardized healthcare service packages to individual customers or corporate customers. Different types of healthcare service packages provide the customers with a specific number of times of services for each service offered in the package.

Healthcare service packages are considered to consist of multiple elements of services and products as individual services within the packages are regarded as separate performance obligations. The transaction price is allocated to each of the services and healthcare products in the service package based on their relative stand-alone selling prices.

Revenue of healthcare products is recognized when the products are delivered while revenue of services is recognized upon the individual service is rendered to customers.

2 Summary of Material Accounting Policies (Continued)

2.22 Revenue recognition (Continued)

(b) Health services (Continued)

Standardized healthcare services (Continued)

The Group sells the healthcare service packages either to individuals on a retail basis or to corporate customers for the benefit of their employees on a wholesale basis. The healthcare service packages are mainly offered to corporate customers through the sales team of the Group, and to individual customers through health mall or individual agents. The Group has entered into product and service referral arrangement with such individual agents. Payments for healthcare service packages are settled by retail customers before delivery of service packages while payments for corporate customers can be settled in arrears after delivery depending on whether there is credit granted to the corporate customers.

The Group pays compensation to the individual agents at a pre-agreed percentage of the sales of products or services referred by the agents. The compensation paid for selling the service packages are capitalised and presented as contract related assets, which are subsequently amortized to profit and loss when the relevant revenue is recognized.

The service packages are non-refundable after activation. The customers have to activate the service packages via the Group's online platform before the expiry date as pre-printed in the packages. Once the service packages are activated, the customers can consume the services within the validity period. Breakage for the service packages is the extent to which outstanding performance obligations are not required because the customer does not take up all the services or goods within the valid period. During the reporting period, the Group is still in the progress of estimating the amount of such breakage and considers there is no significant deviation in the financial result between estimating breakage and current practice. Accordingly, the Group recognizes breakage amount as revenue upon the expiry date which is the later of expiry date pre-printed in the service package or one year after activation.

The Group provides online and offline services which are performed by internal services team as well as the Group's continually expanding services network with healthcare institutions. Customers can select the healthcare institutions from the Group's pre-determined list of service providers through the Group online platform. The Group has the sole discretion to select the healthcare institutions and the purchase prices are negotiated separately with healthcare institutions. Since the Group has the ability to determine the pricing of the products or services and has the sole discretion to determine the healthcare institutions, to take responsibility for monitoring the quality of services provided and to negotiate the service terms, the Group is regarded as the primary obligor and therefore, it recognizes revenue from consumer healthcare on a gross basis.

The Group records contract liabilities for purchases from customers who made payments for service packages before rendering of services since there is unsatisfied performance obligation owing to customers. For those customers who purchase service packages with credit terms, the Group records a receivable when its right to consideration is unconditional, which is normally upon service packages are delivered to customers. The contract liabilities are recognized as revenue over the period during which the individual services are rendered or goods are transferred to customers.

2 Summary of Material Accounting Policies (Continued)

2.22 Revenue recognition (Continued)

(b) Health services (Continued)

Online mall revenue

Online mall revenue stream of the Group principally generates revenue from selling the products (excluding medicines included in medical services mentioned in Note 2.22(a)) by the Group ("direct sales"), or from the commission income earned from third-party merchants ("marketplace"). The Group generates revenue from mobile app, WAP website as well as plug-ins of mobile apps of Ping An Insurance (Group) Company of China, Ltd. ("Ping An") and its subsidiaries (collectively, "Ping An Group").

Direct sales

Under direct sales model, the Group procures merchandise from suppliers and sells products directly to consumers through the platform. The suppliers consist primarily of distributors in the PRC. The Group is entitled to determine pricing and adjust offerings of products.

In this business model, the Group either manages its own inventories or has suppliers to manage inventories and arranges delivery within the agreed time once the order is placed. The Group manages inventories by adjusting inventories level based on fluctuations in supply and price, seasonality, popularity of a particular product and also taken into consideration the shelf life of pharmaceutical products. The Group either makes sales promotion plans or reports inventories write-downs depending on the status of inventories. The Group also provides after-sales services, attends customers' complaints and responds to return requests. The Group generally requires the suppliers to cooperate with the Group in attending to customers' complaints and responding to return requests.

Under direct sales model, since the Group has sole discretion in determining the pricing, and has the obligation to fulfil the order, provide after-sales services, attend to customers' complaints and respond to return requests, the Group considers it as a principal and recognizes revenue under direct sales model based on the gross amount of products sales. The Group recognizes revenue net of discounts and return allowances upon the time when the products are delivered to customers. Return allowances, which reduce net revenue, are estimated based on historical experiences. The Group offers its customers an unconditional right of return for a period of seven days for sales from its platform upon receipt of products. The Group recognizes sales revenue from platform when products are delivered to customers while historical returns are insignificant.

Payments for the ordered products are generally made upon orders placed by individual customers in platform and goods are dispatched within the agree time after orders are placed. External logistics companies are responsible for delivery to customers. In certain cases, direct sales in online mall are also sold to corporate customers with credit terms ranging from 5 days to 30 days.

The Group also sells prepaid cards to corporate customers under credit terms. The Group has unconditional rights to receive the consideration after the prepaid cards are delivered to customers, and therefore, the Group recognizes receivables and contract liabilities accordingly. The contract liabilities are recognized as revenue when the products are delivered to customers.

2 Summary of Material Accounting Policies (Continued)

2.22 Revenue recognition (Continued)

(b) Health services (Continued)

Online mall revenue (Continued)

Marketplace

The Group also provides an online marketplace that enables third-party vendors to sell their products to customers in the Group's online platform. The marketplace vendors consist primarily pharmacy chains and overseas shopping service providers. The commission fees are generally charged as a percentage of the merchandise sales depending on the product category and terms negotiated with the vendors. Revenue related to commissions is recognized on a net basis and when the orders are placed and payments are made by customers while historical returns on sales from platform are insignificant. Payments with third-party vendors are usually settled on a monthly basis for the commissions earned during the period.

Other services

The Group also provides comprehensive healthcare management services, insurance agency service, technology development and other services.

(c) Senior care services

The senior care services primarily include concierge services and senior care consulting services. The Group has the ability to determine the pricing and nature of the services and is responsible for providing the relevant services. Revenue from senior care services is recognized on a gross basis.

Concierge Services

Concierge services encompass health management services and smart device sales, primarily serving individual customers from the Group's related parties.

For health management services, the Group provides comprehensive senior care solutions including health assessments, geriatric care consultations and medication management advisory services. The Group settles accounts based on the actual service hours rendered, fulfilment of consultation deliverables and the quality metrics of service with the Group's related parties at each period end, with revenue recognized accordingly.

The Group sells customize smart devices integrated with health management function to customers, assuming full responsibility for after-sales technical support and warranty management. Revenue is recognized based on the quantity of device delivered.

Consulting Services

The Group integrates industry experience and exclusive resources to provide professional consulting services related to the senior care industry to its related parties and delivers research reports and products solution. The Group recognizes revenue upon the acceptance of deliverables.

2 Summary of Material Accounting Policies (Continued)

2.23 Cost of sales

Cost of sales primarily comprise labour, other costs of personnel directly engaged in providing the services and attributable overhead costs for technical support, purchase price of products or service, inbound shipping charges and write-downs of inventories. Inbound shipping charges to receive products from the suppliers are included in inventories which are then recognized as cost of sales upon sales of goods, while outbound shipping charges to fulfil the sale to the customers are recognized as selling and marketing expenses.

2.24 Leases

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Leases are recognized as a right-of-use asset and a corresponding liability at the date when the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 Summary of Material Accounting Policies (Continued)

2.24 Leases (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipments, vehicles and buildings and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise IT equipment.

2.25 Interest income

Interest income on financial assets at amortized cost is calculated by the effective interest method. Interest income is presented as finance income and other income where it is earned from financial assets that are held for cash management purposes.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.26 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.27 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

2 Summary of Material Accounting Policies (Continued)

2.28 Tax

Income tax comprises current and deferred tax. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

2 Summary of Material Accounting Policies (Continued)

2.28 Tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Conversely, previously unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.29 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(All amounts expressed in RMB thousand unless otherwise stated)

3 Management of Financial Risk

The Group's activities expose it to a variety of financial risks: financial risk including market risk (comprising foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

3.1 Financial Risk

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks, which arise from foreign exchange rates (currency risk), market prices (price risk) and market interest rates (interest rate risk).

Foreign Currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect its financial position and results of operations. The foreign currency risk assumed by the Group mainly comes from movements in the USD/RMB and HKD/RMB exchange rates. The Group mainly operates in the PRC with most of the transactions settled in RMB.

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

	31 December 2024				
	RMB	**USD (RMB equivalent)**	**HKD (RMB equivalent)**	**JPY (RMB equivalent)**	**RMB equivalent total**
Cash and cash equivalents	**1,954,331**	**60,889**	**29,433**	**–**	**2,044,653**
Term Deposits	**1,473,244**	**926,072**	**–**	**–**	**2,399,316**
Financial assets at fair value through profit or loss	**7,701,506**	**819,838**	**–**	**–**	**8,521,344**
Dividend payable	**–**	**–**	**(9,891,572)**	**–**	**(9,891,572)**
	11,129,081	**1,806,799**	**(9,862,139)**	**–**	**3,073,741**

	31 December 2023				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	JPY (RMB equivalent)	RMB equivalent total
Cash and cash equivalents	1,776,663	65,902	23,946	–	1,866,511
Term Deposits	4,501,714	847,267	–	–	5,348,981
Financial assets at fair value through profit or loss	5,233,385	97,281	–	–	5,330,666
	11,511,762	1,010,450	23,946	–	12,546,158

The aggregate net foreign exchange gains was recognized in consolidated statement of comprehensive income and included in other gains – net.

3 Management of Financial Risk (Continued)

3.1 Financial Risk (Continued)

(a) Market risk (Continued)

Foreign Currency risk (Continued)

Sensitivities

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the pre-tax impact on profit and equity. The correlation of variables will have a significant effect on determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

The Group is primarily exposed to changes in USD/RMB and HKD/RMB exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD and HKD denominated financial assets and liabilities.

Currency	Changes in exchange rate	Impact on comprehensive profit and equity 31 December 2024 RMB'000	 31 December 2023 RMB'000
USD	**+5%**	**90,340**	50,522
USD	**-5%**	**(90,340)**	(50,522)
HKD	**+5%**	**(493,107)**	1,197
HKD	**-5%**	**493,107**	(1,197)

Price risk

The Group's price risk exposure relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), which mainly include investment classified as financial assets at fair value through profit or loss.

The above investments are exposed to price risk because of changes in market prices, where changes are caused by factors specific to the individual financial instruments or their issuers, or factors affecting all similar financial instruments traded in the market.

To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by senior management on a case by case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of financial assets at fair value through profit or loss at the end of each reporting period. If equity prices of the respective instruments, excluding monetary financial products and principal-guaranteed wealth management products, held by the Group had been 5% (2023: 5%) higher/lower as at 31 December 2024, profit of loss before tax for the year would have been approximately RMB371,242 thousand (31 December 2023: RMB216,009 thousand) higher/lower.

Interest rate risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk.

All of the Group's financial assets at fair value through profit or loss are equity investments which do not expose the Group to material interest rate risk. The Group has no significant interest-bearing assets except for cash and cash equivalents and term deposits, details of which have been disclosed in Note 24.

(All amounts expressed in RMB thousand unless otherwise stated)

3 Management of Financial Risk (Continued)

3.1 Financial Risk (Continued)

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, term deposits, trade and other receivables. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk of cash and cash equivalents, restricted cash and term deposits

The Group's cash and cash equivalents, restricted cash and term deposits are mainly deposited in reputable banks and financial institutions which are generally considered to be relatively stable. The Group considers that there is no significant credit risk and is not subject to any material losses due to the default of the other parties.

Credit risk of trade receivables

The Group applies the simplified approach to measure expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, the Group categorizes its trade receivables based on the nature of customer accounts, similar credit risk characteristics and account aging. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of trade receivables and adjusts for forward looking macroeconomic data.

The assessed expected credit losses for the trade receivables as at 31 December 2024 and 2023 are determined as follows:

As at 31 December 2024	**0-90 days**	**90-180 days**	**180-365 days**	**365-730 days**	**Over 730 days**	**Total**
Gross carrying amount	**936,384**	**92,910**	**131,863**	**46,050**	**116,437**	**1,323,644**
Expected credit loss rate	**2.1%**	**3.5%**	**35.9%**	**87.3%**	**90.8%**	**16.3%**
Expected credit loss	**19,936**	**3,224**	**47,300**	**40,206**	**105,672**	**216,338**

As at 31 December 2023	0-90 days	90-180 days	180-365 days	365-730 days	Over 730 days	Total
Gross carrying amount	1,051,927	51,803	70,933	65,066	81,765	1,321,494
Expected credit loss rate	2.3%	3.8%	6.5%	61.9%	73.7%	9.9%
Expected credit loss	24,000	1,968	4,591	40,257	60,286	131,102

The reconciliation of closing loss allowances for trade receivables as at 31 December 2024 and 2023 to the opening loss allowances as follows:

	31 December 2024	31 December 2023
At the beginning of the year	**131,102**	137,160
Increase in loss allowance for trade receivables	**94,717**	34,837
Receivables written off during the year as uncollectible	**(9,481)**	(40,895)
At the end of the year	**216,338**	131,102

3 Management of Financial Risk (Continued)

3.1 Financial Risk (Continued)

(b) Credit risk (Continued)

Credit risk of other receivables

Other receivables mainly comprise agent business related receivables, deposit, amounts due from related parties and other receivables.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;

- actual or expected significant changes in the operating results of third party;

- significant changes in the expected performance and behavior of the third party, including changes in the payment status and changes in the operating results of the third party.

The Group assesses the credit risk associated with other receivables due from certain entities based on their capacity to meet its contractual cash flow obligations in the near term. The Group estimated the expected credit loss rate for the amounts due from these entities and recognize the loss allowance accordingly (Note 22).

(All amounts expressed in RMB thousand unless otherwise stated)

3 Management of Financial Risk (Continued)

3.1 Financial Risk (Continued)

(c) 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 analyzes 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 31 December 2024					
	On demand	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Undated**	**Total**
Liabilities:						
Lease liabilities	**–**	**28,987**	**16,863**	**–**	**–**	**45,850**
Trade and other payables	**–**	**1,500,927**	**11,996**	**–**	**48**	**1,512,971**
Dividend payable	**–**	**9,891,572**	**–**	**–**	**–**	**9,891,572**
	–	**11,421,486**	**28,859**	**–**	**48**	**11,450,393**

	As at 31 December 2023					
	On demand	Within 1 year	1 to 5 years	Over 5 years	Undated	Total
Liabilities:						
Lease liabilities	–	44,952	52,381	–	–	97,333
Trade and other payables	–	1,525,259	11,996	–	48	1,537,303
	–	1,570,211	64,377	–	48	1,634,636

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital (including share capital and reserves) by regularly reviewing the capital structure. As a part of this review, the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.

3 Management of Financial Risk (Continued)

3.3 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.

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, analyze 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.

(All amounts expressed in RMB thousand unless otherwise stated)

3 Management of Financial Risk (Continued)

3.3 Fair value estimation (Continued)

Determination of fair value and fair value hierarchy (Continued)

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.

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

	As at 31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value				
Financial assets at fair value through profit or loss	**–**	**7,451,461**	**1,069,883**	**8,521,344**

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at fair value through profit or loss	–	4,361,129	969,537	5,330,666

During the year, 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 immaterial to the Group.

4 Critical Accounting Estimates and Judgments

The Group makes estimates and judgments that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities in these financial statements. Estimates and judgments are continually assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, management has made the following judgments and accounting estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Recoverability of non-financial assets

The Group tests annually whether goodwill has suffered any impairment. Goodwill and other non-financial assets, mainly including property, plant and equipment, other intangible assets and investments in associates and joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on fair value less costs of disposal or value-in-use calculations. These calculations require the use of judgements and estimates.

Judgement is required to identify any impairment indicators existing for any of the Group's goodwill, other non-financial assets, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment review purposes, and to select key assumptions applied in the adopted valuation models, including discounted cash flows and market approach. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect the Group's financial position and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated statement of comprehensive income.

(b) Uncertain tax positions

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. In assessing whether such unused tax losses can be utilized in the future, the Group needs to make judgments and estimates on the ability of each of its subsidiary to generate taxable income in the future years. Based on current information available and the tax planning strategies, the Group considered there is significant uncertainty regarding whether the unused tax losses could be utilized before expiration. Thus, the Group currently has not recognized any deferred tax assets resulting from operating loss and deductible temporary differences.

5 Revenue and Segment Information

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by 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

- Senior care services

(All amounts expressed in RMB thousand unless otherwise stated)

5 Revenue and Segment Information (Continued)

CODM has changed the structure of internal organization in a manner that causes the composition of the Group's reportable segments to change. During the reporting period, the Group separated Senior care services segment as an independent segment to better reflect the Group's operating strategy. The corresponding items of segment information for earlier period has been 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 – net, finance income – net, share of profits 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 sales 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.

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

For the year ended 31 December 2024

	Medical services	**Health services**	**Senior care services**	**Total**
Revenue from customers	**2,168,815**	**2,356,482**	**282,785**	**4,808,082**
Cost of sales	**(1,230,767)**	**(1,853,508)**	**(200,451)**	**(3,284,726)**
Gross Profit	**938,048**	**502,974**	**82,334**	**1,523,356**

For the year ended 31 December 2023

	Medical services	Health services	Senior care services	Total
Revenue from customers	2,068,125	2,550,363	55,074	4,673,562
Cost of sales	(1,241,350)	(1,875,547)	(48,152)	(3,165,049)
Gross Profit	826,775	674,816	6,922	1,508,513

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 31 December 2024 and 31 December 2023, most of the non-current assets of the Group were located in the PRC.

(All amounts expressed in RMB thousand unless otherwise stated)

5 Revenue and Segment Information (Continued)

(a) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2024	**Medical services**	**Health services**	**Senior care services**	**Total**
By nature				
Services and sales of goods	**2,057,883**	**2,291,650**	**282,785**	**4,632,318**
Commission income	**110,932**	**64,832**	**–**	**175,764**
	2,168,815	**2,356,482**	**282,785**	**4,808,082**
Timing of revenue recognition				
At a point in time	**1,740,431**	**2,331,341**	**282,785**	**4,354,557**
Overtime	**428,384**	**25,141**	**–**	**453,525**
	2,168,815	**2,356,482**	**282,785**	**4,808,082**

For the year ended 31 December 2023	Medical services	Health services	Senior care services	Total
By nature				
Services and sales of goods	1,915,265	2,482,175	55,074	4,452,514
Commission income	152,860	68,188	–	221,048
	2,068,125	2,550,363	55,074	4,673,562
Timing of revenue recognition				
At a point in time	1,500,198	2,518,198	55,074	4,073,470
Overtime	567,927	32,165	–	600,092
	2,068,125	2,550,363	55,074	4,673,562

(b) Contract related assets and liabilities

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

	At 31 December	
	2024	2023
Contract related assets		
Medical services	**156,630**	110,195
Health services	**45,700**	49,020
	202,330	159,215
Contract liabilities		
Medical services	**391,695**	406,043
Health services	**561,349**	446,041
	953,044	852,084

(All amounts expressed in RMB thousand unless otherwise stated)

5 Revenue and Segment Information (Continued)

(b) Contract related assets and liabilities (Continued)

(i) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized during the year relates to carried-forward contract liabilities.

	Year ended 31 December	
	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Medical services	**356,109**	520,231
Health services	**412,893**	555,175
	769,002	1,075,406

(ii) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations as at 31 December 2024 and 2023:

	At 31 December	
	2024	2023
Medical services	**432,652**	467,955
Health services	**561,349**	446,041
	994,001	913,996

Management expects that more than 96% of the transaction price allocated to the unsatisfied contracts as at 31 December 2024 will be recognized as revenue during the next year.

(All amounts expressed in RMB thousand unless otherwise stated)

5 Revenue and Segment Information (Continued)

(b) Contract related assets and liabilities (Continued)

(iii) Assets recognized from incremental costs to obtain a contract

In addition to the contract balances disclosed above, the Group has also recognized an asset in relation to incremental costs to obtain a contract. This is presented within contract related assets in the statement of financial position.

	Year ended 31 December	
	2024	2023
Asset recognized from costs incurred to obtain a contract at 31 December 2024 and 2023		
Medical services	**156,630**	110,195
Health services	**45,700**	49,020
	202,330	159,215
Amortisation recognized as selling and marketing expenses for provision of services during the period		
Medical services	**57,012**	90,089
Health services	**163,530**	213,885
	220,542	303,974

In adopting IFRS 15, the Group recognized an asset in relation to compensation charged for products and service referred from external agencies which is incremental cost incurred to obtain a contract. The asset is amortized over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue. There were no impairment losses recognized on such contract related assets.

(All amounts expressed in RMB thousand unless otherwise stated)

6 Expenses by Nature

	Year ended 31 December	
	2024	2023
Cost of merchandise	**1,638,201**	1,389,919
Cost for service fee paid to vendors	**1,470,132**	1,610,204
Employee benefit expenses (Note 7)	**830,242**	1,283,776
Direct sale and business development fee (Note a)	**419,950**	502,763
Consulting expenses	**210,833**	179,875
Travelling, entertainment expenses and general office expenses	**58,011**	70,397
Labour outsourcing expenses	**57,730**	74,719
Postage and communication expenses	**45,338**	44,182
Depreciation of right-of-use assets	**39,539**	68,466
Depreciation of property, plant and equipment	**36,578**	57,377
Tax and surcharges	**20,210**	16,529
Amortization of other intangible assets	**20,140**	34,936
Settlement expenses	**13,221**	9,232
Remuneration of the auditors (Note b)	**8,225**	8,841
Leasing expenses	**6,964**	17,573
Others	**102,900**	112,940
	4,978,214	5,481,729

(a) The direct sale and business development fee includes commission expenses, advertising expenses and promotion expenses.

(b) Remuneration of the auditors comprises both paid and payable fees attributable to audit and non-audit services provided by the firms within the PricewaterhouseCoopers network during the reporting period.

7 Employee Benefit Expenses (Including Directors' Remuneration)

	Year ended 31 December	
	2024	2023
Wages, salaries, bonuses and other compensation costs	**609,550**	988,017
Welfare and other benefits	**171,450**	266,646
Share-based payments	**49,242**	29,113
	830,242	1,283,776

(All amounts expressed in RMB thousand unless otherwise stated)

8 Directors' Remuneration

(i) Directors' and the chief executive's cash emoluments

	Year ended 31 December	
	2024	2023
Wages and salaries, and directors' fees	**8,638**	11,633
Performance related bonuses	**4,543**	6,514
Pension costs – defined contribution plans	**94**	87
Other social security costs, housing benefits and other employee benefits	**2,174**	1,690
Other compensation costs	**1,317**	1,066
	16,766	20,990

The cash remuneration of each director for the year ended 31 December 2024 is set out as follows:

	Year ended 31 December 2024				
	Wages and salaries	Performance related bonuses	Pension costs – defined contribution plans	Other social security costs, housing benefits and other employee benefits	Other compensation costs
Executive directors					
– Li Dou (Chairman)	5,500	1,301	46	1,283	947
– Wu Jun	1,770	3,242	48	891	370
Non-executive directors					
– Tan Sin Yin[1]	-	-	-	-	-
– Fu Xin	-	-	-	-	-
– Zhu Ziyang	-	-	-	-	-
– Guo Michael[2]	-	-	-	-	-
– Cai Fangfang[3]	-	-	-	-	-
Independent non-executive directors					
– Tang Yunwei	456	-	-	-	-
– Guo Tianyong	456	-	-	-	-
– Chow Wing Kin Anthony	456	-	-	-	-
	8,638	4,543	94	2,174	1,317

(All amounts expressed in RMB thousand unless otherwise stated)

8 Directors' Remuneration (Continued)

(i) Directors' and the chief executive's cash emoluments (Continued)

The cash remuneration of each director for the year ended 31 December 2023 is set out as follows:

	Year ended 31 December 2023				
	Wages and salaries	Performance related bonuses	Pension costs – defined contribution plans	Other social security costs, housing benefits and other employee benefits	Other compensation costs
Executive directors					
– Li Dou[4] (Chairman)	664	–	4	126	–
– Fang Weihao[5]	7,876	3,664	40	628	349
– Wu Jun[6]	1,770	2,850	43	936	717
Non-executive directors					
– Tan Sin Yin	–	–	–	–	–
– Lin Lijun[7]	–	–	–	–	–
– Fu Xin[8]	–	–	–	–	–
– Pan Zhongwu[9]	–	–	–	–	–
– Zhu Ziyang	–	–	–	–	–
Independent non-executive directors					
– Tang Yunwei	441	–	–	–	–
– Guo Tianyong	441	–	–	–	–
– Chow Wing Kin Anthony	441	–	–	–	–
	11,633	6,514	87	1,690	1,066

Notes:

1. *Resigned from non-executive director since March 2024.*
2. *Appointed as non-executive director since March 2024.*
3. *Appointed as non-executive director since March 2024.*
4. *Appointed as executive director since October 2023.*
5. *Resigned from executive directors since October 2023.*
6. *Appointed as executive director since March 2023.*
7. *Passed away in April 2023.*
8. *Appointed as non-executive director since March 2023.*
9. *Resigned from non-executive director since March 2023.*
10. *No director received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office. No director waived or has agreed to waive any emoluments during the years ended 31 December 2024 and 2023.*

(All amounts expressed in RMB thousand unless otherwise stated)

8 Directors' Remuneration (Continued)

(ii) Directors' and the chief executive's other non-cash emoluments

The remuneration of the directors and the chief executives of the Group encompasses directors' fees, base salaries, performance bonuses, social insurance contributions, housing fund contributions, other employee benefits, additional salary costs, and other non-cash remuneration. Apart from the cash remuneration outlined above, the term "other non-cash remuneration" refers to share-based payments. For the year ended 31 December 2024, the accrued share-based expenses for Executive Directors Li Dou and Wu Jun amounted to RMB1,771 thousand and RMB2,092 thousand, respectively (for the year ended 31 December 2023, the corresponding amounts were RMB151 thousand, RMB3,773 thousand and RMB5,381 thousand for Executive Directors Li Dou, Wu Jun and Fang Weihao). Details of the share option grants are provided in the table below.

The fulfillment of the vesting conditions for the options is contingent upon the achievement of specific performance metrics, including the growth rate of the Company's share price, the overall performance of the Group, and the satisfaction of key performance indicators by the option recipients.

As at 31 December 2024, the share options held by the directors and chief executives of the Group under the Share Option Plan (Note 28) are as follows:

	Date of grant	Number of grants (Shares)	Vesting periods	Exercise price (HKD/share)	Outstanding as of 31 December 2023 (Shares)	Exercised during the period (shares)	Canceled/ Lapsed during the Reporting Period (Shares)	Outstanding as of 31 December 2024 (Shares)
Executive directors								
- Li Dou (Chairman)	01 December 2023	300,000	1 December 2024 to 1 December 2027	-	300,000	-	-	300,000
- Wu Jun	26 October 2021	300,000	26 October 2022 to 26 October 2025	-	228,345	70,110	7,095	151,140
	23 October 2022	100,000	23 October 2023 to 23 October 2026	-	100,000	23,370	1,250	75,380

(All amounts expressed in RMB thousand unless otherwise stated)

8 Directors' Remuneration (Continued)

(iii) Directors' retirement benefits

There was no retirement benefits paid to the directors during 2024 and 2023.

(iv) Directors' termination benefits

There was no termination benefits paid to directors during 2024 and 2023.

(v) Consideration provided to third parties for making available directors' services

There was no payment to third parties for making available directors' services during 2024 and 2023.

(vi) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities with such directors

There was no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities with such directors entered into by the Company or subsidiary undertaking of the Company during 2024 and 2023.

(vii) Directors' material interests in transactions, arrangements or contracts

There was no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

9 Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group include two directors during the year ended 31 December 2024 (2023: two), and their emoluments are reflected in the analysis shown in Note 8. The cash emoluments payable to the remaining three (2023: three) individuals during the year ended 31 December 2024, are as follows:

	Year ended 31 December	
	2024	2023
Wages and salaries	**6,017**	6,040
Performance related bonuses	**2,837**	3,021
Pension costs – defined contribution plans	**143**	129
Other social security costs, housing benefits and other employee benefits	**1,228**	1,100
	10,225	10,290

(All amounts expressed in RMB thousand unless otherwise stated)

9 Five Highest Paid Individuals (Continued)

The number of highest paid non-director individuals whose cash remuneration fell within the following bands is set out below:

	Year ended 31 December	
	2024	2023
HKD3,000,000 to HKD3,500,000	**1**	–
HKD3,500,001 to HKD4,000,000	**1**	3
HKD4,000,001 to HKD4,500,000	**1**	–
	3	3

Other non-cash remuneration primarily comprises share-based expenses. For the years ended 31 December 2024 and 2023, no option shares were granted to the highest-paid individuals of the Group (excluding directors), and the accrued share-based expenses for the highest-paid individuals of the Group (excluding directors) amounted to RMB2,613 thousand (2023: RMB4,737 thousand).

During the years ended 31 December 2024 and 2023, no director or the five highest paid individuals received any emolument from the Group as an inducement to join or leave the Group or as compensation for loss of office.

10 Other Income

	Year ended 31 December	
	2024	2023
Investment income on short-term investments placed with banks	**21,253**	20,562
Government grants	**13,569**	110,306
Interest on financial assets at amortized cost	**–**	12,077
	34,822	142,945

11 Other Gains – Net

	Year ended 31 December	
	2024	2023
Net foreign exchange losses	**(20,889)**	(2,869)
Net fair value gains on financial assets at fair value through profit or loss	**176,964**	100,997
Net gains on disposals of a joint venture	**–**	12,211
Provision change for outstanding litigations (Note 30)	**–**	1,592
Net gains on disposals of subsidiaries	**–**	984
Impairment provision for financial assets	**(119,094)**	(36,191)
Others	**9,265**	13,238
	46,246	89,962

(All amounts expressed in RMB thousand unless otherwise stated)

12 Finance Income – Net

	Year ended 31 December	
	2024	2023
Finance income		
Interest income	**185,956**	250,002
Finance costs		
Interest expenses on lease liabilities	**(2,892)**	(6,444)
Interest expenses of borrowing	**(507)**	(442)
	(3,399)	(6,886)
	182,557	243,116

13 Income Tax Expense

The income tax expense of the Group for the year ended 31 December 2024 is analyzed as follows:

	Year ended 31 December	
	2024	2023
Current income tax	**5,450**	2,965

The tax on the Group's profit/(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:

	Year ended 31 December	
	2024	2023
Profit/(loss) before income tax	**93,772**	(331,893)
Tax calculated at PRC statutory income tax rate of 25%	**23,443**	(82,973)
Tax effects of		
– Differential income tax rates applicable to overseas subsidiaries (Note a) (Note b)	**(21,494)**	(17,794)
– Income not subject to tax	**(7,827)**	(7,590)
– Expenses not deductible for tax purposes	**90,835**	112,719
– Tax losses and temporary differences for which no deferred income tax asset was recognized	**117,644**	157,352
– PRC withholding income tax	**5,413**	3,332
– Adjustments for current tax of prior periods	**(4)**	(459)
– Super deduction for research and development expenses	**(2,263)**	(2,263)
– Previously unrecognised tax losses now recouped to reduce current tax expense	**(197,395)**	(118,633)
– Previously unrecognized temporary differences now recouped to reduce current tax expense	**(2,902)**	(40,726)
Income tax expense	**5,450**	2,965

(All amounts expressed in RMB thousand unless otherwise stated)

13 Income Tax Expense (Continued)

Deductible temporary differences and deductible losses that are not recognized as deferred tax assets are analyzed as follows:

	At 31 December	
	2024	2023
Deductible temporary differences	**1,416,865**	1,047,009
Deductible losses	**1,287,313**	2,021,466
	2,704,178	3,068,475

The deductible losses as at 31 December 2024 are analyzed as follows:

	At 31 December	
	2024	2023
Deductible losses for which no deferred tax asset has been recognized	**1,287,313**	2,021,466
Potential tax benefit @ 25%	**307,152**	498,250
Potential tax benefit @ 16.5%	**9,686**	4,697

The net balances of deferred tax assets and liabilities after offsetting are as follows:

	As at 31 December	
	2024	2023
Deferred tax assets, net	**–**	–
Deferred tax liabilities, net	**–**	–

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 reporting period.

(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 profit, based on the existing legislation, interpretations and practices in respect thereof. According to the relevant circulars issued by the PRC tax authorities, some subsidiaries of the Group are entitled to certain tax concessions since 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 and the investment income earned by the Company and oversea subsidiaries.

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 31 December 2024 (31 December 2023: nil).

14 Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share for the year ended 31 December 2024 are calculated by dividing the earnings/(loss) attributable to the Company's equity holder by the weighted average number of ordinary shares in issue during the year and excluding treasury shares.

The calculation of earnings/(loss) per share is based on the following:

	Year ended 31 December	
	2024	2023
Profit/(loss) attributable to the owners of the Company	**81,428**	(322,594)
Weighted average number of ordinary shares in issue ('000)	**1,081,531**	1,080,013
Basic earnings/(loss) per share (RMB yuan)	**0.08**	(0.30)

(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.

For the year ended 31 December 2024, the Group has share options and dividends payable which can be elected in the form of new shares as potential dilutive ordinary shares which was included in the calculation of diluted earnings per share. As the Group incurred losses for the year ended 31 December 2023, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive.

	Year ended 31 December	
	2024	2023
Earnings/(loss)		
Profit/(loss) attributable to the owners of the Company	**81,428**	(322,594)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue ('000)	**1,081,531**	1,080,013
Adjustments for:		
Assumed exercise of share options (in '000)	**175**	NA
Assumed issuance of shares under scrip dividend scheme (Note 31) (in '000)	**126,736**	NA
Weighted average number of ordinary shares for diluted earnings/(loss) per share (in '000)	**1,208,442**	1,080,013
Diluted earnings/(loss) per share (RMB yuan)	**0.07**	(0.30)

(All amounts expressed in RMB thousand unless otherwise stated)

15 Goodwill

	At 31 December	
	2024	2023
Ping An Wanjia Healthcare Management Co., Ltd. (“Wanjia Healthcare”) (Note a)	**961,644**	961,644
Smart Health Business (Note a)	**707,284**	707,284
Jiangxi Pingan Health Pharmacy Company Limited (“Jiangxi Pingan Health Pharmacy”) (Note b)	**5,119**	5,119
Pingan Yingjian Medical Management (Shanghai) Limited (“Yingjian Medical”) (Note c)	**3,166**	3,166
Shanghai Mengchong Information Technology Co., Ltd. (“Shanghai Mengchong”) (Note d)	**479**	479
Total	**1,677,692**	1,677,692
Less: Impairment losses	**–**	–
Net book value	**1,677,692**	1,677,692

Notes:

(a) *Goodwill amounted to RMB961,644 thousand arising from the acquisition of 100% equity interests in Wanjia Healthcare in October 2018. Following the change in operating and management's reporting structure of Wanjia Healthcare from 2019, approximately RMB582,398 thousand and RMB379,246 thousand of goodwill were re-allocated to two CGUs (medical related CGU and health related CGU respectively).*

Goodwill of Smart Health Business arising from the acquisition of 100% equity interests in Scientia Smart Health Technologies Limited (“Scientia Smart Health”) and Ping An Yingxiang (Jiaxing) Software Co., Ltd. (“Ping An Yingxiang”) on 7 November 2022. As at 31 December 2022, goodwill was attributable to Smart Health Business as a whole as a CGU of the Group.

After a period of independent operations, management of the Group decided to reorganize the business structure of Smart Health Business, and this resulted in a change of organizational structure where the entire Smart Health Business was integrated with the medical services segment of the Group in order to realize the synergy of economies of scale. This reorganization changed the composition of CGU, the goodwill of Smart Health Business was reallocated to medical related CGU, which is under medical service segment.

As at 31 December 2024, management prepared a value-in-use assessment by using cash flow projections based on business plan for the purposes of impairment review covering a five-year's period. The expected annual growth rates over the five-year's forecast period are based on the Group's past performance and management's expectation of future market and business developments.

As at 31 December 2024, for medical related CGU, key assumptions for goodwill used for value-in-use calculations include annual growth rates ranging from 4% to 22% and gross margin ranging from 51% to 55%, while for the health related CGU, annual growth rates ranging from 5% to 16%, and gross margin ranging from 36% to 40%. As at 31 December 2024, the discount rate used for medical related CGU of 20.1% and health related CGU of 19.9% are pre-tax rates which reflect market assessments of the time value and the specific risks relating to the industry. The budgeted gross margin was determined by management based on past performance and its expectation for market development.

(All amounts expressed in RMB thousand unless otherwise stated)

15 Goodwill (Continued)

Notes: (Continued)

Based on the result of the goodwill impairment testing, for medical related CGU, the estimated recoverable amount exceeded its carrying amount by approximately RMB269,292 thousand (31 December 2023: RMB534,975 thousand) and for the health related CGU, the excess was approximately RMB381,778 thousand (31 December 2023: RMB459,977 thousand) as at 31 December 2024. The following table shows the amount by which the assumption of annual revenue growth rate would need to change individually for the estimated recoverable amount to be equal to the carrying amount for each segment.

CGU	Change required for carrying amount to be equal to recoverable amount (in percent) 2024
Medical related CGU	Assuming the annual growth rate for each year during the five-year period decreased by 1.1% and shall be no less than the terminal growth rate of 1.5%
Health related CGU	Assuming the annual growth rate for each year during the five-year period decreased by 2.0% and shall be no less than the terminal growth rate of 1.5%

(b) *Goodwill amounted to RMB5,119 thousand arising from the acquisition of 100% equity interests in Jiangxi Pingan Health Pharmacy (formerly named as Jiangxi Pingan Good Doctor Pharmacy Company Limited) in April 2016.*

(c) *Goodwill amounted to RMB3,166 thousand arising from the acquisition of control over Yingjian Medical in April 2020.*

(d) *Goodwill of RMB479 thousand arising from the acquisition of control over Shanghai Mengchong on 11 July 2022.*

16 Leases

(a) Amounts recognized in the statement of financial position

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

	At 31 December 2024	2023
Right-of-use assets		
Properties	**42,501**	80,951
Lease liabilities		
Current	**28,622**	43,621
Non-current	**16,382**	49,989
	45,004	93,610

Addition to the cost of right-of-use assets during the year ended 31 December 2024 was RMB14,298 thousand (2023: RMB17,302 thousand).

(All amounts expressed in RMB thousand unless otherwise stated)

16 Leases (Continued)

(b) Amounts recognized in the income statement

The income statement shows the following amounts relating to leases:

	Year ended 31 December	
	2024	2023
Depreciation of right-of-use assets		
Properties	**(39,539)**	(68,466)
Finance costs	**(2,892)**	(6,444)

17 Property, Plant And Equipment

	Office and telecommunication equipment	Leasehold improvements	Total
As at 1 January 2024			
Cost	**328,365**	**135,181**	**463,546**
Accumulated depreciation	**(270,495)**	**(107,369)**	**(377,864)**
Net book amount	**57,870**	**27,812**	**85,682**
Year ended 31 December 2024			
Opening net book amount	**57,870**	**27,812**	**85,682**
Additions	**29,015**	**3,177**	**32,192**
Disposal	**(4,151)**	**–**	**(4,151)**
Depreciation charge	**(19,680)**	**(16,898)**	**(36,578)**
Closing net book amount	**63,054**	**14,091**	**77,145**
As at 31 December 2024			
Cost	**333,433**	**138,358**	**471,791**
Accumulated depreciation	**(270,379)**	**(124,267)**	**(394,646)**
Net book amount	**63,054**	**14,091**	**77,145**
As at 1 January 2023			
Cost	321,970	124,812	446,782
Accumulated depreciation	(249,903)	(85,411)	(335,314)
Net book amount	72,067	39,401	111,468
Year ended 31 December 2023			
Opening net book amount	72,067	39,401	111,468
Additions	25,496	10,369	35,865
Disposal	(4,274)	–	(4,274)
Depreciation charge	(35,419)	(21,958)	(57,377)
Closing net book amount	57,870	27,812	85,682
As at 31 December 2023			
Cost	328,365	135,181	463,546
Accumulated depreciation	(270,495)	(107,369)	(377,864)
Net book amount	57,870	27,812	85,682

(All amounts expressed in RMB thousand unless otherwise stated)

18 Other Intangible Assets

	Software	Licences	Total
As at 1 January 2024			
Cost	**149,715**	**64,437**	**214,152**
Accumulated amortisation	**(110,892)**	**(41,202)**	**(152,094)**
Accumulated impairment	**–**	**(19,569)**	**(19,569)**
Net book amount	**38,823**	**3,666**	**42,489**
Year ended 31 December 2024			
Opening net book amount	**38,823**	**3,666**	**42,489**
Amortisation	**(19,027)**	**(1,113)**	**(20,140)**
Closing net book amount	**19,796**	**2,553**	**22,349**
As at 31 December 2024			
Cost	**149,715**	**64,437**	**214,152**
Accumulated amortisation	**(129,919)**	**(42,315)**	**(172,234)**
Accumulated impairment	**–**	**(19,569)**	**(19,569)**
Net book amount	**19,796**	**2,553**	**22,349**
As at 1 January 2023			
Cost	146,868	64,437	211,305
Accumulated amortisation	(83,539)	(33,619)	(117,158)
Accumulated impairment	–	(19,569)	(19,569)
Net book amount	63,329	11,249	74,578
Year ended 31 December 2023			
Opening net book amount	63,329	11,249	74,578
Additions	2,847	–	2,847
Amortisation	(27,353)	(7,583)	(34,936)
Closing net book amount	38,823	3,666	42,489
As at 31 December 2023			
Cost	149,715	64,437	214,152
Accumulated amortisation	(110,892)	(41,202)	(152,094)
Accumulated impairment	–	(19,569)	(19,569)
Net book amount	38,823	3,666	42,489

19 Investments in Associates and Joint Ventures

	At 31 December	
	2024	2023
Investments in associates (a)	**110,225**	109,212
Investments in joint ventures (b)	**–**	–
	110,225	109,212

(All amounts expressed in RMB thousand unless otherwise stated)

19 Investments in Associates and Joint Ventures (Continued)

(a) Investments in associates

	At 31 December	
	2024	2023
At the beginning of the year	**109,212**	355,595
Share of other reserves of associates	**734**	2,434
Share of net profit of associates	**279**	1,271
Cash dividends declared by associates	**–**	(250,088)
At the end of the year	**110,225**	109,212

The investments in associates as at 31 December 2024 are as follows:

	Place	Principal activities	Percentage of equity interest	Percentage of voting rights
Chengyi (Note i)	Ningbo	Equity investment management	71.2%	33%
Hydee (Note ii)	Shanghai	Software and information technology services	20%	20%

(i) *On 13 November 2018, the Group entered into a share subscription agreement with Ping An Capital Company Limited, Ping An Life and Shenzhen Pingan Decheng Investment Co., Ltd. to subscribe for approximately 71.2% of the equity interests of Ningbo Chengyi Partnership Enterprise L.P. ("Chengyi") as a limited partner.*

According to the share subscription agreement, the investment decision-making committee (the "committee") has six members and resolutions of the investment committee need to be passed by at least two-thirds of the members before taking into effect. Since the Group has appointed two members in the committee, the Group is considered to have significant influence but not control over Chengyi.

(ii) *As at 31 December 2024, the Group made an aggregate impairment provision of approximately RMB23,665 thousand (as at 31 December 2023: RMB23,665 thousand).*

Summarized financial information of the Group's major associates:

	Chengyi Year ended 31 December		Hydee Year ended 31 December	
	2024	2023	**2024**	2023
The associate's total assets	**17,045**	17,488	**216,705**	207,823
The associate's total liabilities	**(126)**	(63)	**(119,885)**	(117,666)
The associate's profit/(loss)	**(506)**	3,774	**3,200**	(7,080)

(All amounts expressed in RMB thousand unless otherwise stated)

19 Investments in Associates and Joint Ventures (Continued)

(b) Investments in joint ventures

	At 31 December	
	2024	2023
At the beginning of the year	**–**	1,020
Share of net loss of joint ventures	**–**	(1,020)
At the end of the year	**–**	–

The investments in joint ventures as at 31 December 2024 are as follows:

	Place	Principal activities	Percentage of equity interest	Percentage of voting rights
Haoyi Xi'an	Xi'an	Health Consultation	51%	50%

20 Inventories

	At 31 December	
	2024	2023
Inventories in warehouses	**47,335**	104,460
Goods in transit	**80**	66,142
Inventories stored in third parties	**63,274**	46,426
Less: impairment provision	**(17,243)**	(18,453)
	93,446	198,575

(All amounts expressed in RMB thousand unless otherwise stated)

21 Trade Receivables

	At 31 December 2024	2023
Medical services	**739,654**	786,744
Health services	**520,097**	518,953
Senior care services	**63,893**	15,797
	1,323,644	1,321,494
Less: Loss allowance	**(216,338)**	(131,102)
	1,107,306	1,190,392

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

	At 31 December 2024	2023
Up to 3 months	**936,384**	1,051,927
3 to 6 months	**92,910**	51,803
6 months to 1 year	**131,863**	70,933
1 to 2 years	**46,050**	65,066
More than 2 years	**116,437**	81,765
	1,323,644	1,321,494
Less: Loss allowance	**(216,338)**	(131,102)
	1,107,306	1,190,392

As at 31 December 2024, approximately 6% (31 December 2023: 12%) 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.

(All amounts expressed in RMB thousand unless otherwise stated)

22 Prepayments and Other Receivables

	At 31 December	
	2024	2023
Included in current assets		
Advance payments	**112,058**	106,052
Recoverable value-added tax	**110,685**	116,167
Deposits	**52,225**	68,618
Estimated return of products sold	**41,588**	–
Agent business related receivables	**30,081**	6,581
Amounts due from related parties (Note a)	**21,376**	32,072
Others	**40,273**	18,429
	408,286	347,919
Less: loss allowance	**(26,500)**	–
	381,786	347,919

Notes:

(a) *During the year, the amounts due from related parties were non-trade nature.*

(b) *As at 31 December 2024, the carrying amounts of deposits and other assets (excludes advance payments and recoverable value-added tax), were approximate to their fair values. Their recoverability was assessed with reference to the credit status of the counterparties and credit history.*

23 Financial Assets at Fair Value Through Profit or Loss

	At 31 December	
	2024	2023
Wealth management products	**7,936,868**	4,788,394
Investment funds	**584,476**	542,272
	8,521,344	5,330,666

24 Cash and Cash Equivalents, Restricted Cash and Term Deposits

(a) Cash and cash equivalents

	At 31 December	
	2024	2023
Cash	**42**	17
Cash at bank	**891,350**	1,596,509
Short-term bank deposits with initial term within three months	**1,072,214**	201,360
Other cash equivalents	**81,047**	68,625
	2,044,653	1,866,511

(All amounts expressed in RMB thousand unless otherwise stated)

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

(a) Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

	At 31 December	
	2024	2023
USD	**60,889**	65,902
HKD	**29,433**	23,946
RMB	**1,954,331**	1,776,663
	2,044,653	1,866,511

(b) Restricted cash

As at 31 December 2024, restricted deposits held at banks amounted to RMB100,337 thousand, of which RMB95,085 thousand is legally frozen due to the litigation as set out in Note 30.

(c) Term deposits

	At 31 December	
	2024	2023
Term deposits with initial term of over three months that will mature within one year	**887,108**	3,910,825
Term deposits with initial term of over three months	**1,384,818**	1,170,000
Interest receivable	**127,390**	268,156
Less: Loss allowance of term deposits	**(917)**	(3,040)
	2,398,399	5,345,941

Term deposits are denominated in the following currencies:

	At 31 December	
	2024	2023
USD	**926,072**	847,267
RMB	**1,473,244**	4,501,714
	2,399,316	5,348,981

The weighted average effective interest rate of the term deposits of the Group for the year ended 31 December 2024 is 4.51% (Year ended 31 December 2023: 3.95%).

(All amounts expressed in RMB thousand unless otherwise stated)

25 Share Capital

	Number of shares	USD
Authorised		
Ordinary shares of USD0.000005 each at		
1 January 2024 and 31 December 2024	10,000,000,000	50,000

	Number of shares	USD	Equivalent to RMB
Issued			
Ordinary shares of USD0.000005 each at			
1 January 2024 and 31 December 2024	1,118,812,900	5,594	35,067

26 Treasury Shares

	At 31 December	
	2024	2023
Treasury shares	**1**	1

As at 31 December 2024, the Group holds 34,848,875 treasury shares (31 December 2023: 38,278,460 shares).

27 Reserves

	At 31 December	
	2024	2023
Other reserves		
– share-based payments – value of employee services	**217,353**	246,063
Reorganization (Note a)	**350,000**	350,000
Share premium		
– share premium from capital injection (Note 31)	**9,792,530**	19,662,022
– share-based payments – value of employee services	**362,919**	284,967
– proceeds from exercise of share options	**395,618**	395,222
Cancellation of shares (Note b)	**(593,985)**	(593,985)
Currency translation differences	**182,806**	139,375
Partial disposal of equity interests of subsidiary	**13,526**	13,526
Other	**1,310**	576
	10,722,077	20,497,766

Notes:

(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. After the Reorganization, PAHC is controlled by Kang Jian through the Contractual Arrangements. The share capital of RMB350,000,000 is regarded as a deemed distribution from the owners.

(b) All the shares repurchased in 2022 and 2021 have been cancelled on 25 January 2022 and 13 May 2022. Repurchasing consideration is recorded in reserves after deducting share capital.

(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 established 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 options granted under the Share Option Plan are 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, namely 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 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 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.

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 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 take into account the vesting conditions which only impact 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 needs to be considered.

Pursuant to the resolution approved by the Board of Directors, the Share Option Plan remains in effect for the period commencing on 26 December 2014 through 31 December 2025.

	Number of share options At 31 December	
	2024	2023
At the beginning of the year	**11,651,148**	26,260,813
Granted	**162,000**	300,000
Exercised (Note a)	**(3,429,585)**	(1,629,692)
Forfeited	**(1,513,304)**	(13,279,973)
At the end of the year	**6,870,259**	11,651,148

Note:

(a) *During the year ended 31 December 2024, 3,429,585 ordinary shares were exercised (year ended 31 December 2023: 1,629,692 ordinary shares) at the total consideration of 396 thousand. The exercise price ranges from RMB0 each to RMB5 each.*

(All amounts expressed in RMB thousand unless otherwise stated)

28 Share-based Payments (Continued)

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

			Number of share options At 31 December	
Grant Year	Expiry Year	Exercise price	**2024**	2023
2015	2025	0.50-0.75	**–**	85,174
2016	2026	5.00	**800**	105,300
2017	2027	23.50-32.00	**1,636,200**	2,113,681
2019	2029	0-30.95	**100,964**	771,993
2020	2030	0	**231,272**	707,911
2021	2031	0	**534,590**	789,750
2022	2032	0	**3,904,433**	6,777,339
2023	2033	0	**300,000**	300,000
2024	2034	0	**162,000**	–
			6,870,259	11,651,148

Before the Listing, the Company 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 shares. Key assumptions, such as discount rate and projections of future performance, were required to be determined by the Company with best estimate. Based on fair value of the underlying ordinary shares, the Company used Binomial option-pricing model to determine the fair value of the share options on the grant dates.

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.

The weighted average fair value of awarded share options granted during the year ended 31 December 2024 was HKD6.04 per share (equivalent to approximately RMB5.58 per share) (year ended 31 December 2023: HKD13.52 per share (equivalent to approximately RMB12.25 per share)).

In relation to the 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 year ended 31 December 2024, the Group recorded share-based payments of approximately RMB49,242 thousand (year ended 31 December 2023: RMB29,113 thousand) related to the Share Option Plan.

The average remaining contractual life of share options outstanding as at 31 December 2024 is 6.3 years (As at 31 December 2023: 7.3 years).

(All amounts expressed in RMB thousand unless otherwise stated)

29 Trade and Other Payables

	At 31 December 2024	2023
Included in current liabilities		
Trade payables (Note a)	**776,893**	741,453
Wages payables	**555,219**	573,155
Accrued expenses	**452,946**	388,693
Tax payables	**147,632**	102,957
Amounts due to suppliers	**75,884**	147,365
Amounts due to related parties	**71,539**	46,201
Agent business related payables	**11,200**	30,158
Others	**112,463**	171,389
	2,203,776	2,201,371
Included in non-current liabilities		
Amounts due to related parties (Note b)	**11,498**	10,990

(a) Aging analysis of trade payables based on accrual date is as follows:

	At 31 December 2024	2023
Up to 3 months	**701,885**	690,571
3 to 6 months	**34,185**	21,799
6 months to 1 year	**11,063**	12,132
1 to 2 years	**23,027**	12,547
Over 2 years	**6,733**	4,404
	776,893	741,453

(b) As at 31 December 2024, Yingjian Medical, a subsidiary of the Group, had a long-term borrowing of RMB10,500 thousand with original duration of 36 months from its shareholder Yingjian Enterprise Management Consulting (Shanghai) Co., Ltd. ("Yingjian Enterprise Management Consulting"), which is unsecured and bears interest rate of 4.75%.

(All amounts expressed in RMB thousand unless otherwise stated)

30 Provisions

	At 31 December	
	2024	2023
Provision for litigations (Note a)	**95,000**	95,000

(a) As at 31 December 2024, the Group was the defendant in certain outstanding litigations. Combining with fact and the progress, as well as the opinions of the internal and external legal counsels, the Group had recognized the estimated losses of RMB95 million from such litigations and disputes as provisions and considered contingent liabilities of RMB64.08 million which have not been recorded as provisions due to uncertainty. The Group believes that the provisions are reasonable and sufficient. The above cases are still under trial and the Group considers that the disclosure of case details will have an uncertain impact on the outstanding cases, and therefore has not disclosed the case details. Although the above provision was made, it does not represent the recognition of losses by the Group. The Group will spare no effort to maintain the overall interests of the Company and shareholders.

31 Dividends

On 14 November 2024, the Board resolved to recommend the declaration and distribution of the special dividend out of the share premium account under the reserves of the Company in the amount of HKD9.7 per Share. The special dividend will be payable in cash, with eligible shareholders given an option to elect to receive the special dividend wholly in the form of new shares (except for Hong Kong Securities Clearing Company Nominees Limited, which may elect to receive their entitlement partly in cash and partly in the form of new shares). The special dividend was approved by shareholders at the extraordinary general meeting held on 4 December 2024. Based on the irrevocable election of the special dividend as of 31 December 2024, the company recognized RMB9,869 million in other reserve and RMB9,892 million in dividend payable.

(All amounts expressed in RMB thousand unless otherwise stated)

32 Cash Flow Information

(a) Cash generated from/(used in) operations

	Year ended 31 December	
	2024	2023
Profit/(loss) before income tax	**93,772**	(331,893)
Depreciation and amortisation	**96,257**	160,779
Impairment provision for financial assets	**119,094**	36,191
Provision for inventory obsolescence	**(1,210)**	12,848
Investment income on short-term investments placed with banks	**(21,253)**	(20,562)
Fair value gains on financial assets at fair value through profit or loss	**(176,964)**	(100,997)
Interest on financial assets at amortized cost	**-**	(12,077)
Share of profits of associates and joint ventures	**(279)**	(251)
Share option expenses	**49,242**	29,113
Finance income – net	**(143,156)**	(188,917)
Net gains on disposals of subsidiaries	**-**	(984)
Net gains on disposals of a joint venture	**-**	(12,211)
Net losses on disposals of property, plant and equipment and other intangible assets	**3,282**	1,655
Net gains on modification of leases	**(14,589)**	–
Net foreign exchange gains	**21,238**	150
Change of inventories	**106,339**	34,411
Change of restricted cash	**(15,541)**	(9,796)
(Increase)/decrease in trade receivables and other assets	**(115,113)**	346,846
Increase/(decrease) in trade payables and other liabilities	**98,728**	(223,590)
Cash generated from/(used in) operations	**99,847**	(279,285)

33 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 during the year. 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.

33 Related Party Transactions (Continued)

(a) Names 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 Insurance")	Controlled by Ping An
Ping An Health Insurance Company Ltd. ("Ping An Health Insurance")	Controlled by Ping An
Ping An Property & Casualty Insurance Company of China, Ltd. ("Ping An Property & Casualty Insurance")	Controlled by Ping An
Ping An Bank Co., Ltd. ("Ping An Bank")	Controlled by Ping An
Ping An Annuity Insurance Company, 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. ("Ping An 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
Ping An Yiqianbao E-Commerce Co., Ltd. ("Ping An Yiqianbao")	Controlled by Ping An
Shanghai An Yi Tong Electronic Commerce Co., Ltd. ("Shanghai An Yi Tong")	Controlled by Ping An
Founder Securities Co., Ltd. ("Founder Securities")	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 Finance Center Construction and Development Co., Ltd. ("Ping An Finance Center")	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 Haoyi (Wuhan) Comprehensive Outpatient Department Co., Ltd. ("Haoyi Wuhan")	Controlled by Ping An
Hefei Ping'an Haoyi Comprehensive Outpatient Department Co., Ltd. ("Hefei Haoyi")	Controlled by Ping An
Chongqing Pingan Haoyi Jingwei Comprehensive Outpatient Service Co., Ltd. ("Chongqing Haoyi")	Controlled by Ping An
Nanchang Ping'an Haoyi Health Examination Center Co., Ltd. ("Nanchang Haoyi")	Controlled by Ping An
Shanghai Ping An Haoyi Chuangzhi Outpatient Department Co., Ltd. ("Shanghai Haoyi")	Controlled by Ping An
Guangzhou Pingan Haoyi Health Examination Center Co., Ltd. ("Guangzhou Haoyi")	Controlled by Ping An

(All amounts expressed in RMB thousand unless otherwise stated)

33 Related Party Transactions (Continued)

(a) Names and relationships with related parties (Continued)

Name of related parties	Relationship with the Company
Xiamen Ping An Haoyi Outpatient Department Co., Ltd. ("Xiamen Haoyi")	Controlled by Ping An
Shenyang Heping Ping An Haoyi Comprehensive Outpatient Department Co., Ltd. ("Shenyang Haoyi")	Controlled by Ping An
Ping An Haoyi (Qingdao) Comprehensive Outpatient Department Co., Ltd. ("Haoyi Qingdao")	Controlled by Ping An
Shanghai Geying Enterprise Management Co., Ltd. ("Shanghai Geying")	Controlled by Ping An
Beijing Jinkun Lize Real Estate Co., Ltd. ("Beijing Jinkun Lize")	Controlled by Ping An
Ping An International Financial Leasing Company Limited ("Ping An Financial Leasing")	Controlled by Ping An
Ping An Medical Technology Co., Ltd. ("Ping An Medical Technology")	Controlled by Ping An
Shenzhen Ping An Properties Investment Co., Ltd. ("Ping An Properties")	Controlled by Ping An
Ping An Wealth Management Co., Ltd ("Ping An Wealth Management")	Controlled by Ping An
Yingjian Enterprise Management Consulting	Shareholder of the subsidiary of the Group

(b) Significant transactions with related parties

	Year ended 31 December	
	2024	2023
Trademark licensing		
Ping An	**–**	–
Provision of products and services (Note i)		
Ping An Life Insurance	**766,454**	455,976
Ping An Property & Casualty Insurance	**381,483**	457,276
Ping An Bank	**188,294**	190,407
Ping An Health Insurance	**155,394**	93,258
Ping An Annuity	**50,424**	64,778
Shanghai An Yi Tong	**31,010**	24,439
Ping An Financial Services	**11,171**	12,774
Shenzhen Wanlitong	**10,265**	13,056
Ping An Financial Leasing	**9,427**	11,277
Ping An Securities	**8,071**	9,230
Founder Securities	**4,738**	–
Ping An Technology	**4,348**	5,881
Ping An Fund	**4,220**	2,132
Ping An	**906**	4,336
Ping An Yiqianbao	**740**	5,659

(i) Revenue is recognized from related parties based on the provision of products and services in current period.

(All amounts expressed in RMB thousand unless otherwise stated)

33 Related Party Transactions (Continued)

(b) Significant transactions with related parties (Continued)

	Year ended 31 December	
	2024	2023
Services purchasing		
Ping An Pay Tech	**125,216**	100,391
Ping An Financial Services	**68,324**	23,357
Ping An Technology	**61,661**	51,278
Ping An Communication Technology	**56,583**	50,355
Ping An Health Insurance	**55,406**	67,253
Ping An Property & Casualty Insurance	**51,478**	48,687
Shenzhen Wanlitong	**19,955**	25,734
Ping An Bank	**16,274**	35,644
Shanghai Haoyi	**13,921**	9,019
Haoyi Qingdao	**13,830**	8,119
Hefei Haoyi	**13,157**	13,403
Chongqing Haoyi	**10,975**	15,672
Haoyi Wuhan	**10,480**	12,486
Ping An Annuity	**10,073**	12,391
Shenyang Haoyi	**10,052**	10,744
Xiamen Haoyi	**8,361**	14,623
Guangzhou Haoyi	**6,603**	8,481
Nanchang Haoyi	**6,394**	7,747
Ping An	**6,245**	6,509
Ping An Medical Technology	**–**	7,151
Deposit interests		
Ping An Bank	**30,203**	50,640
Investment income		
Ping An Wealth Management	**37,453**	3,048
Ping An Bank	**21,838**	8,630
Ping An Asset Management	**7,535**	35,951
Ping An Properties	**–**	12,077
Property leasing expenses paid		
Zean Investment	**5,078**	20,350
Shanghai Geying	**2,834**	3,779
Beijing Jinkun Lize	**2,708**	3,334
Ping An Finance Center	**2,695**	–

33 Related Party Transactions (Continued)

(b) Significant transactions with related parties (Continued)

Trademark licensing

The Group enters into a trademark licensing framework agreement with Ping An (the "Trademark Licensing Framework Agreement"), pursuant to which Ping An grants to the Group non-exclusive and transferable licenses under limited conditions for the use of certain trademarks owned by Ping An that are either registered or for which registration applications have been filed in the PRC or Hong Kong on a royalty-free basis. The initial term of the original Trademark Licensing Framework Agreement commenced on 15 November 2017 and ends on 31 August 2023.

A new Trademark Licensing Framework Agreement was signed on 1 September 2023, with a validity period of two years.

Provision of products and services

The Group provide various types of products and services to Ping An Group of the Products and Services, including, but not limited to (1) online medical services comprising online consultation, hospital referral, inpatient arrangement, second opinion services, electronic prescriptions and health management; (2) prepaid packages for the purchase of healthcare products and services; (3) provision of products in the Group's health mall, which is an online platform offering diversified and evolving products offering, mainly including healthcare products such as medicines, health supplements and medical devices and wellness products such as fitness equipment and accessories and personal care products; and (4) advertising and consulting services. Fees shall be paid to the Group by Ping An Group of the Products and Services in respect of the provision of such products and services by the Group.

The transactions are conducted on commercial terms and pricing are determined based on market rates.

Services purchasing

Ping An Group shall provide a wide spectrum of services to the Group, including but not limited to consulting services, health management services, business promotion services, outsourcing services relating to finance, human resources and administrative matters, insurance services, online traffic re-directing services and customer referral services. The Group shall, in return, pay service fees to Ping An Group. The precise scope of the service, service fee calculation, method of payment and other details of the service arrangement will be agreed between the relevant parties separately.

Taking into consideration the estimated transaction amount, the services fees to be paid by the Group to Ping An Group under the 2023 Services Purchasing Framework Agreement will be determined (1) through bidding procedures according to the internal rules and procedures of the Group. The Group will compare the fees rates offered by other independent third parties as well as accessing its business needs and the relevant qualifications/experience of the bidders in providing such services before determining the service fee rate for the transactions under the 2023 Services Purchasing Framework Agreement; and (2) if no tendering and bidding process is required under the Group's internal rules, through arm's length negotiations between the parties based on the historical fees of such services, the nature of the services, the frequency for providing such services by Ping An Group and comparable market rates. The pricing terms under the 2023 Services Purchasing Framework Agreement will be no less favorable to the Company than terms of services available from independent third parties (if applicable), and the services fees are in line with market rates and are in the best interests of the Company and the Shareholders as a whole.

(All amounts expressed in RMB thousand unless otherwise stated)

33 Related Party Transactions (Continued)

(b) Significant transactions with related parties (Continued)

Property leasing

The Group leases properties from Ping An Group for office use.

The monthly rents payable by the Group during the leasing term are determined based on mutual negotiations between the relevant parties.

Financial Service

Ping An Group shall provide deposit and wealth management service (including structural deposit products) to the Group.

Interest rates for the deposits placed by the Group with Ping An Group will refer to: (i) the interest rate published by the PBOC for deposits of a similar type for the same period, (ii) the interest rate for deposits of a similar type for the same period placed by independent third parties, or (iii) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to the Company and its subsidiaries. Such interest rates are in line with market rates and are in the best interests of the Company and its Shareholders as a whole.

(c) Year end balances with related parties

	At 31 December	
	2024	2023
Cash and cash equivalents and term deposits		
Ping An Bank	**1,178,124**	2,419,348
Ping An Pay Tech	**22,935**	58,151
Restricted cash		
Ping An Bank	**100,089**	84,796
Financial assets at fair value through profit or loss		
Ping An Wealth Management	**1,383,433**	601,390
Ping An Bank	**608,801**	200,146
Ping An Asset Management	**309**	801,865
Ping An Fund	**–**	503,316
Trade receivables		
Ping An Life Insurance	**332,914**	159,814
Ping An Property & Casualty Insurance	**320,974**	323,162
Ping An Yiqianbao	**76,452**	283,155
Ping An Health Insurance	**65,453**	21,750
Ping An Bank	**62,870**	114,536
Shanghai An Yi Tong	**16,594**	–
Ping An Technology	**16,060**	900
Ping An Annuity	**14,885**	11,724
Ping An Financial Leasing	**8,236**	13,611

(All amounts expressed in RMB thousand unless otherwise stated)

33 Related Party Transactions (Continued)

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

	At 31 December	
	2024	2023
Prepayments and other receivables		
– Deposits		
Ping An Technology	**29,250**	40,275
Ping An Life Insurance	**3,137**	3,042
Ping An Finance Center	**1,731**	–
– Amounts due from related parties		
Ping An Health Insurance	**7,276**	7,279
Ping An Property & Casualty Insurance	**2,466**	2,463
Trade and other payables		
Ping An Technology	**22,784**	14,917
Ping An Communication Technology	**17,477**	4,823
Yingjian Enterprise Management Consulting	**11,449**	10,942
Ping An Property & Casualty Insurance	**7,322**	8,148
Ping An Financial Services	**4,235**	3,154

Apart from 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.

Apart from the borrowing from Yingjian Enterprise Management Consulting, the balances including trade and other payables due to related parties are unsecured, interest-free and repayable on demand.

(d) Key management personnel compensations

Key management includes directors (executive and non-executive) and senior officers. The compensations paid or payable to key management for employee services are shown below:

	Year ended 31 December	
	2024	2023
Wages, salaries, bonuses and other compensation costs	**20,842**	22,343
Welfare and other benefits	**3,227**	2,028
Share-based payments	**5,538**	10,420
	29,607	34,791

34 Contingencies

Save as the provisions and contingent liabilities disclosed in Note 30, there were no other material contingencies need to be disclosed.

35 Subsequent Events

Subsequent to 31 December 2024, based on the election for scrip dividend under the Company's scrip dividend scheme, 698,970,587 new shares were allotted and issued to Glorious Peace, which is subsidiary of Ping An Group. The total of 1,042,630,820 new shares were distributed as the special dividend on 24 January 2025. Following the distribution, the Ping An Group's stake in the Company increased from 39.41% to 52.74%, making the Company an indirect non-wholly owned subsidiary of Ping An Group, with its financial results to be consolidated into Ping An Group's financial statements. Total cash distributed for the special dividend was HKD4,472 million (equivalent to approximately RMB4.2 billion) as of 24 January 2025.

The election results for scrip dividend triggered a mandatory general offer under Rule 26 of the Hong Kong Code on Takeovers and Mergers. Immediately after the close of the mandatory general offer on 17 February 2025, Glorious Peace interested in an aggregate of 1,160,994,737 Shares, representing approximately 53.71% of the Group's total issued shares.

In March 2025, term deposits in the amount of approximately RMB941 million with initial term over one year were legally frozen due to an ongoing dispute. The freeze is merely a routine court preservation procedure and does not represent any prejudgment regarding the outcome of the case.

36 Comparative Figures

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

(All amounts expressed in RMB thousand unless otherwise stated)

37 Financial Statement and Reserve Movement of the Company

(a) Financial position of the Company

	As at 31 December	
	2024	2023
ASSETS		
Non-current assets		
Prepayments and other receivables	**3,108,835**	5,407,256
Investment in subsidiaries	**6,090,213**	6,090,465
Total non-current assets	**9,199,048**	11,497,721
Current assets		
Prepayments and other receivables	**5,534,225**	6,711,871
Financial assets at fair value through profit or loss	**4,807,910**	865,375
Term deposits	**–**	1,116,216
Cash and cash equivalents	**1,076,973**	228,446
Total current assets	**11,419,108**	8,921,908
Total assets	**20,618,156**	20,419,629
EQUITY AND LIABILITIES		
Equity		
Share capital	**35**	35
Treasury shares	**–**	–
Reserves	**9,594,163**	19,463,259
Retained earnings	**656,564**	471,559
Total equity	**10,250,762**	19,934,853
Liabilities		
Non-current liabilities		
Trade and other payables	**49**	48
Total non-current liabilities	**49**	48
Current liabilities		
Trade and other payables	**475,773**	484,728
Dividend payable	**9,891,572**	–
Total current liabilities	**10,367,345**	484,728
Total liabilities	**10,367,394**	484,776
Total equity and liabilities	**20,618,156**	20,419,629

The financial statement of the Company was approved by the Board of Directors on 12 March 2025 and was signed on its behalf.

Li Dou	**Wu Jun**
(Director)	*(Director)*

(All amounts expressed in RMB thousand unless otherwise stated)

37 Financial Statement and Reserve Movement of the Company (Continued)

(b) Income statement of the Company

	Year ended 31 December 2024	2023
Administrative expenses	**(39,704)**	(16,524)
Other income	**205**	7,493
Other gains/(losses) – net	**169,579**	(51,372)
Operating profit/(loss)	**130,080**	(60,403)
Finance income	**55,508**	23,782
Finance costs	**(36)**	(149)
Profit/(Loss) before income tax	**185,552**	(36,770)
Income tax expense	**(547)**	(1,547)
Profit/(Loss) for the year	**185,005**	(38,317)

(c) Reserve movement of the Company

	Reserves	Retained earnings
As at 1 January 2024	**19,463,259**	**471,559**
Profit for the year	**–**	**185,005**
Dividend declared	**(9,869,492)**	**–**
Exercise of share options	**396**	**–**
As at 31 December 2024	**9,594,163**	**656,564**
As at 1 January 2023	19,458,402	509,876
Loss for the year	–	(38,317)
Exercise of share options	4,857	–
As at 31 December 2023	**19,463,259**	**471,559**

(All amounts expressed in RMB thousand unless otherwise stated)

38 Subsidiaries and Controlled Structured Entities

(a) Subsidiaries

As at 31 December 2024, the Company had direct or indirect interests in the following subsidiaries:

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group 31 December 2024	31 December 2023	Principal activities/ Place of operations	Notes
Directly owned:						
Glorious Delight Limited	Hong Kong/ 14 November 2014	USD931,574,773	**100%**	100%	Investment Holding/ Hong Kong	
Le An Xin (Note 28)	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:						
Scientia Smart Health	Cayman Islands/ 18 May 2022	USD280	**100%**	100%	Investment Holding/ Cayman Islands	
Scientia Smart Health Technologies (BVI) Limited	BVI/ 25 May 2022	USD0	**100%**	100%	Investment Holding/ BVI	
Scientia Smart Health Technologies (HK) Limited	Hong Kong/ 30 May 2022	HKD0	**100%**	100%	Investment Holding/ Hong Kong	
Shenzhen Ping An Intelligent Medical Technology Co., Ltd.	the PRC/ 27 July 2022	RMB0	**100%**	100%	Technology Service/ the PRC	
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	RMB10,000,000	**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%**	100%	Medicine Marketing/ the PRC	

(All amounts expressed in RMB thousand unless otherwise stated)

38 Subsidiaries and Controlled Structured Entities (Continued)

(a) Subsidiaries (Continued)

As at 31 December 2024, the Company had direct or indirect interests in the following subsidiaries: (Continued)

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group 31 December 2024	31 December 2023	Principal activities/ Place of operations	Notes
Controlled by the Company pursuant to the Contractual Agreements:						
PAHC	the PRC/ 20 August 2014	RMB 350,000,000	**100%**	100%	Development and operation of apps/ the PRC	
Jiangxi Pingan Health Pharmacy	the PRC/ 24 January 2014	RMB2,000,000	**100%**	100%	Medicine Marketing/ the PRC	
Tianjin Kuaiyijie Medical Electronic Commerce Company Limited	the PRC/ 29 March 2005	RMB 15,000,000	**100%**	100%	Technology Development/ the PRC	
Qingdao Ping An Kangjian Internet Hospital Co., Ltd.	the PRC/ 24 April 2017	RMB 10,000,000	**100%**	100%	Internet Hospital/ the PRC	
Hefei Ping An Kangjian Internet Hospital Company Limited	the PRC/ 21 September 2017	RMB 8,140,000	**100%**	100%	Internet Hospital/ the PRC	
Jiangsu Nabaite Pharmacy Company Limited	the PRC/ 11 October 2017	RMB 10,000,000	**100%**	100%	Medicine Marketing/ the PRC	
Yinchuan Pingan Kangjian Internet Hospital Company Limited	the PRC/ 12 March 2018	RMB 5,500,000	**100%**	100%	Internet Hospital/ the PRC	
Wanjia Healthcare	the PRC/ 4 July 2016	RMB 400,000,000	**100%**	100%	Technology Development/ the PRC	
Shanghai Pingan Wanjia Healthcare Management Company Limited	the PRC/ 8 December 2016	RMB 100,000,000	**100%**	100%	Technology Development/ the PRC	
Shenzhen Pingan Wanjia Healthcare Investment Company Limited	the PRC/ 11 August 2016	RMB 30,000,000	**100%**	100%	Investment Holding/ the PRC	
Xiamen Wanjia Healthcare Investment Company Limited	the PRC/ 6 December 2016	RMB 20,000,000	**100%**	100%	Investment Holding/ the PRC	
Xiamen Siming Wanjia TCM Outpatient Department Co., Ltd.	the PRC/ 26 July 2017	RMB 11,000,000	**100%**	100%	Clinic/ the PRC	
Shenzhen Anan Outpatient Service Department	the PRC/ 20 June 2017	RMB 400,000	**100%**	100%	Clinic/ the PRC	
Ping An Health Insurance Agency Co., Ltd ("Ping An Health Insurance Agency")	the PRC/ 10 February 2011	RMB 50,000,000	**70%**	70%	Insurance Agency/ the PRC	

(All amounts expressed in RMB thousand unless otherwise stated)

38 Subsidiaries and Controlled Structured Entities (Continued)

(a) Subsidiaries (Continued)

As at 31 December 2024, the Company had direct or indirect interests in the following subsidiaries: (Continued)

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group 31 December 2024	31 December 2023	Principal activities/ Place of operations	Notes
Controlled by the Company pursuant to the Contractual Agreements: (Continued)						
Guangzhou Jifan Biotechnology Company Limited	the PRC/ 23 July 2015	RMB 10,000,000	**100%**	100%	Medicine Marketing/ the PRC	
Hainan Ping An Health Technology Company Limited	the PRC/ 15 October 2019	RMB 5,110,000	**100%**	100%	Medicine Marketing/ Internet Hospital/ the PRC	
Hebei Nabaite Pharmacy Company Limited	the PRC/ 28 December 2019	RMB 10,000,000	**100%**	100%	Medicine Marketing/ the PRC	
Yingjian Medical	the PRC/ 24 April 2015	RMB 35,000,000	**50%**	50%	Medical Service/ the PRC	
Shanghai Yingjian Clinics Co., Ltd	the PRC/ 12 December 2016	RMB 10,000,000	**50%**	50%	Clinic/ the PRC	
Guangxi Shuguang Health Technology Company Limited	the PRC/ 13 April 2020	RMB 3,674,400	**51%**	51%	Internet Hospital/ the PRC	(i)
Chengdu Ping An Kangjian Internet Hospital Management Company Limited	the PRC/ 14 January 2020	RMB 50,000,000	**100%**	100%	Internet Hospital/ the PRC	
Shanghai No. 8 Ping An Good Doctor Internet Hospital Co., Ltd.	the PRC/ 11 June 2020	RMB 20,000,000	**100%**	100%	Internet Hospital/ the PRC	
Tianjin Pingan Kangjian Internet Hospital Co., Ltd.	the PRC/ 27 September 2020	RMB 831,000	**100%**	100%	Internet Hospital/ the PRC	
Guangzhou Kangjian Internet Hospital Co., Ltd.	the PRC/ 2 December 2020	RMB 45,000	**100%**	100%	Internet Hospital/ the PRC	
Ping An Health (Jiangsu) Internet Co., Ltd.	the PRC/ 17 November 2020	RMB 30,000,000	**100%**	100%	Internet Hospital/ the PRC	
Ping An Yingxiang	the PRC/ 22 March 2011	RMB 650,480	**100%**	100%	Technology Development/ the PRC	
Shanghai Mengchong	the PRC/ 21 October 2021	RMB 80,000,000	**100%**	100%	Technology Development/ the PRC	

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

Note:

(i) *Guangxi Shuguang Health Technology Company Limited was formerly named as Guangxi Pingan Good Doctor Internet Hospital Company Limited.*

38 Subsidiaries and Controlled Structured Entities (Continued)

(b) Structured entities

As at 31 December 2024, the Group consolidated the following principal structured entities:

Name	Attributable equity interest	Paid-in capital (RMB)	Principal activities
Ping An Fund Ankang No.1 Assets Management	100%	230,000,000	Investment in fund

* *The asset manager of above assets management plan is Ping An Fund, which is controlled by Ping An.*

Five Year Financial Summary

Condensed Consolidated Income Statement

	Year ended 31 December				
	2020	2021	2022*	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Revenue	6,865,987	7,334,214	6,205,082	4,673,562	**4,808,082**
Gross profit	1,864,414	1,706,861	1,671,231	1,508,513	**1,523,356**
Net profit/(loss) for the year	(948,503)	(1,539,399)	(639,593)	(334,858)	**88,322**
Net profit/(loss) attributable to the owners of the Company	(948,478)	(1,538,183)	(636,058)	(322,594)	**81,428**

Condensed Consolidated Statement of Financial Position

	As at 31 December				
	2020	2021	2022*	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Total assets	18,562,871	17,880,691	17,184,180	16,520,041	**16,779,513**
Total liabilities	2,706,672	3,794,811	3,652,880	3,253,055	**13,199,894**
Total equity	15,856,199	14,085,880	13,531,300	13,266,986	**3,579,619**
Equity attributable to the owners of the Company	15,833,210	14,083,417	13,532,372	13,283,630	**3,589,369**

Definitions

In this Annual Report, unless the context otherwise requires, the following expressions shall have the following meanings:

"Anan Outpatient Service Department"	Shenzhen Anan Outpatient Service Department (深圳安安診所), a company incorporated under the laws of the PRC on 20 June 2017, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Audit and Risk Management Committee"	Audit and Risk Management Committee under the Board
"Bang Qi Jian"	Bang Qi Jian Limited (幫騏鍵有限公司), a company incorporated under the laws of BVI on 10 November 2014
"Board"	the board of directors of the Company
"Cayman Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Chengdu Pingan Kangjian Internet Hospital"	Chengdu Pingan Kangjian Internet Hospital Management Co., Ltd. (成都平安康健互聯網醫院管理有限公司), a company incorporated under the laws of the PRC on 14 January 2020, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"close associate"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the 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 Health"	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
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 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 Delight"	Glorious Delight Limited (鑫悅有限公司), a company incorporated under the laws of Hong Kong on 14 November 2014 and a wholly-owned subsidiary of the Company
"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
"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
"Guangxi Shuguang Health Technology"	Guangxi Shuguang Health Technology Co., Ltd. (廣西數廣健康科技有限公司), formerly known as Guangxi Ping An Good Doctor Internet Hospital Co., Ltd. (廣西平安好醫生互聯網醫院有限公司), a company incorporated under the laws of the PRC on 13 April 2020, a subsidiary of Ping An Health Cloud and one of our Operating Entities
"Guangzhou Jifan"	Guangzhou Jifan Biotechnology Co., Ltd. (廣州市濟帆生物科技有限公司), a company incorporated under the laws of the PRC on 23 July 2015, a wholly-owned subsidiary of Jiangxi Pingan Health Pharmacy and one of our Operating Entities
"Guangzhou Kangjian Internet Hospital"	Guangzhou Kangjian Internet Hospital Co., Ltd. (廣州康鍵互聯網醫院有限公司), a company incorporated under the laws of the PRC on 2 December 2020, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Hainan Pingan Health"	Hainan Pingan Health Technology Co., Ltd. (海南平安健康醫療科技有限公司), a company incorporated under the laws of the PRC on 15 October 2019, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Hebei Nabaite"	Hebei Nabaite Pharmacy Co., Ltd. (河北納百特大藥房有限公司), a company incorporated under the laws of the PRC on 28 December 2019, a wholly-owned subsidiary of Jiangxi Pingan Health Pharmacy and one of our Operating Entities
"Hefei Pingan Kangjian Internet Hospital"	Hefei Pingan Kangjian Internet Hospital Co., Ltd. (合肥平安康健互聯網醫院有限公司), a company incorporated under the laws of the PRC on 21 September 2017, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited

Definitions

"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
"Jiangsu Nabaite"	Jiangsu Nabaite Pharmacy Company Limited (江蘇納百特大藥房有限公司), a company incorporated under the laws of the PRC on 11 October 2017, a wholly-owned subsidiary of Jiangxi Pingan Health Pharmacy and one of our Operating Entities
"Jiangxi Pingan Health Pharmacy"	Jiangxi Pingan Health Pharmacy Company Limited (江西平安健康大藥房有限公司), formerly known as Jiangxi Nabaite Pharmacy Company Limited, a company incorporated under the laws of the PRC on 24 January 2014, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"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
"LTM"	last twelve months
"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
"Lufax Holding"	Lufax Holding Ltd. (陸金所控股有限公司), a company incorporated under the laws of the Cayman Islands on 2 December 2014 whose shares are dually listed on the New York Stock Exchange (NYSE: LU) and the Hong Kong Stock Exchange (HKEX: 06623)
"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
"Memorandum and Articles of Association"	the amended and restated memorandum and articles of association of the Company, conditionally adopted on 19 April 2018, with effect from the Listing Date, and as amended from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers

"Nomination and Remuneration Committee"	Nomination and Remuneration Committee under the Board
"O2O"	"Online to Offline" and "Offline to Online"
"OneConnect"	OneConnect Financial Technology Co., Ltd. (壹賬通金融科技有限公司), a company dual-listed on the New York Stock Exchange and the Hong Kong Stock Exchange (NYSE: OCFT, HKEX: 06638)
"Operating Entities"	collectively, Ping An Health Cloud, Jiangxi Pingan Health Pharmacy, Tianjin Kuaiyijie, Qingdao Ping An Kangjian Internet Hospital, Hefei Ping An Kangjian Internet Hospital, Jiangsu Nabaite, Yinchuan Pingan Kangjian Internet Hospital, Wanjia Healthcare, Shanghai Pingan Wanjia, Shenzhen Pingan Wanjia, Xiamen Wanjia, Xiamen Siming Wanjia, Anan Outpatient Service Department, Pingan Health Insurance Agency, Guangzhou Jifan, Hainan Pingan Health, Hebei Nabaite, Yingjian Medical, Shanghai Yingjian Clinics, Guangxi Shuguang Health Technology, Chengdu Ping An Kangjian Internet Hospital, Shanghai Pingan (Eighth Hospital), Tianjin Pingan Kangjian Internet Hospital, Guangzhou Kangjian Internet Hospital, Ping An (Jiangsu) Internet, Shanghai Mengchong and Ping An Yingxiang, the financial results of which have been consolidated and accounted for as subsidiaries of the Company by virtue of the Contractual Arrangements
"Paying users"	users who purchase products and/or services on Ping An Health's platform via apps, WAP (Wireless Application Protocol) or plug-ins at least once during a period of time
"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 Annuity"	Ping An Annuity Insurance Company 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 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 Financial Technology"	Shenzhen Ping An Financial Technology Consulting Co., Ltd. (深圳平安金融科技諮詢有限公司), a company incorporated under the laws of the PRC on 16 April 2008 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 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
"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 Yingxiang"	Ping An Yingxiang (Jiaxing) Software Company Limited (平安穎像(嘉興)軟件有限公司), a company incorporated under the laws of the PRC on 22 March 2011, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Pingan Health Insurance Agency"	Pingan Health Insurance Agency Co., Ltd (平安健康保險代理有限公司), formerly known as Guangdong Yecheng Insurance Agent Company Limited (廣東業誠保險代理有限公司), a company incorporated under the laws of the PRC on 10 February 2011, a subsidiary of Ping An Health Cloud and one of our Operating Entities
"Pingan (Jiangsu) Internet"	Pingan Health (Jiangsu) Internet Co., Ltd. (平安健康(江蘇)互聯網有限公司), a company incorporated under the laws of the PRC on 17 November 2020, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Prospectus"	the prospectus of the Company dated 23 April 2018
"Qingdao Ping An Kangjian Internet Hospital"	Qingdao Ping An Kangjian Internet Hospital Co., Ltd. (青島平安康健互聯網醫院有限公司), formerly known as Pingan (Qingdao) Internet Hospital Company Limited (平安(青島)互聯網醫院有限公司), a company incorporated under the laws of the PRC on 24 April 2017, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Reporting Period"	the year ended 31 December 2024
"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 An Yi Tong"	Shanghai An Yi Tong Electronic Commerce Co., Ltd. (上海安壹通電子商務有限公司), a company incorporated under the laws of the PRC on 28 May 2014, a subsidiary of Ping An
"Shanghai Mengchong"	Shanghai Mengchong Information Technology Co., Ltd. (上海盟寵信息技術有限公司), a company incorporated under the laws of the PRC on 21 October 2021, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Shanghai Pingan (Eighth Hospital)"	Shanghai No. 8 Ping An Good Doctor Internet Hospital Co., Ltd. (上海平安好醫生八院互聯網醫院有限公司), a company incorporated under the laws of the PRC on 11 June 2020, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Shanghai Pingan Wanjia"	Shanghai Pingan Wanjia Healthcare Management Company Limited (上海平安萬家健康管理有限公司), a company incorporated under the laws of the PRC on 8 December 2016, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Shanghai Yingjian Clinics"	Shanghai Yingjian Clinics Co., Ltd (上海盈健門診部有限公司), a company incorporated under the laws of the PRC on 12 December 2016, a subsidiary of Ping An Health Cloud and one of our Operating Entities
"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
"Shenzhen Pingan Wanjia"	Shenzhen Pingan Wanjia Healthcare Investment Company Limited (深圳平安萬家健康產業投資有限公司), a company incorporated under the laws of the PRC on 11 August 2016, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"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
"Tianjin Kuaiyijie"	Tianjin Kuaiyijie Medical Electronic Commerce Company Limited (天津快易捷醫藥電子商務有限公司), formerly known as Hefei Kuaiyijie Medical Electronic Commerce Company Limited (合肥快易捷醫藥電子商務有限公司), a company incorporated under the laws of the PRC on 29 March 2005, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Tianjin Pingan Kangjian Internet Hospital"	Tianjin Pingan Kangjian Internet Hospital Co., Ltd. (天津平安康健互聯網醫院有限公司), a company incorporated under the laws of the PRC on 27 September 2020, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"USD"	United States dollars, the lawful currency of the United States
"Wanjia Healthcare"	Ping An Wanjia Healthcare Management Co., Ltd. (平安萬家醫療管理有限責任公司), formerly known as Ping An Wanjia Healthcare Investment Management Co., Ltd. (平安萬家醫療投資管理有限責任公司), a company incorporated under the laws of the PRC on 4 July 2016 and a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Xiamen Siming Wanjia"	Xiamen Siming Wanjia TCM Outpatient Department Co., Ltd. (廈門思明萬家中醫門診部有限公司), formerly known as Xiamen Siming Wanjia Enjoyment Outpatient Service Department Company Limited (廈門思明萬家悅享門診部有限公司), a company incorporated under the laws of the PRC on 5 November 2019, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Xiamen Wanjia"	Xiamen Wanjia Healthcare Investment Company Limited (廈門萬家健康產業投資有限公司), a company incorporated under the laws of the PRC on 6 December 2016, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"Yingjian Medical"	Pingan Yingjian Medical Management (Shanghai) Limited (平安盈健醫療管理(上海)有限公司), a company incorporated under the laws of the PRC on 24 April 2015, a subsidiary of Ping An Health Cloud and one of our Operating Entities
"Yinchuan Pingan Internet Hospital"	Yinchuan Pingan Internet Hospital Company Limited (銀川平安互聯網醫院有限公司), formerly known as Pingan (Yinchuan) Internet Hospital Company Limited, a company incorporated under the laws of the PRC on 12 March 2018, a wholly-owned subsidiary of Ping An Health Cloud and one of our Operating Entities
"%"	per cent

To Provide Every Enterprise with a Harmonious Workplace

To Provide Every Family with a Dedicated Doctor

To Provide Every User with a Safe and Healthy Life