Sinohealth Holdings Limited
中 康 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2361)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Year-on-year
	2024	2023	change
	RMB'000	*RMB'000*	*%*
Revenue	**403,728**	396,194	1.9%
Smart Decision Cloud	**254,495**	269,164	-5.4%
Smart Retail Cloud	**88,875**	71,564	24.2%
Smart Medical Cloud	**38,254**	41,393	-7.6%
Smart Health Management Cloud	**22,104**	14,073	57.1%
Cost of sales	**170,527**	172,722	-1.3%
Gross profit	**233,201**	223,472	4.4%
Net profit	**111,823**	100,940	10.8%

The board ("**Board**") of directors (the "**Directors**") of Sinohealth Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results (the "**Annual Results**") of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"). The Annual Results have been reviewed by the audit committee of the Board (the "**Audit Committee**").

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, as the aging population grew, the disease spectrum changed and public health demands increased, China continued to deepen reforms in the healthcare system, the pharmaceutical sector and the medical insurance system. A series of policies were actively introduced to promote the development of a healthy China. Under the new wave of technological revolution with the breakthrough of AI democratization and explosive AI applications, and the continuous extensive and intensive deepening of the national "Data Elements ×" plan, the healthcare industry was being restructured and upgraded at a notably accelerated pace. According to the Sinohealth Industry Research Institute, the overall pharmaceutical and healthcare industry has grown at a slower rate while competition has intensified. Meanwhile, the vast and diverse individual health needs have yet to be fully met. Consequently, driven by multiple factors such as macro policies, industry trends and technological changes, industry players like medical product suppliers and pharmaceutical retail enterprises were placing greater emphasis on products and services based on AI large models, cloud computing and big data. This was aimed at enhancing market decision-making, precision marketing and product R&D in terms of efficiency and quality.

Leveraging 18 years of deep-rooted experience in the healthcare industry, the Company has built advantages in data assets, technology, industry insight and the industrial ecosystem. We adhered to an AI-driven strategic upgrading and product iteration. We offered our clients a comprehensive one-stop digital and intelligent solution that includes AI agent applications tailored for healthcare, pharmacies, business, health management and R&D five scenarios. By empowering clients in digital transformation, market expansion, client management and operational decision-making, we helped them achieve efficient business decisions and precisely connect with the market, thus enhancing operational efficiency and driving performance growth.

1. Performance Overview

During the Reporting Period, as a leader in digital intelligence for the healthcare industry, the Company leveraged its established two engines of "Tiangong No.1" commercial data smart middleware and "Woodpecker Medical Middleware Platform", along with high-quality data resources, deep professional insights and cutting-edge large model distillation technology to develop a industry-leading vertical model, Woodpecker Medical Large Model. This further strengthened the Company's core competitive advantages. Major breakthroughs in core technologies have injected robust momentum into the Company's growth, driving a comprehensive strategic transformation, optimised and upgraded product mix, and significant improvements in operational efficiency and management effectiveness. Additionally, through the operation of an all-round ecological empowerment system, the continuous expansion of the industrial cooperation network and the market scale, the Company achieved steady performance growth and paved the way for a new growth trajectory.

– **Technological innovation has unleashed robust momentum and steadily improved profitability.** Benefiting from the deepening application of AI large models, the Company has made remarkable progress in efficient resource utilization, product optimization and operational cost reduction, driving overall efficiency improvement. Gross profit margin increased from 56.4% in FY2023 to 57.8% this financial year, representing an improvement of 1.4 percentage points, and net profit margin increased from 25.5% in FY2023 to 27.7% this financial year, representing an increase of 2.2%. This year, the Company's net profit reached approximately RMB111.8 million, representing a year-on-year increase of approximately 10.8%, demonstrating a stable and sustainable financial growth trend.

– **Innovative business has delivered remarkable performance, paving the way for a new growth trajectory.** The To B in-hospital business continued to innovate, of which the business models in innovative drug and patient management and the intelligent iMDT platform were maturing, our To B in-hospital innovative business experienced rapid growth in scale this financial year. Revenue from innovative business reached RMB48.4 million, representing a year-on-year increase of approximately 86.5%. This has signified the Company's successful strategic upgrade of its product mix and the creation of a new growth pattern beyond its To B out-of-hospital established operations.

– **R&D investment continued to increase, strongly driving breakthroughs in core AI technology.** R&D expenses for this financial year increased by approximately 6.0% year-on-year, with the additional funds primarily allocated to computing infrastructure and the recruitment of high-level R&D talents. This has led to the successful development of Woodpecker Medical Large Model, which is dedicated to the industry verticals of healthcare, solidifying the Company's existing technical barriers and promoting the widespread application of AI tools. This not only significantly enhanced our management but also provided strong support for future product system iterations and sustained growth.

– **A comprehensive and increasingly refined ecosystem has driven the precise empowerment of high-quality industry development through AI products.** Relying on profound industry expertise, forward-looking research leadership, robust resource integration and comprehensive systematic operations, the Company has established an extensive "doctor, medicine, patient" cooperation network. The vast accumulated data and diverse application scenarios precisely empowered the deep application of AI and the high-quality development of the industry. This year, we cooperated with 1,230 corporate clients, and as of 31 December 2024, our clients in total included 2,853 pharmaceutical retail enterprises, over 170,000 pharmacies, more than 460 hospitals and over 650 physical examination institutions. We managed over 245,000 pharmacy staff, served more than 282 million pharmacy members, and have established connections with over 134,000 doctors.

– **The Company accelerated market expansion with a significant increase in contracted amounts.** As of 31 December 2024, the Company had signed over 600 contracts pending execution, with a total contract value of approximately RMB101.5 million, representing an increase of approximately 44.2% compared to the same period last year. This has demonstrated our strong momentum in market expansion and laid a solid foundation for our operations in 2025.

2. **Operational Analysis of Principal Business**

(1) **AI-driven strategic upgrade, charting a new development blueprint**

To better address the demands of industry transformation and upgrading and the need of clients for improved quality and efficiency, the Company has introduced and implemented a new strategic plan based on its existing businesses:

– **With a dual drive of "AI + industry think tank",** we solidified our development foundation by fully leveraging the leading capabilities of Sinohealth Big Data Research Institute in data governance and AI large model applications, and strengthening the support of such a forward-looking think tank for Sinohealthcare Industry Research Institute in policy interpretation and industry trend insight.

– **All-round operational ecosystem efficiently empowering the development of healthcare industry.** We further expanded the ecological influence already established, accelerated the efficient conversion of clients and users, empowered high-efficiency industry operations and continuously enhanced our core competitiveness.

– **We pursued a three-pronged approach to expand new growth patterns.** In the To B business, we continued to deepen our foothold in the out-of-hospital market while expanding the in-hospital innovative business to assist in the digital and intelligent transformation of the industry and create value for our clients. In the To C business, we accelerated product iteration and innovation to enlarge our user base, deeply explored diversified monetization scenarios and built a full-lifecycle health management system. In the To R business, we focused on a closed-loop in biomedical R&D, cultivating growth points as new drivers for the Company. Through the coordinated development of these three segments, we have built AI intelligent agent applications across healthcare, pharmacies, business, health management and R&D five scenarios, completing the strategic upgrade of our product mix and continuously diversifying the drivers of growth.

To ensure effective implementation of the strategy, the Company has adjusted its organizational structure, upgraded talent composition and optimized its distribution mechanism to further improve per-capita efficiency. Additionally, by increasing R&D investments and popularizing AI tools, we have further enhanced our R&D capabilities and operational quality, achieving significant improvements in company management level.

(2) Continuously deepening established businesses while exploring new growth trajectories

— Analysis by client types

(a) **In the To B business, we continued to consolidate our established advantageous position in the out-of-hospital market while expanding our in-hospital innovative business**. By integrating "in-hospital + out-of-hospital" healthcare and pharmaceutical data, we built a diversified, omnichannel healthcare industry data base. Relying on the Woodpecker AI Medical Large Model as technological engine, we provided AI-empowered digital and intelligent solutions to medical product suppliers and pharmaceutical retailers, including:

(i) **Digital and intelligent decision-making solutions:** It primarily includes our cloud products of intelligent decision-making for medical product suppliers. In the out-of-hospital market, by focusing on the major factors of "user, production and scene", the Company offered a comprehensive solution that includes "omnichannel data + digital and intelligent insight services + an intelligent DaaS system" covering retail market insights, new retail insights, DTP and hospital market insights, consumer market insights and comprehensive market insights. This could help our clients enhance their decision-making efficiency in areas such as strategic planning, production, marketing and market positioning. In the in-hospital market, we have adapted the mature model built in the out-of-hospital market, deeply understood client needs, accelerated product innovation, and helped clients establish digital and intelligent decision-making capabilities to improve efficiency. Through the synergy of efforts in the out-of-hospital and in-hospital markets, we provided resolutions for clients in a more comprehensive and precise manner. As of 31 December 2024, our service of providing digital and intelligent decision-making solutions has been adopted by 661 corporate clients, with the top 30 medical product suppliers accounting for 96.67%, indicating our market-leading and growing client base.

(ii) **Digital and intelligent retail solutions:** It primarily includes our cloud products of intelligent retail solutions. In terms of chain stores, we offered a one-stop digital and intelligent product centred on SIC, a "system + strategy + service + content" package, to empower medical retail enterprises in improving digital intelligence and pharmacy management efficiency. This also created a "patient-centered" health management portal to increase loyalty and consumption willingness among pharmacy members. As of 31 December 2024, the cumulative number of pharmaceutical retail enterprises served has reached 2,853, positioning us as a market leader with continuous growth. In terms of industrial enterprises, we provided an integrated full-process and full-filed digital and intelligent marketing solution covering planning, execution, tracking and review, to help medical product suppliers achieve efficient service delivery and drive revenue growth.

(iii) **Digital and intelligent medical solutions:** It primarily includes our cloud products of intelligent medical care. We collaborated with pharmaceutical and medical device companies as well as medical institutions to provide full-course disease management and support services for patients with critical illnesses. The collaboration enhanced the continuity, convenience and professionalism of the patient management, helping device companies and medical institutions improve patient management. This has been highly recognized by our clients. As of 31 December 2024, we have cumulatively served 273,800 patients. In addition, by establishing and operating the intelligent iMDT platform, we have connected experts and doctors in the field of oncology from various hospitals to offer authoritative treatment and health management plans for tumor patients. This has helped patients access to more appropriate medications, treatments and health management services. As of 31 December 2024, the iMDT platform has registered over 17,000 oncologists, held more than 800 MDT conferences and connected over 134,000 doctors.

(b) **In the To C business**, based on the ecological advantages and leading professional capabilities established in business ecosystem, and in response to the increasing personal health demands of individual consumers, the Company has **accelerated product iteration and innovation, expanded the user base and provided "light" and "heavy" digital intelligent service solutions**.

(i) **"Light" refers to health management.** Through cooperation with medical institutions and physical examination centers, we provided a smart health management cloud series of products. This offered digital intelligent health management solutions (the "Woodpecker AI-MDT") for users who underwent a check-up and populations at risk for chronic diseases, including report interpretation, health follow-up for sub-healthy groups, single-disease management and personalized physical examinations. These services have met the entire post-examination health management needs, enabling early intervention and treatment while enhancing personal health. This year, our services reached over 5.073 million people, representing a year-on-year increase of 106.39% as compared to 2023.

(ii) **"Heavy" refers to critical illness management.** For tumor patients, we have developed the Woodpecker Oncology Multidisciplinary Diagnosis and Treatment Platform. This smart medical cloud platform aligns with authoritative clinical guidelines and enables precise matching of oncology expert teams to provide joint multidisciplinary solutions. Consequently, we effectively address individual patient needs, shorten the time for accessing top medical experts, enhance the efficiency of multidisciplinary treatments and improve overall treatment quality.

(c) **In the To R business**, the Company fully leveraged its leading advantages in the To B business. Based on deep insights into innovative drug and device R&D, commercialization and capital operations, we were committed to providing a digital intelligence-driven platform for biopharmaceutical R&D. Covering the full lifecycle from clinical development to post-market marketing for drugs and devices, we offered comprehensive digital and intelligent solutions in areas such as program design, intelligent systems and operational services to innovative pharmaceutical and medical device enterprises. Meanwhile, the Company integrated existing resources and built an industrial cooperative ecosystem through the collaboration with medical institutions, innovative drug companies, CROs, CMOs and pharmaceutical retail enterprises. The Company also expanded its strategic layout in the innovative drug and device field through investments, mergers and acquisitions, integrating capital and technology to incubate targets with development potential and synergistic effects, then exploring new growth trajectories.

— Analysis by application scenarios

(a) **Smart Decision Cloud.** The Company's revenue from Smart Decision Cloud was RMB254.5 million for the year, with 661 corporate customers purchasing Smart Decision Cloud services. The repurchase sales rate for corporate customers reached 87.0%. Among them, CHIS, one of our main DaaS products, achieved good market performance, with the number of customers continuing to increase and revenue increasing by 38.6% year-on-year compared to 2023.

Smart Decision Cloud is mainly designated for medical product suppliers. Driven by all-channel industry data, the Company built a decision support system of "3 big data $\times$ 3 big services + digital insight DaaS system" to empower the main scenarios of research and development, production, distribution, marketing and end-user retailing of medical device products, helping medical product suppliers to establish efficient and intelligent decision-making capabilities. 3 big data types include: (i) sales data from all channels, including retail pharmacies (including county), new retail, DTP and hospitals; (ii) consumer data, including consumer drug purchasing behavior and consumer drug purchasing mind; and (iii) retail terminal data, including drug sales potential and pharmacy characteristics. The three categories of insight consulting services cover multiple scenarios of "user", "production" and "scene", including: (i) drug market insight service; (ii) consumer research insight service; (iii) terminal accurate strategy information service. At the same time, the Company also provided integrated DaaS systems for retail decision-making driven by data, including CHIS, LinkedSee, Pharmacy Connect, Linghe and Lingsu System, which combined professional research models and intelligent visual boards to help customers conduct governance analysis on internal data and external data interaction insight, and support the decision-making process of production and marketing, market layout and drug research and development. The Company's digital insight DaaS system has not only been highly recognised by top medical product suppliers, but has also achieved cooperation with a well-known national laboratory and leading investment institutions.

Our platform events, like CPEO, CPIE (the Pharmaceutical Innovation Ecological Conference) and TMEC, were based on digital intelligence insight and analysis, and carried out multi-level and multidimensional discussions covering such topic as from the prediction and analysis of the development trend of health production ecology to the exploration of paths in various branches, which provided customers with forward-looking, systematic exchange of ideas and information, strategic integration and precise interaction of diverse resources, so as to further improve the interconnection efficiency between industries and promote resources optimal allocation. Meanwhile, these platforms also set scenarios for the Company to conduct marketing and "traffic monetisation" to industrial customers, helping the Company to conduct in-depth business negotiations with customers, reduce marketing costs and improve marketing efficiency.

(b) **Smart Retail Cloud.** Benefiting from the powerful empowerment of AI technology, the product structure of Smart Retail Cloud has been optimized and upgraded, and both the unit price and the number of customers have increased. The Company's revenue from Smart Retail Cloud was RMB88.9 million for the year, representing a year-on-year increase of 24.2%. As of 31 December 2024, 694 corporate customers purchased the Company's Smart Retail Cloud services, representing a year-on-year increase of approximately 11.6%. The repurchase sales rate for corporate customers was 83.8%.

On the chain side, the Company integrated digital intelligence functions such as member management, category management, intelligent marketing, chronic disease management, and pharmaceutical services with SIC as the core system, and established a "one-stop" data centralized analysis and digital precision marketing capabilities, helping medical retail enterprises to complete digital intelligence upgrades, improve the management efficiency and level of medical retail enterprises' pharmacies, and improve the membership loyalty and consumption willingness of our cooperative pharmacies. As of 31 December 2024, the Company had established cooperation with more than 2,853 medical retail enterprises and more than 118,000 pharmacy stores for its SIC products, maintaining a leading position in the market and continuing to rise. During the Reporting Period, the Company managed more than 245,000 pharmacy staff and served more than 282 million pharmacy members[1] through the SIC system, of which 107,000 were monthly active staff and 2.5 million were monthly active pharmacy members. The Company is actively exploring business models for monetizing personal traffic in combination with existing application scenarios.

On the industrial side, leveraging AI large models and data advantages, the Company analysed the needs, preferences, and behaviours of retail pharmacies and end patients. It provided medical product suppliers with a comprehensive digital intelligence-based integrated marketing solution that covers the entire process from planning, implementation, tracking to review across both industrial and retail chain domains. The solution includes specialized services such as "supplier-retailer connectivity, campaign planning and product development, professional training and empowerment, IP creation, industry-leading media operations, public domain advertising, and performance monitoring". These services helped clients precisely reach their target audiences, enhance marketing returns, improve patient awareness and trust in pharmaceutical products, and ultimately contributed to better treatment outcomes and enhanced patient health management.

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[1] Compiled based on the total number of membership cards issued by officially operated pharmaceutical retail enterprises in collaboration with the Company. However, as the same individual may obtain membership cards from multiple pharmaceutical retail enterprises/pharmacies, and due to various limiting factors, the data represents a non-deduplicated count.

We also hold PHCF, MASC and other industry events, which has promoted commodity trading of the healthcare industry and high-quality development by panoramic data analysis, policy trends interpretation, health consumption new trends interpretation and product display, etc.

(c) **Smart Health Management Cloud.** Benefiting from the successful incubation of the intelligent iMDT platform business and collaborations with multiple top-tier clients, the Company's performance has experienced rapid growth. During the year, revenue from the Smart Health Management Cloud business amounted to approximately RMB22.1 million, representing a year-on-year increase of approximately 57.1%. The business has now achieved an initial market scale and continued to grow steadily.

In terms of health management, the Company leveraged the Woodpecker Medical Large Model and medical knowledge graph, through collaboration with medical institutions and health management organizations, providing the "Woodpecker AI-MDT" intelligent health management solutions for medical examination users and individuals at risk for chronic diseases. The Woodpecker AI-MDT has consolidated the consensus of more than 300 experts from tertiary grade A hospitals across 16 disciplines. By integrating professional medical guidelines, it has established a medical knowledge graph covering 31 disease types, 1,770 diseases, and 801 individual indicators. Additionally, it has developed 10 major disease risk assessment models, which could ensure a comprehensively analysis on medical examination data and then produce more personalised, comprehensive and professional reports. The Company has established a "patient-centred" system that integrates multi-disciplinary and multi-disease risk assessments with post-examination health management. Equipped with AI-MDT health management, health follow-up, single-disease chronic disease management, and private domain membership management functions, it has enabled comprehensive post-examination health management through early warning monitoring, chronic disease management, medication purchasing, re-examinations, and continuous assessment. This facilitated early intervention and treatment while assisting medical examination centres in building an intelligent and digital health management service system, thereby enhancing service capabilities and profitability. Benefiting from mature technologies and differentiated advantages, AI-MDT has been widely recognized by partner clients and medical examination users. As of 31 December 2024, the Smart Health Management Cloud has made contact with approximately 160 hospitals and 650 private physical examination centers. During the year, the AI-MDT system served over 5.073 million patients, representing an increase of 106.39% compared to the same period in 2023. The system's highest daily processing volume for medical examination report interpretation exceeded 40,300 cases, representing a year-on-year increase of approximately 34.33% compared to the same period in 2023, demonstrating a significant enhancement in product capabilities and strong customer recognition.

In terms of severe illness, the Company has been closely connected with tumor experts and doctors at different levels of hospitals based on the intelligent iMDT platform and professional operation capability, providing medical product suppliers and doctors with a professional, efficient medical and educational platform, enabling tumor patients to receive authoritative diagnostic and treatment service plans and health management plans that promote patients to receive more matching drugs, treatments and health management services. As at 31 December 2024, the iMDT platform has accumulated more than 17,000 registered oncologists, with more than 800 MDT conferences organized, and reached more than 134,000 doctors. The tumor types currently cover colorectal cancer, lung cancer, stomach cancer, liver cancer, brain glioma and breast cancer and other tumour disease of high incidence. The Company further expands the types and improves the quality of data through case collection and data analysis to better serve medical institutions, doctors and pharmaceutical companies in the application of tumor drugs, doctor-patient education and drug research and development.

(d) **Smart Medical Cloud.** Benefiting from the increasingly mature business model of the innovative drug patient management business, the Company's revenue from the Smart Medical Cloud for the year amounted to approximately RMB38.3 million. The repurchase sales rate for corporate customers reached 97.9%, representing a year-on-year increase of approximately 14.1 percentage points, with a continuous rise in client repurchase willingness.

The Smart Medical Cloud is mainly applied in medical scenarios, with a focus on patient management services in terms of the To B business. The Company worked with medical device enterprises to provide the full-course disease management and patient support services, and creatively provided full process patient care service model that effectively increased the continuity, convenience and autonomy of patient management process, and meanwhile helped medical device enterprises and medical institutions improve the patient management process. As of 31 December 2024, we had served over 273,800 patients in total, representing an increase of 9.52% year-on-year, which reflected that we have been highly recognised by customers. For the To C business, the Company has built the Woodpecker Oncology Multidisciplinary Diagnosis and Treatment Platform, adhered to the concept of "patient-centered", followed authoritative clinical guidelines, accurately matching the team of cancer experts, provided multidisciplinary joint solutions to offer online multidisciplinary, personalized and accurate diagnosis, treatment and consultation services to cancer patients. The Company provided the case manager service for the whole process involving case establishment, surgical appointment, preoperative communication, intraoperative consultation and postoperative follow-up. It provided comprehensive diagnosis, treatment and consultation services, accurately met the individual needs of patients, significantly improved the efficiency of patients approaching excellent medical experts, and enhanced the synergy of multidisciplinary diagnosis and treatment, further ensuring that more effective and convenient diagnosis and treatment services with better quality are available to patients.

3. **Energizing and reinforcing its core competitiveness with AI technology**

As a pioneer of digital intelligence in the healthcare industry, the Company independently developed the Woodpecker Medical Large Model, establishing a solid technical foundation. Through a comprehensive and empowering ecosystem, it has built strong resource integration capabilities. Moreover, leveraging an extensive network of industry collaborations, the Company has formed competitive advantages. Those are the Company's three core competitiveness.

(1) **Activating the Woodpecker Medical Large Model driven by AI technology**. Leveraging the dual engines of "Tiangong No.1" and "Woodpecker Medical Middleware Platform", the Company integrated high-quality data, domain expertise and large model distillation to develop the cutting-edge vertical model, "Woodpecker Medical Large Model". Based on this model, the Company has introduced the "All-Scenario Intelligent Agent for Healthcare" as a solution to establish a business closed loop that enables intelligent decision-making, agile execution and controllable outcomes, ultimately enhancing both efficiency and service quality in the healthcare industry.

The Company builds the prime competence of the Woodpecker Medical Large Model through the following four aspects: (i) A wide-ranging data resource system: It covers millions of public data (including public medical literature, guides, books and drug instructions), tens of millions of desensitized data (including drug sales data) and millions of labeled data, with the total scale of weighting parameters reaching 70 billion, which serves as the data support for the large model; (ii) leading model training technology: the Company adopts open-source large language model fine-tuning, preference optimization and other technologies to conduct efficient large-scale post-training, integrates natural language recognition, machine learning, data cleaning and duplicate removal, etc., deeply digs into the diversity of instruction generation of the large model, realizes the evaluation of text quality based on multi-dimensional indicators, and achieves accurate screening of quality data; (iii) multi-dimensional and comprehensive evaluation capability: the Company, through such model, builds multi-dimensional and comprehensive evaluation capability involving general ability, medical knowledge quiz, medical complex reasoning and medical language comprehension (medical information processing), etc., in order to ensure the accuracy, effectiveness and comprehensiveness of the large model operation, among which the performance of the medical language comprehension ability prevails, with its several indicators in medical record management leading the industry; and (iv) all-round and accurate business empowerment: all crucial parts of the business are empowered through product management model, master data governance model, disease management model, AI health manager and large model call in a multi-dimensional and comprehensive way.

Full applications of the Woodpecker Medical Large Model in the crucial part of the business are set out as follows:

– **Strong data governance**: (i) The Company has established standardized and structured databases, including 38 master databases of the healthcare industry covering pharmaceutical retail, industry supervision, medicine, pharmacy and life sciences, built a complete master data labeling system, formed a knowledge graph of mutual mapping, creating a unified set of structured standards for healthcare data. In this regard, the Company's data processing capacity has been greatly improved, with its machine automatic cleaning rate exceeding 97%, accuracy rate exceeding 99% and the fastest response speed reaching T+1; (ii) for the two different lines of medicine and medical care, the Company has established an intelligent business middleware for data management, "Tiangong No. 1" and a smart middleware for health management and medical treatment, "Woodpecker", which has significantly enhanced our data value realisation. The Company's leading advantages in data governance have provided a robust data foundation for leveraging AI large models to develop and optimise its product portfolio. In February 2024, the Company was the first to join the first provincial data element association in China, namely Guangdong Data Element Industry Association. In September 2024, it was transformed into a data element enterprise in Guangzhou, and was the sole enterprise recognized as the Guangdong Big Health Pharmaceutical Data Engineering Technology Research Center by Department of Science and Technology of Guangdong Province in the healthcare industry in April 2024, which has proved the Company's data governance capability.

– **Powerful application service support**: (i) Business decision-making scenario: deep tapping and analysis of massive data was conducted through such model to provide all-round digital and intelligent decision-making support for medical product suppliers, covering strategic planning, market insight and marketing strategy, etc., helping enterprises accurately grasp market opportunities and improve decision-making efficiency; (ii) retail pharmacy scenario: based on the scenario of the clerk serving customers, such model could simulate the real diagnosis process, and generate interactive voice dialogue and intelligent question answering to help the clerk provide professional medication guidance and healthcare suggestions, effectively improving the service quality and sales conversion rate of retail pharmacies; (iii) physical examination scenario: based on the customers' requirements for checkup report interpretation, health assessment, medical recommendation and life-style intervention after physical examination, such model, through in-depth analysis of multi-source data, helped physical examination organizations establish consecutive and personalized health records and realize personalized health management for users, which has served a total of 20 million people; (iv) medical record management scenario: such model helped realize structured natural language, standardized medical terms and data quality, reduce data governance cost and stabilize data governance quality, which is currently applicable to dozens of diseases; (v) medical record quality control scenario: such model helped conduct intellectualized data quality control on desensitized medical record data, combined with expert quality control rules and data cases; and (vi) health assistant for individual customer: such model helped provide customers with symptoms self-examination, health assessment, accurate medical treatment and other services through AI health manager, covering 2,800+ common diseases, 150,000 common drugs and 1,900 indicators.

The outstanding performance of the Woodpecker Medical Large Model has been recognized by the authoritative evaluation platforms in the healthcare industry. In December 2024, it achieved the highest overall average score on the domestic medical large model evaluation platform CMB, and ranked fifth overall and third in the complex medical reasoning category on Medbench, a platform jointly launched by Shanghai Artificial Intelligence Laboratory and Shanghai Digital Medicine Innovation Center, demonstrating its competitive edge in complex medical reasoning and technological innovation. The Woodpecker Medical Large Model, based on Huawei's AI framework MindSpore, completed the Ascend AI compatibility technology certification in 2024, demonstrating its outstanding computing efficiency and compatibility. In February 2025, the Company was selected into the "2024 Guangzhou Artificial Intelligence Innovation and Development List- List of Enterprise with Highest Market Value" by Guangzhou Municipal Science and Technology Bureau, which has proved again the Company's competitiveness in AI development.

(2) **All-round ecosystem accurately empowering the development of healthcare industry**. Leveraging on its rich experience in the healthcare industry, and based on forward-looking professional insight, leading AI technology and massive data assets, the Company has integrated rich ecological chain resources and built a full-chain, multi-level empowerment system with strong brand influence.

As an "ecological brain", Sinohealth Industry Research Institute has become a leading healthcare industry research think-tank in China. With its excellent research strength and professional team, its research results and industry insight have been highly recognized by the industry. The Research Institute focuses on constructing China healthcare industry index evaluation system, research on special subjects and industry insights and projections as the core research orientation. The Research Institute has established a high-end healthcare industry think-tank, bringing together pharmaceutical industry experts, senior data analysts and technical elites, and collaborating with top scientific research institutions and universities at home and abroad, leveraging on its solid professional background and keen market insight, to provide forward-looking, leading, feasible and practical research results, industry insight, analysis and forecast reports for the healthcare industry. It has been committed to providing valuable market information for industry participants, as well as strong support for industrial strategic decision-making and business development, and helping industry participants grasp market opportunities and formulate effective strategic plans, and has formed an extensive and far-reaching influence. During the year, in addition to the 12 issues of the Retail Pharmacy Popularity Index (零售藥店景氣度指數) and 4 issues of the Pharmaceutical Industry Performance Index (醫藥工業運行指數) published regularly, the Sinohealth Industry Research Institute published industrial reports such as Chinese Retail Pharmacy at the Crossroads (《十字路口上的中國零售藥店》), Navigating the Cycle: 2023-2030 Chinese Healthcare Industry Forecast (《穿越週期:2023-2030中國健康產業預測》), 2024 Chinese Medical Terminal Market Blue Book (《2024 中國醫藥終端市場藍皮書》) and Opportunities and Challenges of Aging (《老齡化的機遇和挑戰》). The depth and breadth of these reports have led the industry research and further solidified the authoritative position of the Sinohealth Industry Research Institute.

The ecological empowerment system built by the Company is like a "neural network" that radiates the healthcare industry in an all-round way. We have provided all-round support for customers in the healthcare industry by providing solutions related to strategic planning, research services, resource links, market expansion, brand building, industrial activities, operational empowerment and capital operation, etc. Leveraging on accurate resource integration and optimal allocation, we could help customers effectively improve the efficiency of resource utilization, significantly reduce marketing costs and enhance marketing efficiency. By continuously deepening ecological synergy and strategic guidance, we could help industry participants accurately grasp market opportunities, break through development bottlenecks and achieve sustainable growth and long-term value enhancement, which has not only enhanced the brand influence of the Company, but also promoted innovation and high-quality development of the healthcare industry. The Company successfully held CPEO for 17 sessions, which has become a forward-looking industry conference with leading position in China's healthcare industry in terms of specifications, scale and influence, providing forward-looking and systematic exchanges of ideas and information for the industry and realising the strategic integration, cooperation and interaction of diversified resources. More than 8,000 decision-making elites from government agencies, domestic and foreign mainstream brand industries, innovative drug enterprises and innovative drug technology companies, mainstream pharmaceutical businesses, retail enterprises, domestic and foreign capital institutions, digital technology companies, commercial insurance institutions, medical and health service institutions as representatives attended the meeting, with the total number of participants exceeding 60,000. In particular, the first "AI for health" conference under CPEO in 2024 set off a new wave of industrial AI renewal. The Company successfully held PHCF for 10 sessions, which is a commodity fair with leading position in the healthcare industry in terms of scale, complete commodity categories, transaction efficiency and transaction volume. With the aim of "creating sustainable market growth", it gathered the latest and most comprehensive commodity categories and the most omni-channel procurement terminals at home and abroad, with more than 8,000 decision-making representatives from commodity transaction entities in the healthcare industry involving brand industries, chain pharmacies and medical e-commerce attending the meeting and the total number of participants exceeding 30,000. In addition, the Company has also continually expanded the influence of Sinohealth ecological empowerment system through diversified media services, brand building and operation empowerment, etc., and has reached nearly one million professionals including pharmaceutical retail experts, pharmaceutical and medical device manufacturers, pharmacists, physicians, medical experts, industry investors and others.

(3) **The industrial partnering network with extensive and comprehensive coverage**. The Company has focused on scenarios such as pharmaceutical retail, physical examination, clinical diagnosis and treatment, and have established a broad and solid cooperation network through the building of comprehensive digital networks covering "doctor, medicine, patient", including:

(i) **Enterprise customer cooperation network**: During the year, the Company has established cooperative relations with more than 1,230 enterprise customers, providing them with efficient products and services and delivering comprehensive and professional empowerment. The changing needs of customers and continuous feedbacks from them have driven the Company to optimize its product system, creating a positive cycle with customers and achieving mutual benefits.

(ii) Pharmaceutical retail pharmacy cooperation network: As of 31 December 2024, the Company's business cooperation network covered a total of 2,853 pharmaceutical retail enterprises and more than 170,000 pharmacy stores spanning 30 provinces and 349 cities, in particular, the number of partnering pharmacy stores using SIC system exceeded a total of 118,000, which has created a competitive barrier for the Company to obtain rich out-of-hospital data. During the Reporting Period, the Company managed more than 245,000 pharmacy clerks and more than 282 million pharmacy members through the SIC system, including 107,000 monthly active clerks and 2.5 million monthly active pharmacy members. Such sizeable active user base has provided a solid foundation for the Company scenario identifying, product innovation and traffic monetisation in terms of the To C business.

(iii) Health management cooperation network: The Company has reached a total of approximately 160 hospitals and 650 physical examination centers through AI-MDT health management solutions. In 2024, the Company served more than 5,073,000 patients, increasing by 106.39% year-on-year. This expansion of patient base has underscored our significant advancements in product capabilities.

(iv) Medical cooperation network: The Company cooperated with more than 300 hospitals by providing patient management services, serving more than 273,800 patients, increasing 9.52% year-on-year, the base of whom continued to expand steadily. The Company's intelligent iMDT platform has accumulated over 17,000 registered oncologists, reaching more than 134,000 doctors.

FUTURE OUTLOOK

The National Data Administration, the National Health Commission of the PRC and other departments released the "Data Element X" Three-year Action Plan (2024–2026) (「數據要素X」三年行動計劃 (2024–2026年)), which clearly pointed out the necessity to give full play to the multiplier effect of data elements, strengthen the integration and innovation of medical data, support public medical institutions to share data, and expand new business forms such as smart medical care and smart health management, etc. the National Health Commission of the PRC and other relevant departments issued the Notice on Issuing Reference Guidelines for Artificial Intelligence Application Scenarios in Healthcare Industry (《關於印發衛生健康行業人工智能應用場景參考指引的通知》) to promote innovative applications of AI+ medical and healthcare. In this context, the Company will continue to focus on the "AI technology + industrial think-tank" as dual drivers, integrate and optimize the whole chain of industrial resources, advance three business lines, continually expand the To B business scale, accelerate the innovation and upgrade of the To C business to achieve profit realization, explore the successful model of the To R business, deepen the application of five intelligent agents including medical, pharmacy, commercial, health management, research and development, further creating a "patient-centric" digital and intelligent full life cycle health management system, and achieving the Company's historic mission of "developing smart healthcare industry and promoting smart healthy life".

Continuously improving AI capabilities and empowering business innovation and upgrading

The Company will continue to optimize the Woodpecker Medical Large Model, and comprehensively improve the depth, efficiency and quality of the large model empowerment through the following measures:

(i)   **Consolidating database**: The Company will continue to introduce more internal data, B2C data and O2O data to improve the type and scale of data, build a diversified and stable all-channel healthcare industry database, ensure data quality, and improve data timeliness, providing a solid foundation for AI large model optimization.

(ii)   **Model optimization and extension**: The Company will develop more efficient and accurate multi-modal models, data governance models, data analysis models, reasoning models, decision-making models, medical models, etc. based on AI large model, expand the governance scope of diseases, drugs and other fields to fully tap the data value, supporting the development and optimization of more products and enhancing the level of digital intelligence.

(iii)   **Accurate empowerment of intelligent agents**: The Company will deepen the development of intelligent agent matrix in industrial application scenarios, including medical agents, pharmacy agents, business agents, health management agents, R&D agents, etc., to help the Company upgrade its business operations, empower customers efficiently, promoting a more efficient and high-quality development of the healthcare industry.

(iv)   **Multi-modal training deepening**: The Company will conduct multi-modal training covering video, images and other data types to continuously enhance the large model capabilities related to application and evaluation, further improving the accuracy, professionalism and comprehensiveness of large model applications.

Building up leading superiority and developing innovative business potentials

The Company will continue to give full play to the advantages of AI technology, data and ecology in the vertical healthcare industry, and comprehensively upgrade the product system with five intelligent agents as the core through the optimization of the Woodpecker Medical Large Model, so as to more efficiently match the needs of customers and achieve customer-related performance growth. At the same time, the Company will also actively utilize AI capabilities to develop more AI+ series products and empower the transformation and upgrade of the industry, creating greater long-term value for customers.

(1) **In terms of the To B business**, the Company will continue to empower customers through AI agents, expand the scale of out-of-hospital products and accelerate the innovation and upgrading of internal products to jointly promote the digital and intelligent transformation of customers and consolidate the leading superiority.

- **Business agents**: In the out-of-hospital market, the Company will adhere to the "product-leading and AI-driven" strategy, and build various intelligent agents including AI intelligent questioners, AI chatbot for marketing and decision-making , AI-SFE experts, etc. based on strong data fusion, professional analysis insight and accurate business scenarios, to provide customers with more intelligent and efficient support. In the internal market, the Company will explore innovative models in combination with mature out-of-hospital models, and continue to expand the scale of multi-modal data, deeply tap customer needs, helping customers improve the efficiency of digital intelligence decision-making and further achieving performance growth. Leveraging on our advances in out-of-hospital market and internal market, we strive to provide more comprehensive and accurate support for the customer strategy department, marketing department, sales department and other decision-making departments, so as to enhance customer stickiness and further consolidate the leading superiority and market standing.

- **Pharmacy agents**: On the chain side, the Company will continue to optimize the pharmacy agent with SIC as the core, take the pharmacy agent as the main carrier and conduct the application of cutting-edge artificial intelligence technology and deep insight into pharmaceutical retail to help pharmaceutical retail enterprises quickly realize digital intelligence transformation, service transformation and new business expansion. In addition, the Company will promote SIC to reach more pharmaceutical retail enterprises and gain greater market share, further promoting the Company to reach more pharmacy clerks and members. On the industrial side, the Company will continue to upgrade its digital intelligence platform connecting pharmaceutical retail enterprises and medical product suppliers, help medical product suppliers improve the marketing efficiency in retail section, and provide more diversified patient management services for patients with long-term drug use based on their medication requirements to increase their repeat purchases and loyalty.

- **Medical agents**: The Company will continue to optimize the full-course disease management and support services, create innovative drug patient management agents, so as to improve the treatment experience of patients and help medical device enterprises and medical institutions improve the patient management level. The Company will continue to leverage AI technology to optimise the service quality on iMDT, providing doctors with a more intelligent and efficient platform for medical care and education. Simultaneously, the Company plans to expand the pool of registered oncologists, offering critically ill patients a broader range of diagnostic and therapeutic resources with higher quality. This initiative aims to enhance the treatment for patients with critical illnesses and advance the overall medical services.

(2) **In terms of the To C business**, the Company will deeply study the personalized medical and healthcare needs of C-end customers, explore more application scenarios, accelerate profit realization, and enhance the differentiated service capabilities based on the AI large model to build its significant competitive advantages:

– **Health management agents**: The Company will actively seek customers from hospitals and medical institutions, and expand the coverage of the Woodpecker AI-MDT health management solutions to reach more individual patients, meet personalized health management needs and provide high-quality healthcare services.

– **Serious illness management agents**: The Company will optimize and upgrade the functions of the Woodpecker Oncology Multidisciplinary Diagnosis and Treatment Platform, actively promote innovative business models, tap the market and expand market scale, accurately satisfying patients' personalized diagnosis and treatment needs and significantly improving the quality of diagnosis and treatment for patients.

(3) **In terms of the To R business**, the Company will continue to give full play to the advantages of AI technology, data and ecology, build **R&D agents** focusing on the biomedical R&D business, provide overall digital intelligence solutions for innovative pharmaceutical and medical device enterprises in terms of scheme design, intelligent systems, clinical research and operational services, reshape the R&D paradigm, improve customers' R&D efficiency and advance the listing of medical devices. The Company will also continue to connect medical institutions, innovative drug enterprises, CRO companies, CMO companies, pharmaceutical retail enterprises and other entities to integrate existing resources and establish an industrial cooperation ecological chain. Through investment, mergers and acquisitions, cooperation, etc., the Company will expand its strategic layout in innovative medical device field and integrate resources such as capital and technology to develop targets with development potential and synergistic effects. All the above measures will fully stimulate the growth potential of innovative business.

Under the general trend of long-term development of healthcare industry and digital element economy, the Group will continue to explore the field of healthcare industry services based on the in-depth application of cutting-edge AI technology, actively explore and implement innovative business models, improve the quality of products and services, enhance professional service capabilities and expand brand influence. The Company will provide digital and intelligent comprehensive solutions for enterprises, personalized and high-quality healthcare services for individual users, and digital and intelligent empowerment for efficiency promotion in life sciences, the Company is committed to being an outstanding industry benchmark, as well as being an industry leader in a new journey toward high-quality development.

FINANCIAL REVIEW

Revenue

In FY2024, the Group's revenue increased by approximately 1.9%, from approximately RMB396.2 million for the year ended 31 December 2023 to approximately RMB403.7 million for the year ended 31 December 2024. Such increase was mainly due to the increase in revenue from Smart Retail Cloud and Smart Health Management Cloud businesses.

Cost of Sales

The Group's cost of sales primarily consist of (i) costs related to the daily operation and maintenance of our solutions and products and our employee benefits; (ii) costs associated with our marketing campaigns and provision of services to our clients; and (iii) event costs mainly relating to venue and equipment rentals, event planning and organisation services fees, accommodation and catering costs. The Group's cost of sales decreased by approximately 1.3%, from approximately RMB172.7 million for the year ended 31 December 2023 to approximately RMB170.5 million for the year ended 31 December 2024, mainly due to the improvement of efficiency of the Group's business operations and management, resulting in further control over the cost of sales.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by approximately 4.4%, from approximately RMB223.5 million for the year ended 31 December 2023 to approximately RMB233.2 million for the year ended 31 December 2024, mainly attributed to the increase in the Group's revenue and the strategic optimisation of its product mix. The gross profit margin increased by approximately 1.4% to approximately 57.8% for the year ended 31 December 2024 from approximately 56.4% for the year ended 31 December 2023.

Other Income and Gains

Other income and gains primarily consist of (i) bank interest income; (ii) government grants; and (iii) foreign exchange gains. The Group recorded other income and gains of approximately RMB44.8 million for the year ended 31 December 2024, representing an increase of approximately 8.6% as compared with approximately RMB41.3 million for the year ended 31 December 2023. Such increase was mainly attributable to the increase in foreign exchange gains and government grants.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of (i) benefit expenses for employees responsible for sales and marketing functions; (ii) travel and transportation expenses related to offline marketing campaigns, the development and maintenance of customer relationship and production of advertising materials; and (iii) general office expenses. Selling and distribution expenses increased by 23.7% to approximately RMB40.1 million for the year ended 31 December 2024 from approximately RMB32.4 million for the year ended 31 December 2023, mainly attributable to the optimisation of the Group's business structure and the increase in investment and deployment of our talents for innovative business development.

Administrative Expenses

The Group's administrative expenses primarily consist of (i) employee benefits expenses; and (ii) other expenses. The Group's administrative expenses increased by approximately 11.1%, from approximately RMB34.6 million for the year ended 31 December 2023 to approximately RMB38.5 million for the year ended 31 December 2024, primarily due to the optimisation of personnel structure and the increase in the incentives for key talents.

Research and Development Costs

The Group's research and development costs primarily consist of (i) employee benefits expenses; (ii) depreciation of right-of-use assets and (iii) technology services fees and general office expenses. The Group's research and development costs increased by approximately 6.0%, from approximately RMB61.1 million for the year ended 31 December 2023 to approximately RMB64.8 million for the year ended 31 December 2024, primarily due to our introduction of high-end research and development talents in AI technology and the increase in research and development investments.

Profit before Tax

The Group's profit before tax increased by approximately 8.5%, from approximately RMB110.7 million for the year ended 31 December 2023 to approximately RMB120.1 million for the year ended 31 December 2024, mainly due to the combined effect of the increase in revenue and gross profit driven by the strategic upgrade of the Group's product system, and the decrease in credit impairment losses due to the improvement in the Company's level of control over credit risk.

Income Tax Expense

The Group's income tax expense decreased by approximately 15.1%, from approximately RMB9.8 million for the year ended 31 December 2023 to approximately RMB8.3 million for the year ended 31 December 2024, mainly due to the fact that certain subsidiaries achieved a turnaround of losses and profits during the year, and the proportionate of contribution of those subsidiaries with lower effective tax rates to profit before tax increased.

Profit for the Year

As a result of the foregoing, the Group's profit for the year increased by approximately 10.8%, from approximately RMB100.9 million for the year ended 31 December 2023 to approximately RMB111.8 million for the year ended 31 December 2024, mainly due to the combined effect of the increase in the Group's profit before tax and the decrease in income tax expense.

Liquidity and Capital Resources

For the year ended 31 December 2024, the Group financed its operations mainly through cash generated from the Group's operating activities and the net proceeds from the Global Offering. The Group intends to continuously finance its expansion and business operations using a combination of cash generated from operating activities and the net proceeds from the Global Offering.

Cash and Cash Equivalents

The Group maintains a strong cash position. For the year ended 31 December 2024, the Group's total cash and cash equivalents amounted to approximately RMB63.7 million, representing a decrease of approximately 48.6% from 31 December 2023, mainly due to the placement of certain idle funds in licensed financial institutions as time deposits by the Group.

Borrowings

During the year ended 31 December 2024, the Group did not have any short-term or long-term bank borrowings and had no outstanding bank and other borrowings and other indebtedness apart from lease liabilities for the relevant lease terms amounting to approximately RMB11.8 million in aggregate.

Gearing Ratio

The gearing ratio, which is calculated by dividing total liabilities by total equity, was approximately 14.4% as at 31 December 2024 (31 December 2023: approximately 13.9%).

Foreign Currency Risk

The Group has transactional currency exposures and is subject to foreign currency risk arising from fluctuations in exchange rates between RMB and US$. As at 31 December 2024, the Group had transactional currency exposures. Such exposures arose from its cash and cash equivalents in US$. The Group is currently not engaged in hedging activities that are designed to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange activities and make its best efforts to protect the cash value of the Group.

Charge on Assets

As at 31 December 2024, the Group did not pledge any of its assets.

Cash Flow and Capital Expenditure

In FY2024, the Group's capital expenditures were mainly incurred for the acquisition of equipment and software and renovation of leased properties, which remained at a limited level of approximately RMB3.4 million, basically keeping the same as compared with the year ended 31 December 2023. The Group intends to fund future capital expenditures from cash balance, cash generated from operating activities and proceeds from the Global Offering. The Group will continue to incur capital expenditures to meet the expected growth of the business, and may reallocate funds for capital expenditures and long-term investments based on the Group's ongoing business needs.

Contingent Liabilities and Guarantees

As at 31 December 2024, the Group did not have any significant contingent liabilities, guarantees or any material litigation against the Group.

Significant Acquisitions or Disposals and Future Plans for Significant Investments

On 5 February 2024, Sinohealth Information entered into an Equity Transfer Agreement and a Partnership Property Share Transfer Agreement with Foshan Heheng Equity Investment Partnership (Limited Partnership) (佛山合恒股權投資合夥企業(有限合夥)) for the acquisition of 50.6% equity interests in Zhonghui Medical. Upon completion of the Acquisition, Zhonghui Medical will become an indirect non-wholly owned subsidiary of the Company. For details, please refer to the announcement dated 5 February 2024.

Save as disclosed above, the Group did not have any significant acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended 31 December 2024.

As at 31 December 2024, none of each individual investment held by the Group constituted 5% or more of the total assets of the Group, and there is no future plan for any material investment or capital assets.

Employees and Staff Costs

As at 31 December 2024, the Group had a total of 768 (31 December 2023: 759) full time employees, with the majority located in Mainland China. During the Reporting Period, the Group recognised staff costs of approximately RMB158.1 million, representing an increase of approximately 6.8% as compared with FY2023.

The following table sets forth the number of employees* by function as at 31 December 2024:

Function	Number	Percentage to the total number of employees
Solutions and Products	349	45.5%
Research and Development	222	28.9%
Sales and Marketing	136	17.7%
General and Administrative	61	7.9%
Total	768	100%

* Includes the employees of the Company and labour dispatch personnel

Talents are the valuable assets and the foundation for sustainable development of the Group. The Group highly appreciates the career development of its employees, and we have developed a comprehensive vocational training system and a sound remuneration and promotion system to continuously train, attract and retain talents.

Leveraging on our influence and attraction in the industry, we are able to continue to attract outstanding versatile talents. As at 31 December 2024, the Group has 304 employees with medical and pharmaceutical expertise and 140 employees with computer science expertise.

In addition, the Company has adopted the Share Option Scheme and the Share Award Scheme to motivate talented employees and attract talented persons for the further development of the Group.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there are no other significant events to be disclosed from 31 December 2024 up to the date of this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**403,728**	396,194
Cost of sales		**(170,527)**	(172,722)
Gross profit		**233,201**	223,472
Other income and gains	5	**44,845**	41,285
Selling and distribution expenses		**(40,084)**	(32,411)
Administrative expenses		**(38,500)**	(34,641)
Research and development costs		**(64,771)**	(61,090)
Impairment losses on financial assets, net		**(12,861)**	(24,079)
Other expenses		**(1,061)**	(1,155)
Finance costs	7	**(621)**	(640)
PROFIT BEFORE TAX	6	**120,148**	110,741
Income tax expense	8	**(8,325)**	(9,801)
PROFIT FOR THE YEAR		**111,823**	100,940
Attributable to:			
Owners of the parent		**110,649**	102,032
Non-controlling interests		**1,174**	(1,092)
		111,823	100,940
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**111,823**	100,940
Attributable to:			
Owners of the parent		**110,649**	102,032
Non-controlling interests		**1,174**	(1,092)
		111,823	100,940
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	10	**RMB 26.97 cents**	RMB 23.94 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,943**	5,070
Right-of-use assets		**10,882**	13,490
Goodwill		**11,551**	–
Other intangible assets		**1,956**	1,085
Time deposits		**105,723**	165,377
Deferred tax assets		**7,742**	3,455
Total non-current assets		**142,797**	188,477
CURRENT ASSETS			
Inventories		**1,085**	1,561
Trade and notes receivables	11	**94,500**	90,043
Prepayments, other receivables and other assets		**11,159**	49,656
Contract assets		**1,523**	–
Financial assets at fair value through profit or loss		**47,934**	–
Due from related parties		**177**	45
Time deposits		**448,006**	344,028
Cash and cash equivalents		**63,715**	123,931
Total current assets		**668,099**	609,264
CURRENT LIABILITIES			
Trade payables	12	**16,618**	13,109
Other payables and accruals		**63,713**	63,540
Lease liabilities		**4,678**	4,211
Due to related parties		**82**	432
Tax payable		**7,254**	2,969
Total current liabilities		**92,345**	84,261
NET CURRENT ASSETS		**575,754**	525,003
TOTAL ASSETS LESS CURRENT LIABILITIES		**718,551**	713,480
NON-CURRENT LIABILITIES			
Lease liabilities		**7,102**	10,026
Deferred tax liabilities		**2,642**	3,000
Total non-current liabilities		**9,744**	13,026
Net assets		**708,807**	700,454

	Notes	**2024** **RMB'000**	2023 *RMB'000*
Net assets		**708,807**	700,454
EQUITY			
Equity attributable to owners of the parent			
Share capital	13	**30,384**	30,384
Treasury shares	13	**(207,535)**	(179,098)
Reserves		**887,854**	852,054
		710,703	703,340
Non-controlling interests		**(1,896)**	(2,886)
Total equity		**708,807**	700,454

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 4 March 2019. The registered address of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The principal place of business in Mainland China is located at Room 1111, No. 5 Wangjiang Second Street, Huangge Town, Nansha District, Guangzhou, Guangdong Province, People's Republic of China (the "**PRC**").

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Wellmark Link Limited, which is incorporated in the Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were principally engaged in the provision of Data Insight Solutions, Data-driven Publications and Events and SaaS products.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 July 2022.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

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

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c)   Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

4.   **OPERATING SEGMENT INFORMATION**

For management purposes, the Group is not organised into business units based on their services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a)   Revenue from external customers

	2024 RMB'000	2023 RMB'000
Mainland China	399,480	395,258
Netherland	2,036	–
England	1,381	513
Hong Kong	643	154
Singapore	117	169
Others	71	100
Total revenue	403,728	396,194

The revenue information above is based on the locations of the customers.

(b)   Non-current assets

	2024 RMB'000	2023 RMB'000
Mainland China	29,327	19,645
Hong Kong	5	–
Total non-current assets	29,332	19,645

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue during the year (2023: Nil).

5. **REVENUE, OTHER INCOME AND GAINS**

An analysis of revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	403,728	396,194

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	2024 RMB'000	2023 RMB'000
Types of goods or services by product category		
Data Insight Solutions	199,078	195,741
Data-driven Publications and Events	144,172	143,616
SaaS products	60,478	56,837
Total	403,728	396,194
Types of goods or services by application scenario		
Smart Decision Cloud	254,495	269,164
Smart Retail Cloud	88,875	71,564
Smart Medical Cloud	38,254	41,393
Smart Health Management Cloud	22,104	14,073
Total	403,728	396,194
Geographical markets		
Mainland China	399,480	395,258
Overseas	4,248	936
Total	403,728	396,194
Timing of revenue recognition		
Services transferred at a point in time	165,062	169,924
Services transferred over time	238,666	226,270
Total	403,728	396,194

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting periods and recognised from performance obligations satisfied in the previous period:

	2024 **RMB'000**	2023 RMB'000
Revenue recognised that was included in contract liabilities **at the beginning of the year:**		
Data Insight Solutions	**11,286**	16,672
Data-driven Publications and Events	**4,278**	8,015
SaaS products	**11,965**	9,761
Total	**27,529**	34,448

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Data Insight Solutions

The performance obligation for delivery of customised research reports is generally satisfied at the point of time when the individual research report is delivered and accepted by the customers and payment is generally due within 90 days from the date of billing. The performance obligation for provision of individual marketing solution is satisfied over time as services are rendered and payment in advance is normally required.

Data-driven Publications and Events

The performance obligation is satisfied over time as services are rendered, where payment in advance is normally required. The services related to Data-driven Publications and Events are generally completed within one week.

SaaS products

The performance obligation for granting right to access the proprietary cloud-based software is satisfied over time as services are rendered, where payment in advance is normally required. The performance obligation for the use of API is satisfied at the point of time when the right to use is granted and payment is generally due immediately. The performance obligation for application software development is satisfied at the point of time when the application software together with relevant licence is accepted by the customers, and payment is generally due when the service was completed.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**107,657**	123,004
After one year	**11,420**	31,142
Total	**119,077**	154,146

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year mainly relate to SaaS products, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Other income		
Bank interest income	**26,292**	26,668
Government grants*	**13,040**	11,671
Investment income from financial assets at fair value through profit or loss	**584**	500
Others	**10**	147
Total other income	**39,926**	38,986
Gains		
Foreign exchange gains, net	**4,858**	2,286
Gain on lease modifications	**50**	13
Gain on terminations of leases	**11**	–
Total gains	**4,919**	2,299
Total other income and gains	**44,845**	41,285

* The government grants mainly represent incentives awarded by the local governments to support the Group's operation. There were no unfulfilled conditions or contingencies attached to these grants.

6. PROFIT BEFORE TAX

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

	Note	2024 RMB'000	2023 RMB'000
Cost of services provided		170,527	172,722
Depreciation of property, plant and equipment		2,540	2,427
Depreciation of right-of-use assets		4,733	5,342
Amortisation of other intangible assets*		771	797
Research and development costs		64,771	61,090
Lease payments not included in the measurement of lease liabilities		142	126
Bank interest income	5	(26,292)	(26,668)
Government grants	5	(13,040)	(11,671)
Investment income from financial assets at fair value through profit or loss	5	(584)	(500)
Gain on lease modifications	5	(50)	(13)
Gain on terminations of leases	5	(11)	–
Foreign exchange gain, net	5	(4,858)	(2,286)
Loss on de-registration of a subsidiary		–	8
Loss on disposal of items of property, plant and equipment		27	3
Auditor's remuneration		2,230	2,180
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		147,770	140,499
Pension scheme contributions**		6,019	3,623
Staff welfare expense		751	1,078
Total		154,540	145,200
Impairment of financial assets, net:			
Impairment of trade receivables, net	11	9,333	17,607
Impairment of other receivables, net		3,528	6,472
Total		12,861	24,079
Fair value losses, net:			
Financial assets at fair value through profit or loss			
– mandatorily classified as such, including those held for trading		444	–

* The amortisation of other intangible assets is included in "Cost of sales", "Administrative expenses", "Research and development costs" and "Selling and distribution expenses" in the consolidated statements of profit or loss and other comprehensive income.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	621	640

8. INCOME TAX

(a) The major components of the income tax expense of the Group during the year are analysed as follows:

	2024 RMB'000	2023 RMB'000
Current - Mainland China		
Charge for the year	13,035	11,114
Overprovision in prior years	(33)	–
Deferred	(4,677)	(1,313)
Total tax charge for the year	8,325	9,801

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and its subsidiary are not subject to any income tax in the Cayman Islands and the BVI.

The statutory tax rate for the subsidiary in Hong Kong is 16.5%. No Hong Kong profits tax on the subsidiary has been provided as there was no assessable profit arising in Hong Kong during the year.

The provision for current income tax in Mainland China is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Guangzhou Zhongkang Digital was accredited as a high and new technology enterprise ("**HNTE**") in 2022 and the certification is valid for three years. For the year ended 31 December 2024, Guangzhou Zhongkang Digital was entitled to a preferential PRC Corporate Income tax rate of 15% (31 December 2023: 15%).

Certain of the subsidiaries, which operate in Mainland China, are identified as Small and Micro Enterprises and were entitled to a preferential tax rate of 5% during the year ended 31 December 2024.

(b) A reconciliation of the tax expense applicable to profit before tax at the statutory rate in Mainland China to the tax expense at the effective tax rate is as follows:

	2024 **RMB'000**	2023 RMB'000
Profit before tax	**120,148**	110,741
Tax at the statutory tax rate of 25% in Mainland China	**30,037**	27,685
Lower tax rates enacted by local authority	**(16,478)**	(15,100)
Adjustments in respect of current tax of previous years	**(33)**	–
Additional deductible allowance for research and development costs	**(7,004)**	(7,531)
Expenses not deductible for tax	**63**	283
Tax losses utilised from previous years	**(3,048)**	(95)
Tax losses not recognised	**184**	1,559
Effect of withholding tax at 5% (2023: 10%) on the distributable profits of the Group's PRC subsidiaries	**4,604**	3,000
Tax charge at the Group's effective rate	**8,325**	9,801
Effective tax rate	**6.9%**	8.9%

9. DIVIDEND

	2024 **RMB'000**	2023 RMB'000
Proposed final - HK12 cents (2023: HK7.25 cents) per ordinary share	**50,000**	30,000
Special dividend - 2024: HK9.58 cents (2023: Nil) per ordinary share	**39,505**	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

On 21 November 2024, the board of directors has resolved to declare a special dividend of HK$9.58 cents per ordinary share (2023: Nil), amounting to a total of approximately RMB39,505,000 (2023: Nil), which has been paid in 2024.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 410,210,244 (2023: 426,125,312) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

The calculation of basic earnings per share is based on:

	2024 **RMB'000**	2023 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**110,649**	102,032

| | | Number of shares | |
| | | **2024** | 2023 |

Shares
Weighted average number of ordinary shares outstanding during the year
   used in the basic earnings per share calculation

	2024	2023
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**410,210,244**	426,125,312

11. TRADE AND NOTES RECEIVABLES

	2024	2023
	RMB'000	RMB'000
Trade receivables	**123,476**	111,351
Notes receivable	**3,887**	2,222
Impairment	**(32,863)**	(23,530)
Net carrying amount	**94,500**	90,043

The Group's trading terms with its customers are mainly on credit. The credit terms granted generally ranged from 7 days to 120 days, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2024	2023
	RMB'000	RMB'000
Within 6 months	**71,307**	67,147
6 to 12 months	**10,026**	11,653
1 to 2 years	**7,173**	8,268
2 to 3 years	**2,107**	753
Total	**90,613**	87,821

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

	2024	2023
	RMB'000	RMB'000
At beginning of year	**23,530**	6,322
Impairment losses, net *(note 6)*	**9,333**	17,607
Amount written off as uncollectible	**–**	(399)
At end of year	**32,863**	23,530

The increase in the loss allowance of RMB9,333,000 (2023: RMB17,208,000) was due to an increase of trade receivable which were aged over 1 year and past due.

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

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Gross carrying amount RMB'000	Expected credit loss rate	Expected credit loss RMB'000
Current	34,196	1.2%	426
Past due:			
Within 1 year	55,183	9.7%	5,340
Between 1 and 2 years	15,846	58.4%	9,249
Between 2 and 3 years	15,127	97.3%	14,724
Over 3 years	3,124	100.00%	3,124
Total	123,476	26.61%	32,863

As at 31 December 2023

	Gross carrying amount RMB'000	Expected credit loss rate	Expected credit loss RMB'000
Current	31,517	2.1%	648
Past due:			
Within 1 year	58,820	9.8%	5,777
Between 1 and 2 years	17,638	78.9%	13,909
Between 2 and 3 years	2,702	93.3%	2,522
Over 3 years	674	100.0%	674
Total	111,351	21.1%	23,530

The Group's notes receivable are all aged within one year and neither past due nor impaired.

12. **TRADE PAYABLES**

	2024 RMB'000	2023 RMB'000
Trade payables	16,618	13,109

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

	2024 **RMB'000**	2023 RMB'000
Within 3 months	**13,910**	11,128
3 to 6 months	**1,311**	366
6 to 12 months	**219**	1,326
Over 1 years	**1,178**	289
Total	**16,618**	13,109

The trade payables are non-interest-bearing and are normally settled within 90 days.

13. **SHARE CAPITAL AND TREASURY SHARES**

	2024	2023
Authorised: 2,000,000,000 (2023: 2,000,000,000) ordinary shares of US$0.01 each US$'000	**20,000**	20,000
Issued and fully paid: 451,770,000 (2023: 451,770,000) ordinary shares of US$0.01 each US$'000	**4,518**	4,518
RMB'000	**30,384**	30,384

A summary of movements in the Company's share capital is as follows:

	Notes	**Number of shares** **in issue**	**Share** **capital** **RMB'000**	**Treasury** **shares** **RMB'000**
At 1 January 2023		451,770,000	30,384	(101,121)
Shares repurchased	(a)	–	–	(77,977)
At 31 December 2023 and 1 January 2024		451,770,000	30,384	(179,098)
Shares repurchased	(b)	–	–	(28,437)
At 31 December 2024		451,770,000	30,384	(207,535)

Notes:

(a) In 2023, the Company purchased 16,228,000 of its shares on the Stock Exchange at a total consideration of approximately HK$86,459,000 (equivalent to approximately RMB77,977,000) for a share award scheme.

(b) In 2024, the Company purchased 6,869,500 of its shares on the Stock Exchange at a total consideration of approximately HK$31,362,000 (equivalent to approximately RMB28,437,000) for a share award scheme.

OTHER INFORMATION

Final dividend

The Board recommended the payment of a final dividend of HK12 cents per Share for the year ended 31 December 2024 (the "**Proposed Final Dividend**"). Subject to approval of Shareholder at the forthcoming annual general meeting of the Company, the dividend will be paid on or around Thursday, 25 September 2025 to Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 30 June 2025.

Closure of Register of Members

The 2025 annual general meeting is expected to be held on Thursday, 19 June 2025, and the register of members of the Company will be closed from Monday, 16 June 2025 to Thursday, 19 June 2025, both days inclusive, during which period no transfer of shares will be registered. For determining the entitlement of the Shareholders of the Company to attend and vote at the 2025 annual general meeting, all Share transfer document(s) accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars Limited at 2103 B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Friday, 13 June 2025.

Subject to the approval of shareholders at the annual general meeting, the register of members of the Company will be closed from Wednesday, 25 June 2025 to Monday, 30 June 2025, both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining shareholders entitled to the Proposed Final Dividend. In order to be eligible for the Proposed Final Dividend, each shareholder shall return all relevant transfer document(s) and share certificate(s) to the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars Limited at 2103 B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 24 June 2025.

Corporate Governance

The Company has adopted the principles and provisions of the CG Code and complied with the applicable code provisions as set out in the CG Code during the Reporting Period, except for Rule C.2.1 which stipulates that the roles of chairman and chief executive officer should be separate and should not performed by the same individual. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group for more effective and efficient overall strategic planning for the Group. Under the supervision of the Board, it ensures that the Board has an appropriate structure of checks and balances and provides adequate checks and balances to safeguard the interests of the Company and its shareholders.

The Company will review its corporate governance practices from time to time and strive to enhance its alignment with business operations and developments to ensure compliance with statutory and latest business developments.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors. Relevant employees of the Company who may be in possession of inside information of the Company by reason of their position or employment are also subject to the Model Code.

Having made specific inquiry of all Directors and relevant employees, each of them confirmed that he/she had complied with all the required standards under the Model Code during the year ended 31 December 2024.

Purchase, Sale or Redemption of Listed Securities of the Company

As of 31 December 2024, save as disclosed elsewhere in this announcement, neither the Company nor its subsidiaries have repurchased, redeemed or sold any of its listed securities (including sales of treasury shares). As of 31 December 2024, no treasury shares (as defined under the Listing Rules) were held by the Company.

Scope of Work for Annual Results Announcement by Auditor

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2024, but represents an extract from the consolidated financial statements for the year ended 31 December 2024 which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. As of the date of this announcement, the Audit Committee comprises three independent non-executive directors of the Company, namely, Ms. Wang Danzhou, Ms. Du Yilin and Mr. Wei Bin. Mr. Wei Bin is the chairman of the Audit Committee.

The Audit Committee has communicated with the management and the external auditor and has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024.

Publication of Annual Results and Annual Report

This announcement is published on the HKEXnews website (www.hkexnews.hk) and the Company's website (ir.sinohealth.cn). The annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the same websites in due course.

DEFINITIONS

"AI"	artificial intelligence
"AI-MDT"	artificial intelligence multi-disciplinary treatment, it refers to the customized health management solution we provide for medical examination users, which uses AI technology to conduct multi-disciplinary comprehensive analysis and evaluation of medical examination reports of medical examination users
"Acquisition"	the acquisition of 50.6% equity interests in the Zhonghui Medical held directly and indirectly by the Foshan Heheng Equity Investment Partnership (Limited Partnership) (佛山合恒股權投資合夥企業(有限合夥)), pursuant to the Equity Transfer Agreement and the Partnership Property Share Transfer Agreement
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"B2C"	Business-to-Customer, sell products and services directly to consumers
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement only and except where the context requires otherwise, references in this annual report to "China" or "PRC" do not include Hong Kong, the Macau Special Administrative Region and Taiwan
"CPEO"	Health Industry Ecological Conference, China's health industry forward-looking ecological conference
"Company"	Sinohealth Holdings Limited, an exempted company with limited liability incorporated in the Cayman lslands on 4 March 2019 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 7 July 2021
"Contractual Arrangements"	the series of contractual arrangements entered into by Zhongkang Technology, Sinohealth Information and its subsidiaries, the VIE Shareholders and the Other VIE Shareholders, as applicable, on 8 June 2021 and 6 May 2022, the details of which are described in the section headed "Contractual Arrangements" in the Company prospectus

"CRO"	Contract Research Organization, An academic or commercial scientific institution that provides specialized services in the research and development process of basic medicine and clinical medicine for pharmaceutical enterprises, medical institutions, small and medium-sized medical device R&D enterprises and other institutions through contract
"DaaS"	Cloud-based data delivery via APIs/web interfaces on subscription/pay-per-use terms, enabling external access without infrastructure management
"Director(s)"	the director(s) of the Company
"DTP"	Direct-To-Patient, delivering medications and therapies directly to patients
"Equity Transfer Agreement"	Equity Transfer Agreement of Zhonghui Medical dated 5 February 2024 entered into between Sinohealth Information, a subsidiary of the Group and the Foshan Heheng Equity Investment Partnership (Limited Partnership) (佛山合恒股權投資合夥企業(有限合夥))
"FY2023"	financial year ended 31 December 2023
"FY2024"	financial year ended 31 December 2024
"Global Offering"	the Hong Kong public offering and international offering of the Shares
"Group" or "We"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Date"	12 July 2022, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MASC"	Health Traffic Conference, our conference platform focused on traffic research and value interaction
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"O2O"	Online To Offline, a form of transaction in which goods or services are booked or placed online and delivered offline

"Partnership Property Share Transfer Agreement"	Property Share Transfer Agreement of Guangzhou Kanghui Caizhi Enterprise Management Partnership (Limited Partnership) dated 5 February 2024 entered into between the Sinohealth Information, a subsidiary of the Group, and the the Foshan Heheng Equity Investment Partnership (Limited Partnership) (佛山合恒股權投資合夥企業(有限合夥))
"PHCF"	Pharma & Healthcare Conference and Fair, our event held for healthcare industry players
"Reporting Period"	Twelve months ended 31 December 2024
"RMB"	Renminbi, the lawful currency of China
"SaaS"	software as a service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted
"Share Option Scheme"	the share option scheme adopted by the Company on 27 April 2022
"Share Award Scheme"	the share award scheme adopted by the Company on 5 December 2022
"Share(s)"	ordinary share(s) of nominal value of US$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"SIC"	A pharmacy empowerment platform, one of SaaS products of the Group's Smart Retail Cloud business segment, that provide pharmacies with comprehensive services such as operation management, membership management, category management, smart marketing, chronic disease management and pharmaceutical services.
"Sinohealth Information"	Guangzhou Sinohealth Information Co., Ltd (廣州中康資訊股份有限公司), a joint stock company with limited liability established in the PRC on 20 December 2007 and deemed to be a wholly-owned subsidiary of the Group pursuant to the Contractual Arrangements
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"tertiary hospitals"	tertiary-grade A class hospitals, which belong to the highest level in the classification of hospitals pursuant to the classification of medical institutions in accordance with China's existing Hospital Classification Management Measures and other regulations

"TMEC"	the whole industry chain ecological conference we held for the Chinese medicine market segment
"US$"	United States dollars, the lawful currency of the United States of America
"Zhongkang Technology"	Guangzhou Zhongkang Digital Technology Co., Ltd. (廣州中康數字科技有限公司), a company established in the PRC with limited liability on 8 April 2019, which is directly owned as to 100% by Sinohealth Technology Limited, an indirect wholly-owned subsidiary of the Group
"Zhonghui Medical"	Guangzhou Zhonghui Medical Technology Company Limited (廣州中惠醫療科技有限公司), a limited liability company established in the PRC on 28 December 2021, a subsidiary of the Group
"%"	Percent

By order of the Board
Sinohealth Holdings Limited
Wu Yushu
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Wu Yushu and Ms. Wang Lifang, the non-executive Director is Mr. Fu Haitao, and the independent non-executive Directors are Ms. Wang Danzhou, Ms. Du Yilin and Mr. Wei Bin.