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Xunfei Healthcare Technology Co., Ltd.

訊飛醫療科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2506)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xunfei Healthcare Technology Co., Ltd. (the “**Company**” or “**Xunfei Healthcare**”, together with its subsidiaries and consolidated affiliated entities, collectively the “**Group**”) hereby announces the unaudited consolidated results of the Group for the six months ended June 30, 2025 (the “**Reporting Period**”). This announcement complies with the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in relation to the information to be included in the preliminary announcement of interim results. These interim results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

FINANCIAL HIGHLIGHTS

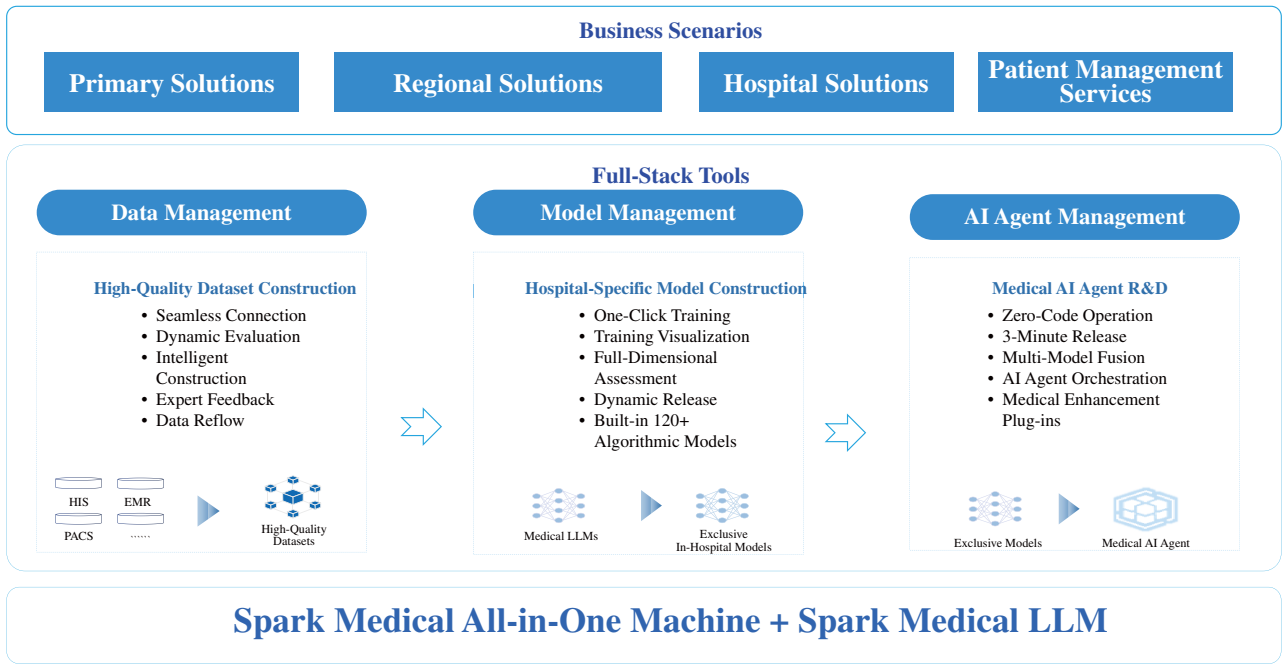
	Six months ended June 30,		Year-on-year change
	2025	2024	
	(RMB'000)		
Revenue	298,552	229,205	30.26%
Gross profit	153,868	121,198	26.96%
Loss before tax	(100,134)	(163,289)	(38.68)%
Loss for the period	(82,276)	(133,738)	(38.48)%
Net loss attributable to owners of the parent company	(74,086)	(129,653)	(42.86)%

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2025, a groundbreaking leap was made in the training and reasoning efficiency of domestic general-purpose large models, leading to the significant enhancement of the core capabilities of large models in the healthcare sector and the continuous optimization of medical AI applications. China has introduced a number of supportive policies and clear implementation guidelines, promoting the deep integration of AI technology with such scenarios as public health, clinical medicine, and health management, and providing strong policy support and broad market space for the Company to step up its presence in the smart healthcare market. Driven by accelerated technological innovation, policy support, and demand for high-quality development in healthcare, the medical AI industry showed a prosperous development trend. Leveraging medical large model technology and the construction of a medical knowledge base, the Company consistently maintains its leading position in medical large models. Through ongoing upgrades to its AI-powered diagnostic assistant and health assistant product series with large model technology, the Company satisfied the diversified needs of government, business and consumers. This has enabled the creation of an AI-powered product matrix tailored for GBC clients, enhancing government regulatory governance, improving hospital quality and efficiency, and empowering personal health management. Ultimately, these efforts solidify Xunfei Healthcare’s role in driving forward the global healthcare industry as a leader.

Core Technologies

Spark Medical LLM Capability Platform



As a pioneer in the innovative practice of medical artificial intelligence, the Company has expanded its technological advantages since the release of Xunfei Spark Medical Model in 2023 — the industry’s only healthcare large model trained on domestically produced computing power — through the construction of high-quality datasets, development of hospital-specific models, and R&D of medical AI agents. It has continuously made breakthroughs in key technology areas such as evidence-based medical reasoning and health interaction, significantly improving the accuracy and professionalism of applications in medical settings, and maintaining a leading position in the industry for its core performance in key tasks within the healthcare sector.

Leading AI in Healthcare to an Era of Deep Thinking, with Software-Hardware Integration to Facilitate Rapid Construction of Medical AI Agents

In March 2025, the Company launched Xunfei Spark Medical Model X1 built on deep reasoning technology, which is currently the deep reasoning medical large model trained entirely on domestically produced computing power. Real-world scenario testing shows X1 achieved a 94.0% rationality rate in general practice auxiliary diagnosis, a 90.1% rationality rate in specialized auxiliary (main) diagnosis, and an 89.0% health consultation response rate, all surpassing GPT-4o and DeepSeek R1. In the same month, the Company collaborated with Huawei to launch the fully localized Xunfei Spark Medical All-in One Machine, designed for medical applications. The all-in-one machine supports Xunfei Spark Medical Model X1 alongside various other open-source models, enabling collaboration, rapid deployment, and out-of-the-box usability of heterogeneous models. Equipped with a built-in “one-stop” Spark Medical AI agent platform, it offered 20 medical AI agents for automatic healthcare record generation, connotative quality control of healthcare records, intelligent follow-ups, report interpretation and more. By integrating deep thinking with industry understanding, it enhances medical knowledge capabilities by 30.0% and reduces model hallucinations by 10.0%. Furthermore, leveraging the Huawei’s Ascend hardware, the system significantly boosts reasoning performance, driving a 40.0% improvement in Xunfei Spark Medical Model X1’s inference efficiency.

Topping MedBench Ranking, with Release of V2.5 International Version, Expanding Language Support and Specialized Capabilities

In June 2025, MedBench, an authoritative evaluation platform for Chinese medical LLMs, announced its latest ranking results. Xunfei Spark Medical Model ranked first with an outstanding composite score of 95.4, securing the top position in several core capabilities including complex medical reasoning, medical language comprehension, and medical safety and ethics.

In the same month, the Company released Xunfei Spark Medical Model V2.5 International Version, which supports both Chinese and English. It also fully upgraded the Xunfei Xiaoyi APP and launched a Hong Kong version supporting Mandarin, Cantonese, and English. The medical LLM demonstrated improvements across six key capabilities, namely medical Q&A, complex medical language comprehension, professional medical document generation, medical diagnosis and treatment recommendations, multi-round medical dialogues, and multi-modal medical interactions, with average performance rising from 88.3% to 89.1%, providing solid technical support for global market expansion. Xunfei Spark Medical Model V2.5 International Version has further expanded its specialized medical capabilities. Through the deep integration of its fast thinking and evidence-based long-chain slow thinking abilities, it can perform deep-level specialized diagnostic reasoning on top of its general practice diagnostic capabilities. This drives the advancement of medical AI from general practice services into more complex specialized disease areas and injects new intelligence momentum into clinical decision-making and patient health management. In core clinical diagnosis and treatment scenarios for specialties such as cardiology, pediatrics, and respiratory medicine, the large model's comprehensive diagnosis and treatment capabilities have reached the level of an attending physician in a Grade A Class 3 hospital, particularly outperforming human doctors in key dimensions like completeness, practicality, and readability.

In July 2025, Xunfei Spark Medical Model was further upgraded, with all capabilities comprehensively enhanced again. The rationality rate in auxiliary diagnosis for general practice increased from 94.0% to 95.0%, the rationality rate in interpretation of physical examination reports rose from 84.4% to 86.3%, and the response rate for health consultations went up from 89.0% to 91.5%. For hospital-end services, the rationality rate of main diagnosis in cardiology improved from 90.1% to 91.2%, the rationality rate of main diagnosis in the newly added pediatrics reached 88.4%, and in respiratory medicine reached 86.2%. Compared with models such as OpenAI o3 and DeepSeek R1, it continually stays ahead in the industry in key medical scenario tasks.

Continuously Promoting Standardized Development of Medical LLMs

In May 2025, the Company was invited to participate in drafting the Expert Consensus on the Evaluation of Application Effect of LLMs in Medical Scenarios. The drafting of this expert consensus brought together more than 50 authoritative experts from various fields including clinical medicine, artificial intelligence, methodology, laws and regulations, and ethics, which is of significant importance for propelling the standardized development of medical LLMs. In addition, the Company formally signed a strategic cooperation agreement with the Chinese Medical Journals Publishing House, comprehensively marking the start of in-depth collaboration on the deep exploration of medical LLMs and the construction of a smart medical knowledge service platform.

Regulatory authorities such as the National Health Commission and the Ministry of Industry and Information Technology have placed great emphasis on the standardized development and implementation evaluation of medical LLMs, establishing a series of standard systems that meet the needs of the healthcare industry. The Company, together with the China Academy of Information and Communications Technology, has taken the lead in jointly formulating a total of 7 standards with multiple domestic medical institutions, establishing a relatively complete standard system for large models in the healthcare industry that covers security management, data governance, clinical applications and other dimensions.

In July 2025, at the World Artificial Intelligence Conference (WAIC) 2025, the Company, as a core drafting unit, jointly initiated the research on the Standard System for Intelligent Agents in the Healthcare Industry with the Artificial Intelligence Industry Alliance and the Intelligent Medicine Professional Committee of the Chinese Medical Doctor Association. Driven by clinical needs, this standard covers scenarios such as operating rooms, radiology departments, outpatient service, and scientific research. It is a full-stack standard encompassing “application-platform-computing power”, providing a scientific basis for medical institutions to select AI products, for technology companies to develop medical AI, and for regulatory authorities to formulate policies.

Adhering to the development philosophy of “cutting-edge technology and practical application”, the Company fully leverages its leading position in the artificial intelligence industry chain and continuously promotes the deep integration of digital and intelligent technologies with the healthcare industry via technological innovation, creating new models and forms for health and medical services. It is committed to becoming an AI clinical assistant for every doctor and an AI health assistant for everyone.

Currently, the Company’s medical LLMs continue to maintain the following advantages in terms of industry application:

- Long-term, extensive accumulation of medical knowledge and data: The model is supported by a medical authoritative knowledge base comprising hundreds of millions of articles, providing traceable, authoritative, and highly readable content services through search. Additionally, it incorporates hundreds of thousands of long-chain data sets that align with practical business and clinical scenarios and the evidence-based thinking of medical experts. In collaboration with physicians and specialists, the Company has also developed hundreds of thousands of reinforcement learning data tailored to key medical scenarios, further enhancing the model’s professionalism and accuracy;

- Fully self-developed and continuously innovated LLM technologies: The Company has established an industry-leading Spark Medical Model foundation powered by fully domestic computing power, integrating medical expertise, and evidence-based medical reinforcement learning. We pioneered a comprehensive training system for medical LLM that deeply combines fast-thinking with evidence-based long-chain slow-thinking. We have mastered secure and controllable core technologies, completed hardware engineering adaptation, and are equipped with an efficient toolchain and systematic platform support;
- Systematic and innovative AI capabilities across general and specialized medicine: We have achieved further breakthroughs in comprehensive multimodal AI capabilities, covering medical text, audio, images and graphical data, fully addressing the critical needs for practical implementation across healthcare scenarios;
- Technology deployment and service assurance system: With extensive experience in scaling AI applications and providing technical services to a large user base, we excel in translating product requirements into technical implementation and continuous iteration and upgrading, as well as technical service support throughout the entire process;
- Firm commitment to the localization of hardware and software for self-reliance and controllability: The Company has a comprehensive integrated technical solution for efficient training and inference based on domestic computing platforms such as Huawei Ascend. Looking ahead, the Company remains committed to the path of full localization of hardware and software for self-reliance and controllability. By addressing immediate needs in the medical industry, we will strengthen our advantages and build a complete set of methods for researching and implementing original medical AI technologies.

The enhancement of its core technology and product capabilities is attributable to the Company's unswerving investment in research and development (R&D). For the six months ended June 30, 2025, the total R&D investment, including R&D expenses and development expenditures, amounted to RMB134.2 million, representing a decrease of 11.8% compared to the corresponding period in 2024 and accounting for 44.9% of the total revenue during the Reporting Period. The decrease was primarily attributable to reduced option and intangible assets amortization.

BUSINESS REVIEW

In the first half of 2025, while maintaining its leading position in industry applications and core technologies of medical LLMs, the Company engaged in extensive cooperation with governments, non-profit organizations, leading domestic medical institutions, and authoritative media during the Reporting Period, achieving the following results, gaining widespread recognition, and establishing widespread brand influence.

At the Chinese side event themed Empowering Primary Health Care with Digital Intelligence for Universal Health Coverage during the 78th World Health Assembly, general practice CDSS was selected as one of the 15 innovative cases of digital intelligence empowerment for its groundbreaking intelligent empowerment for primary healthcare, and was showcased on the English version of the National Health Commission's website.

In the Digital China Innovation Contest 2025 — Xinchuang Track during the 2025 Digital China Summit, the Zhejiang Intelligent Medicine-Primary Care AI-assisted Diagnosis Platform project, jointly submitted by the Company, the Hangzhou Municipal Health Commission, and the Hangzhou Municipal Health Service Development Center, won a national industry contribution award, becoming the only innovative project in the health sector to receive this honor.

At Vbdata.cn 2025 VBEF, Xunfei Spark Medical Model (the only medical deep reasoning LLM entirely based on large-scale application of domestically produced computing power) was rated as the most valuable product/solution; the Xunfei Xiaoyi APP was honored as one of the best digital technology innovation products; and the Company won the title of Healthcare Industry Leader of the Year.

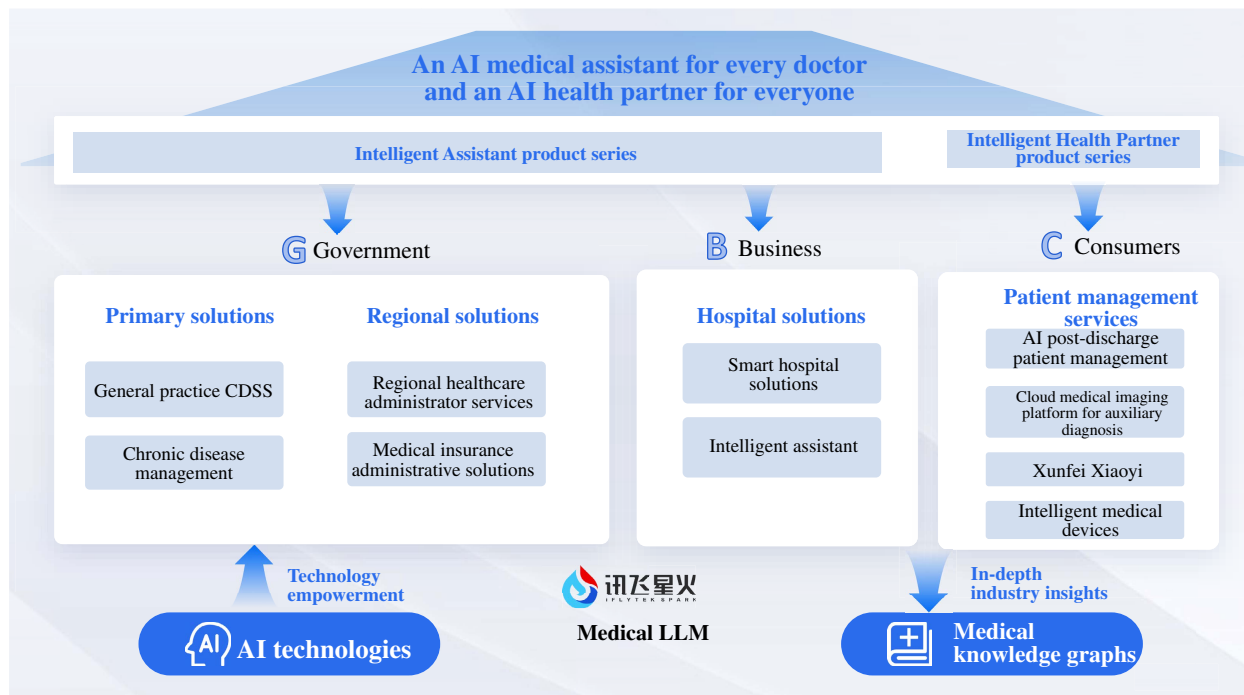
In the 7th Smart Health Innovation Competition, the Company, together with West China Hospital of Sichuan University, won the first prize in the Application Innovation Track for Innovative Application of Smart Chronic Disease Management: An AI-led Full-Cycle Health Management Service Model.

In 2025, the Company released its first ESG report and received an A rating from Wind, a domestic authoritative ESG rating agency. It ranked 24th out of 245 A-share-and H-share-listed information technology service providers, enabling it to break into the top 10% of the industry players. Moreover, the Company won the “ESG Environmentally Friendly Excellent Enterprise award” under the Jinge Award of GuruClub.

Leveraging its leading technological capabilities, extensive customer base, and brand recognition, the Company continues to improve its operational efficiency and seize new profit opportunities through synergistic commercialization strategies. For the six months ended June 30, 2025, the Company recorded revenue of RMB298.6 million, representing an increase of 30.3% as compared with the revenue of RMB229.2 million for the same period last year. For the six months ended June 30, 2025, its gross profit was RMB153.9 million, representing an increase of 27.0% as compared with the gross profit for the same period last year. The gross profit margin was 51.5%, remaining at a reasonably high level, representing a slight decrease of 1.3 percentage points as compared with the gross profit margin for the same period last year. This was primarily due to a decline in the gross profit margin of the primary solution business in the first half of 2025. As its product portfolio expands and matures, the Company anticipates rapid revenue growth alongside a relatively stable gross profit margin level.

For the six months ended June 30, 2025, the Company's revenue was primarily derived from primary solutions and patient management services. The following table sets out a breakdown of its revenue by business segment for the periods indicated:

	Period ended June 30,							
	2025				2024			
	Revenue	Percentage of total revenue	Gross profit	Gross profit margin	Revenue	Percentage of total revenue	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Primary solutions	83,812	28.1	42,424	50.6	55,042	24.0	30,637	55.7
Regional solutions	57,625	19.3	14,926	25.9	20,722	9.0	5,682	27.4
Hospital solutions	52,862	17.7	32,514	61.5	58,727	25.6	28,255	48.1
Patient management services	104,253	34.9	64,004	61.4	94,714	41.4	56,624	59.8
Total	<u>298,552</u>	<u>100.0</u>	<u>153,868</u>	<u>51.5</u>	<u>229,205</u>	<u>100.0</u>	<u>121,198</u>	<u>52.9</u>



Closely upholding its mission of “an AI medical assistant for every doctor and an AI health partner for everyone”, the Company, based on industry-leading artificial intelligence technology and in-depth industry insights, has created the Intelligent Assistant product series and the Intelligent Health Partner product series to empower government, business and consumers with AI. The business classification names have been upgraded from “PHC services, regional management platform solutions, hospital services, and patient services” to “primary solutions, regional solutions, hospital solutions, and patient management services.” The core functions of these four business segments mainly include:

- (1) Empowering government supervision and governance: Providing AI solutions for the government to strengthen primary healthcare services, enhance disease prevention and control capabilities, and improve regional medical collaboration and health levels;
- (2) Empowering hospital quality and efficiency improvement: Providing AI solutions for hospitals to improve medical services, patient satisfaction, and management efficiency;
- (3) Empowering personal health management: Providing patients with AI services throughout their entire life cycle, including AI post-discharge management services, the cloud medical imaging and auxiliary diagnosis platform, as well as the home health consultation and management APP (Xunfei Xiaoyi) and intelligent medical devices (intelligent hearing aids and AI blood pressure monitors).

Intelligent Assistant Product Series

Driven by the dual engines of the “Digital China” strategy and the “Healthy China” initiative, China continually strengthened the deep integration and application of artificial intelligence in the healthcare sector. In the first half of 2025, China introduced a series of policies to strengthen the development of new medical and healthcare infrastructure. AI and digital technologies were leveraged to address disparities in medical resources, advance public health reforms, and drive the high-quality development of public hospitals.

In March 2025, the Central Economic Work Conference and the Government Work Report called for implementing the project of strengthening the foundation of medical and health care. Ten government agencies including the National Health Commission jointly issued the Functional Guidelines for the Informatization of Close County-level Medical Consortia, further clarifying requirements for the overall planning and establishment of medical consortia. The guidelines call for promoting the application of AI and advocate for the use of next-generation information technologies such as AI, big data, and the Internet, aiming to comprehensively enhance the digital service and management efficiency of medical consortia.

In April 2025, the National Health Commission issued a guideline for optimizing the layout and construction of primary healthcare institutions, which requires the use of innovative technologies such as telemedicine and AI-assisted diagnosis to establish a health service system covering the entire lifecycle of residents.

With great importance attached to and strategic guidance for the development of AI at the national level, AI technology is reshaping the medical service system. Aligning with major national policies and riding on world-leading core medical AI technologies, the Company has capitalized on a critical window through proactive market deployment to establish base cities, supporting the continuous and steady growth of its overall business.

Primary Solutions

General Practice CDSS: Based on the continuously upgraded capabilities of Xunfei Spark Medical Model, the General Practice CDSS has expanded its application scenarios based on LLM to diagnostic reasoning paths, interpretation of examination and test reports, and medical knowledge Q&A. The rationality rate of auxiliary diagnosis has increased from approximately 90.0% in 2021 to about 95.0% at present, and the accuracy rate of prescription review has risen from about 93.0% in 2021 to about 95.0% at present. It covers over 2,000 types of diseases, with significantly enhanced diagnostic assistance capabilities, effectively reducing the risk of misdiagnosis, missed diagnosis, and medication errors.

Driven by national, provincial, and municipal policies as well as customer demand, the General Practice CDSS has gradually extended from general practice auxiliary diagnosis to more product applications such as traditional Chinese medicine auxiliary diagnosis. It has been upgraded to a primary AI solution with multiple functions to better enhance the capabilities, quality, and efficiency of diagnosis and treatment at the grassroots level.

As at June 30, 2025, the General Practice CDSS was adopted in more than 75,000 PHC institutions across 697 districts and counties in 31 provinces and municipalities nationwide. It offered over 1.01 billion AI-assisted diagnosis suggestions, helped generate over 390 million standardized electronic medical records, prompted corrections in more than 1.763 million significant medical records upon reminders from General Practice CDSS system, and identified over 110 million unreasonable prescriptions.

Chronic Disease Management: The AI chronic disease management solution can collect multi-source heterogeneous public health and clinical data, assisting doctors in completing primary chronic disease prevention screening and disease risk stratification assessments with single-click efficiency. Using large model capabilities, it generates patient-centered personalized health assessment reports and provides multi-dimensional health intervention suggestions.

During the Reporting Period, the solution expedited nationwide large-scale deployment, covering over 120 key districts and counties in more than 10 provinces and municipalities, including Beijing, Jiangsu, Sichuan, Jiangxi, Gansu, Anhui, Hebei, Hubei, Heilongjiang, Liaoning, and Henan. To adapt to policy trends and industry needs, chronic disease management solution has been increasingly aligned with patient management services, and will be gradually incorporated into the Intelligent Health Partner product series.

For the six months ended June 30, 2025, the Company recorded revenue of RMB83.8 million from primary solutions, representing an increase of 52.3% as compared to the same period in 2024, and accounting for 28.1% of its total revenue for the first half of 2025.

Regional Solutions

Regional Healthcare Administrator Services: Guided by major national policies, the Company has developed AI solutions catering to the diverse needs of clients at the provincial, municipal, and district/county levels.

At the provincial level, the Company provided an **AI family physician assistant solution**. It increased its coverage or presence to provinces such as Anhui, Jiangxi, Zhejiang, Shaanxi, and Hunan. Its **AI infectious disease prevention and control solution**, which has been implemented in provincial-level regions like Anhui, Qinghai, Henan, and Ningxia, won high praise from clients. Phase II project construction is underway in Qinghai and other provinces. It will deeply integrate large model empowerment to continuously enhance the infectious disease prevention and control capabilities of each provincial-level region.

For the municipal level, the Company offered an **AI city digital intelligence platform solution**, which has been implemented in cities such as Wuhu, Aksu, Bengbu, and Pu'er. To better unlock data value and empower residents' full lifecycle health management, the Company has developed the "Resident Health Profile" system through the deep integration of healthcare big data and AI large models, enabling end-to-end support from data consolidation to clinical decision-making.

At the district and county level, an **AI regional medical collaborative solution was available**. The solution was employed in the planning and design of multiple regional medical communities, regional medical informatization project, and the project of strengthening the foundation of medical and health care. The Feicheng medical community project in Shandong is under construction and is expected to be fully used in the fourth quarter of this year. Projects of medical community in Mile of Yunnan, Qingshen of Sichuan, and Haigang District of Qinhuangdao have also entered the implementation phase.

Medical Insurance Administrative Solutions: In response to the demand of DRG/DIP payment reform, the Company has innovatively developed an **AI medical insurance solution**. Based on full medical records and insurance settlement data, it provided National Healthcare Security Administration with end-to-end fund supervision services before, during, and after settlement. This helps medical institutions achieve delicacy management under the DRG/DIP payment model and promotes the systematic governance and standardized use of funds. The AI medical insurance solution has covered 3,236 medical institutions in 86 counties and districts, with an average 3.9% of unreasonable expenditures detected, which is a high level in the industry. The solution has been implemented on a regular basis in cities such as Hefei in Anhui Province, Luliang in Shanxi Province, and Pu'er in Yunnan Province, effectively fostering the coordinated development and governance of medical insurance, healthcare, and medicine.

For the six months ended June 30, 2025, the Company's revenue from regional solutions stood at RMB57.6 million, representing an increase of 178.1% as compared to the same period in 2024, and accounting for 19.3% of its total revenue for the first half of 2025, which was primarily due to the application of the AI infectious disease prevention and control solution in multiple provinces.

Hospital Solutions

Smart Hospital Solutions: Targeting higher-level hospitals, the Company provides “three-in-one” smart hospital solutions encompassing smart services, smart medical care, and smart management, with the aim of improving patient experience, enhancing the quality of medical services, and innovating big data applications. The solutions have been implemented in over 500 higher-level hospitals nationwide, including the First Affiliated Hospital of the University of Science and Technology of China, Peking Union Medical College Hospital, West China Hospital of Sichuan University, and Shandong Provincial Hospital, providing AI solutions for nearly 20 hospitals nationwide via Level 5 electronic healthcare records and Level 3 smart service evaluations.

As of June 2025, Xunfei Spark Medical Model was employed in more than 20 leading hospitals nationwide. Relying on the full-stack tools for medical large models, including data management, model management, and AI agent management, the Company forged in-depth partnerships with top-class domestic medical institutions such as West China Hospital of Sichuan University, Qilu Hospital of Shandong University, Beijing Anzhen Hospital, and the First Affiliated Hospital of the University of Science and Technology of China to jointly create specialized disease-specific large models, promoting the precise implementation and value realization of medical AI in clinical settings. These include the joint release of a type 1 diabetes-specific large model with the task force for the four major national chronic disease; the joint development of a cerebral hemorrhage-specific large model Hebei NeuroArk with the Second Hospital of Hebei Medical University; the participation in the co-construction of an evidence-based TCM center in Anhui, focusing on the digital inheritance of the experience of famous TCM doctors and the construction of “digital avatars of famous TCM doctors” through AI technology; and the launch of the Intelligent Medicine Copilot Large Model with the medical AI joint laboratory of the First Affiliated Hospital of the University of Science and Technology of China, advancing specialized full-course disease management into a new stage of intelligence.

Intelligent Assistant: Focusing on immediate client needs such as AI-driven health record quality control and specialized auxiliary diagnosis, the Company deeply empowers core medical scenarios, helping hospitals and doctors efficiently meet the demands for precise diagnosis, scientific treatment, and systematic management of diseases, which significantly increases the diagnostic efficiency and enhances the service quality of higher-level hospitals.

The AI-driven health record quality control system fully covers the three core scenarios of outpatient, inpatient, and health record front page, establishing a closed-loop management system for the entire process featuring “in-process real-time reminders and post-process automatic quality control”. The system increases the coverage of health record quality inspection from less than 5% with traditional manual sampling to 100% full coverage driven by AI, significantly reducing the risk of medical errors and providing strong support for the standardization of diagnosis and treatment and data governance. The specialized clinical decision support system (CDSS) now covers more than 1,700 diseases, effectively increasing the screening efficiency and the precision of prevention and treatment for high-risk patients. The Company will continuously deepen technological integration and scenario innovation, and provide medical institutions with more intelligent and more reliable full-process solutions, in a bid to cement the foundation of medical quality and safety.

For the six months ended June 30, 2025, the Company recorded revenue of RMB52.9 million from hospital solutions, representing a decrease of 10.0% as compared to the same period in 2024, and accounting for 17.7% of the total revenue for the first half of 2025. The decrease was primarily due to the continuous updates of the large-scale model in the first half of the year, which led to a slight slowdown in related hospital solutions applications.

Intelligent Health Partner Product Series

Amid intensified population aging, the demand for personal home-based health management is becoming increasingly strong. The Company has developed AI health assistants based on Xunfei Spark Medical Model and cutting-edge technologies such as intelligent voice interaction. These assistants comprise four key components: AI-driven post-discharge patient management, the cloud medical imaging platform for auxiliary diagnosis, the Xunfei Xiaoyi, and intelligent medical devices. Targeting healthy individuals and discharged patients, the Company empowers doctors through medical LLMs to provide AI health assistant services in a human-machine coupling mode. This extends the business scope to end-users in out-of-hospital home settings, continuously expanding the C-end market.

Patient Management Services

AI Post-discharge Patient Management: During the Reporting Period, based on Xunfei Spark Medical Model and hyperhuman interaction technology, the AI post-discharge patient management product completed intelligent upgrades, including targeted follow-ups and proactive management. It can conduct targeted follow-ups with patients based on their health record data and specified topics, and support patients in actively asking questions. During telephone interactions, it provides individualized health guidance, helps healthcare professionals screen for abnormalities for post-discharge patients, and automatically sends follow-up reminders, thereby significantly improving the efficiency of patient management for medical staff. Riding on the management of post-operative discharged patients, the Company cooperated with Qilu Hospital of Shandong University to launch and apply the Qilu-Spark Full-Course Disease Management Large Model. It further extends coverage to different groups such as ordinary patients and patients with chronic diseases, and provides differentiated, stratified, and classified continuous medical services tailored to the characteristics of each group. The upgraded AI post-discharge patient management system has been fully launched and applied at West China Hospital of Sichuan University and the First Affiliated Hospital of the University of Science and Technology of China.

To date, AI post-discharge patient management has continued to make breakthroughs in the market of leading hospitals across six provinces/autonomous regions, namely Jiangsu, Shandong, Henan, Hebei, Gansu, and Ningxia, and has served over 200 hospitals .

Cloud Medical Imaging Platform for Auxiliary Diagnosis: The Company has built China's largest regional imaging data connectivity and recognition cloud platform in Anhui Province. In May 2025, Anhui became the only province in the country to successfully connect to the national healthcare security information platform and achieve remote reading of digital medical imaging films. This move marks a key step forward in the nationwide mutual recognition of medical imaging information and sharing of results, and successfully validates the scientificity and technical feasibility for the National Healthcare Security Administration's deployment to promote interprovincial mutual recognition and sharing of digital images based on the unified national healthcare security information platform.

The intelligent medical imaging assistant, built on Xunfei Spark Medical Imaging Model, fully empowers intelligent quality control and intelligent image reading. Its intelligent imaging quality control capability covers most routine imaging examination items and has been piloted in the quality control inspections of some quality control centers, with application data exceeding 100,000 cases. It can generate reports for certain X-ray examination items, providing interpretation traceability and multi-period comparison functions, which has been piloted on an imaging cloud consultation platform in Anhui. The assistant can be connected to medical imaging large models, aiding clinicians in working out diagnosis and treatment plans through relevant Q&As.

As at June 30, 2025, over 1,970 medical institutions and over 3,300 experts had registered on the Anhui imaging cloud platform of Anhui, with approximately 9.8 million remote consultations conducted and data service usage exceeding 135.8 million times.

Xunfei Xiaoyi: In March 2025, the Xunfei Xiaoyi APP was connected to Xunfei Spark Medical Model X1, fully launching deep-thinking mode. It supports over 1,600 common diseases, over 2,000 symptoms, and over 50,000 drugs, with a medical OCR rate of 97.0% and a coverage rate of 98.0% for mainstream laboratory report formats. The upgraded Xunfei Xiaoyi can provide responses based on users' health records, enhancing the personalization of health consultations and accuracy of answers. User satisfaction and file creation rates have continuously increased. It signifies a transition from health consultation to a new stage of proactive health management.

While strengthening privacy protection, Xunfei Xiaoyi has integrated health data from sources such as Huawei Health and third-party hardware. For the health files of individuals with chronic diseases like hypertension and hyperglycemia, it automatically associates key monitoring indicators required by guidelines, generates easy-to-follow intervention recommendations that help improve these indicators, and periodically tracks data changes to assess the potential risk of damage to organs such as the heart and kidneys, achieving early screening and prevention.

The user base of Xunfei Xiaoyi has continuously expanded. The Hong Kong version of Xunfei Xiaoyi was unveiled in June 2025, which supports symptom self-checks, medication consultation, and TCM syndrome differentiation in Cantonese and English. This greatly satisfies the demand of Hong Kong residents for professional, fast, and free personalized health consultation services.

As one of the first health-related AI applications to join Huawei's Celia agent ecosystem, Xunfei Xiaoyi allows users to access more professional, personalized, safe, and reliable intelligent health services through multi-modal, all-scenario entry points such as Celia dialogues, the navigation bar, and search.

Through cooperation with multiple local health commissions, large Grade-A Class 3 hospitals, and leading manufacturers, Xunfei Xiaoyi has gained access to official institutions such as the Anhui Health Commission, Hainan Health Commission, Wuhu Health Commission, and Chuxiong Yi Autonomous Prefecture Health Commission. It also provides physical examination report interpretation service for users from Peking Union Medical College Hospital and Anhui Provincial Hospital, while offering Xiaoyi service support for home scenarios to leading TV manufacturers such as Changhong and Haier.

As at June 30, 2025, Xunfei Xiaoyi APP saw more than 24 million downloads and accumulatively completed over 140 million AI consultations, with a user satisfaction rate of 98.0% and a user recommendation rate of 46.0%.

Intelligent Medical Devices: The smart hearing aids are equipped with the Company’s proprietary scene recognition system and AIScene, which can monitor the real-time environments of users to provide functions such as enhancement and noise reduction. Since the launch of the Xing series in 2022, the Company has continuously adapted to market demands and upgraded its system technology. It has successively introduced Pro Haoyue and Pro Yingyue.

The Hongyu 03/05/07 series was launched in 2025, which, featuring cutting-edge technologies such as outdoor noise reduction, 64 intelligent channels, and Spark Fitter 2.0, meets the daily needs of the elderly with hearing impairments. It makes technologies inclusive. In the first half of 2025, the number of brick-and-mortar cooperative stores for smart hearing aids increased by 67.4% from 227 to 380. This has created an integrated online-to-offline sales channel, further enhancing channel synergies.

The Company and Bioland Technology Limited co-launched the AI sphygmomanometer, addressing issues with traditional blood pressure monitors such as insufficient measurement accuracy, lack of post-measurement management, and inadequate intelligence. The AI sphygmomanometer, as the industry’s first one equipped with a medical LLM, serves as a personal health manager for patients with hypertension. It successfully bridges the “last mile” of hypertension prevention and control and is expected to move the corresponding checkpoint closer to patients. It leads the evolution of home medical devices from single-function detection tools to full-cycle health management solutions.

For the six months ended June 30, 2025, the Company recorded revenue of RMB104.3 million from patient management services, representing a year-on-year increase of 10.1% and accounting for 34.9% of its total revenue for the first half of 2025.

FINANCIAL REVIEW

Revenue

The Company's total revenue increased by 30.3% from RMB229.2 million for the six months ended June 30, 2024 to RMB298.6 million for the six months ended June 30, 2025. Such increase was mainly attributable to the growth from primary solutions (52.3% year-on-year growth in revenue), patient management services (10.1% year-on-year growth in revenue), and regional solutions (178.1% year-on-year growth in revenue).

Cost of sales

The Company's cost of sales increased by 34.0% from RMB108.0 million for the six months ended June 30, 2024 to RMB144.7 million for the six months ended June 30, 2025, primarily due to the increase in costs as revenue grew.

Gross profit and gross profit margin

The Company's gross profit increased by 27.0% from RMB121.2 million for the six months ended June 30, 2024 to RMB153.9 million for the six months ended June 30, 2025. The Company's gross profit margin was 52.9% and 51.5% for the six months ended June 30, 2024 and for the six months ended June 30, 2025, respectively, representing a small change.

Impairment losses under expected credit loss model, net of reversal

The Company's impairment losses under the expected credit loss model, net of reversal, decreased by 62.1% from RMB8.4 million for the six months ended June 30, 2024 to RMB3.2 million for the six months ended June 30, 2025, primarily due to the year-on-year increase in the collection of accounts receivable during the period.

Other gains and losses

The Company recorded other losses of RMB0.1 million for the six months ended June 30, 2024, compared to other gains of RMB5.2 million for the six months ended June 30, 2025, primarily due to an increase in foreign currency exchange gains and losses.

Selling expenses

The Company's selling expenses increased by 16.7% from RMB87.5 million for the six months ended June 30, 2024 to RMB102.1 million for the six months ended June 30, 2025. Such increase was primarily attributable to an increase in remuneration and advertising expenses.

Administrative expenses

The Company's administrative expenses increased by 6.5% from RMB44.5 million for the six months ended June 30, 2024 to RMB47.4 million for the six months ended June 30, 2025, primarily due to an increase in remuneration.

Research and development expenses

The Company's research and development expenses decreased by 15.4% from RMB135.3 million for the six months ended June 30, 2024 to RMB114.5 million for the six months ended June 30, 2025, primarily due to a decrease in options and intangible asset amortization.

Listing expenses

Listing expenses refer to professional fees, underwriting commissions and other expenses incurred in connection with the Global Offering. The Company's listing expenses decreased by 100% from RMB18.7 million for the six months ended June 30, 2024 to nil for the six months ended June 30, 2025.

Finance costs

The Company's finance costs increased by 130.9% from RMB2.1 million for the six months ended June 30, 2024 to RMB4.8 million for the six months ended June 30, 2025, primarily due to an increase in interest expense on borrowings.

Income tax credit

The Company's income tax credit amounted to RMB29.6 million and RMB17.9 million for the six months ended June 30, 2024 and for the six months ended June 30, 2025, respectively, primarily due to a decrease in deferred income tax expense credit.

Loss for the period

Based on the foregoing, the Company's loss decreased by 38.5% from RMB133.7 million for the six months ended June 30, 2024 to RMB82.3 million for the six months ended June 30, 2025.

Non-IFRS measures

To supplement the Company's consolidated financial statements, which are presented in accordance with IFRS, the Company uses adjusted net loss for the period (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. The Company believes that these non-IFRS measures help to compare operating results across periods and companies by eliminating the potential impacts of certain items. The Company believes that these non-IFRS measures, when presented in conjunction with the corresponding IFRS measures, provide useful information for potential investors and management by eliminating the potential impact of certain items, helping to compare the Company's operating performance across periods.

The Company defines adjusted loss for the period (non-IFRS measure) as loss for the period adjusted by adding back equity-settled share-based payments and listing expenses. Equity-settled share-based payments are non-cash in nature and mainly refer to arrangements where the Company receives employee services as consideration for equity instruments. Equity-settled share-based payments are not expected to result in future cash payments. Listing expenses are expenses for professional fees, underwriting commissions and other expenses incurred in connection with the Global Offering. The use of non-IFRS measures as analytical tools has limitations, and they should not be considered in isolation or as a substitute for or superior to analysis of the Company's operating results or financial condition as reported under IFRS. In addition, the definition of non-IFRS measures may differ from similarly titled terms used by other companies.

The following table is a reconciliation of adjusted net loss for the period (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) for the periods indicated:

	Period ended June 30	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss and total comprehensive expense for the period	(82,276)	(133,738)
Add: Equity-settled share-based payments	16,099	28,632
Add: Listing expenses	—	18,735
Adjusted net loss for the period (non-IFRS measure)	(66,177)	(86,371)
Adjusted net loss margin (non-IFRS measure) (%)	(22.2)	(37.7)

Liquidity and sources of funds

For the six months ended June 30, 2025, the Company primarily met its cash requirements through bank borrowings and cash generated from operations. As at June 30, 2025 and December 31, 2024, the Company's cash and cash equivalents were RMB743.9 million and RMB676.8 million, respectively. Cash and cash equivalents of the Group are mainly held in RMB as at June 30, 2025.

The following table sets forth the Company's cash flows for the periods indicated:

	Six months ended June 30	
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>millions</i>	<i>millions</i>
Net cash used in operating activities	(169.2)	(134.1)
Net cash used in investing activities	(24.2)	(7.8)
Net cash from financing activities	260.6	101.4
Net increase/(decrease) in cash and cash equivalents	67.2	(40.5)
Cash and cash equivalents at the beginning of the year	676.8	142.5
Cash and cash equivalents at the end of the period, presented as bank balances and cash	743.9	102.0

Looking ahead, the Company believes that it will be able to meet its liquidity requirements by using cash generated from operating activities.

Net cash used in operating activities

For the six months ended June 30, 2025, the Company's net cash used in operating activities was RMB169.2 million, primarily due to loss before tax of RMB100.1 million, as adjusted by the non-cash and non-operating items, primarily comprising an increase in trade and other receivables of RMB62.7 million, and such cash outflow was partially offset by (i) equity-settled share-based payments of RMB16.1 million; (ii) other intangible asset amortization of RMB16.3 million. For the six months ended June 30, 2024, the Company's net cash used in operating activities was RMB134.1 million, primarily due to loss before tax of RMB163.3 million, as adjusted by the non-cash and non-operating items, primarily comprising an increase in trade and other receivables of RMB65.2 million, and such cash outflow was partially offset by (i) equity-settled share-based payments of RMB28.6 million; (ii) other intangible asset amortization of RMB18.6 million.

Net cash used in investing activities

For the six months ended June 30, 2025, the Company's net cash used in investing activities was RMB24.2 million, primarily due to the expenditure for acquisition of equipment and intangible assets of RMB28.1 million. For the six months ended June 30, 2024, the Company's net cash from investing activities was RMB7.8 million, primarily due to (i) purchase of financial assets at FVTPL of RMB50.0 million; and (ii) the expenditure for acquisition of equipment and intangible assets of RMB19.7 million, partially offset by the withdrawal of financial assets at FVTPL of RMB75.3 million.

Net cash from financing activities

For the six months ended June 30, 2025, the Company's net cash from financing activities was RMB260.6 million, primarily due to bank borrowings raised of RMB351.9 million, as partially offset by the repayment of bank borrowings of RMB83.2 million. For the six months ended June 30, 2024, the Company's net cash from financing activities was RMB101.4 million, primarily due to bank borrowings raised of RMB146.0 million, as partially offset by the repayment of bank borrowings of RMB40.0 million.

Indebtedness

For the six months ended June 30, 2025, the Company had indebtedness in the form of bank borrowings and lease liabilities (both current and non-current). The Company did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, acceptance liabilities, or other similar indebtedness, any material guarantees, litigations, or claims that are pending or threatened against any member of our Group, or other material contingent liabilities.

Bank borrowings

As at June 30, 2025 and December 31, 2024, the Company's bank borrowings were RMB513.5 million and RMB244.8 million, respectively, which mainly refer to unsecured and unguaranteed bank borrowings for working capital replenishment, all of which are repayable within two years. The Company's bank borrowings are all denominated in RMB. For the six months ended June 30, 2025, the interest rates of the Company's fixed-rate bank borrowings ranged from 2.11% to 3.55% per annum. As of August 20, 2025, the Company's unutilized committed banking facilities amounted to approximately RMB626.5 million.

Gearing ratio

As of June 30, 2025, the Company's gearing ratio based on total liabilities/total assets was 60.4%. As of December 31, 2024, the gearing ratio was 52.8%.

Contingent liabilities

As of June 30, 2025, the Company did not have any material contingent liabilities (as at December 31, 2024: nil).

Capital expenditures

For the six months ended June 30, 2025, the Company's capital expenditures were RMB28.1 million, primarily due to purchases of fixed assets and intangible assets. The Company primarily funds its capital expenditure needs with borrowings and cash generated from sales.

Pledge of assets

As of June 30, 2025, the Company did not have any material pledge of assets (as at December 31, 2024: nil).

Material investments held

As of June 30, 2025, the Company did not hold any material investments (including any investment in an investee company with a value of 5% or more of our Group's total assets as of June 30, 2025) (as at December 31, 2024: nil).

Future plans for material investments and capital assets

As of June 30, 2025, the Company did not have other plans for material investments and capital assets (as at December 31, 2024: nil).

Material acquisitions and/or disposals of subsidiaries and affiliated companies

For the six months ended June 30, 2025, the Company did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies.

Foreign exchange risk

The functional currency of the Company's entities is RMB. During the Reporting Period, the Company primarily operated its business in the PRC. The Company does not currently have a foreign exchange hedging policy. However, the Company's management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

FUTURE OUTLOOK

Currently, the global wave of intelligentization is surging, with innovations in the AI field showing a trend of collective breakthroughs. Areas such as language large models, multimodal large models, and embodied intelligence are advancing with each passing day, driving AI to develop rapidly in the direction of higher efficiency and stronger intelligence. In the first half of 2025, amid the transformative wave of deep integration between artificial intelligence and healthcare, the convergence and innovation of “AI + healthcare” has become an industry consensus. With its unwavering commitment to technological breakthroughs and industrial expertise, the Company has emerged as a leader in China’s AI healthcare sector, boasting an extensive business footprint and maintaining the highest market share in the industry.

Looking ahead, the Company will steadfastly implement its development strategy of “reaching for the stars while staying grounded.” “Reaching for the stars” signifies maintaining world-class AI healthcare technology, while “Staying grounded” entails addressing critical societal needs through comprehensive services for governments, business and consumers, and other stakeholders. In this regard, we remain committed to product-driven innovation, with sustained R&D investment to strengthen foundational technological capabilities. Through deep hardware-software integration and GBC collaboration, we strive to become every physician’s AI diagnostic assistant and everyone’s AI health companion. We firmly believe that by adhering to the concept of long-termism, persisting in independent innovation of core source technologies, promoting the in-depth integration of AI and healthcare, conveying humanistic care through the power of science and technology, and repaying society with a grateful heart, we will surely move forward steadily and far in the wave of the intelligent medical era, and contribute China’s expertise and solutions to global healthcare advancement.

Employees, Training, and Remuneration Policies

As of June 30, 2025, our Group had 928 full-time employees (December 31, 2024: 911), most of whom are based in Hefei City, Anhui Province, China.

The remuneration package of employees generally includes basic salary and performance-based bonus. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees.

The Company provides employees with an insurance package consisting of pension insurance, maternity insurance, unemployment insurance, work-related injury insurance, medical insurance and housing funds, as required by Chinese laws and regulations. The Company offers a flexible work system to accommodate employees' flexible work needs and strictly enforce work hours and vacation policies to enhance work efficiency and employee satisfaction. The Company's dismissal procedures are structured to ensure fairness and legality. They include clear guidelines on performance management, regular feedback sessions, and a structured grievance redressal mechanism that employees can use to contest decisions or seek clarification. In addition, the Company maintains a zero-tolerance policy towards discrimination and harassment in the workplace. This policy is supported by mandatory training sessions on diversity and inclusion for all employees, regular reviews of workplace practices, and a confidential reporting system for any incidents of discrimination or harassment. The Company also regularly organizes health and safety training programs to improve employees' first aid knowledge and skills.

For the six months ended June 30, 2025, our total employee compensation and benefits expenses were RMB167.6 million.

The Group has adopted a share ownership plan to attract and retain the talents and to provide incentives to employees of our Group and talents who have made contribution to the development of our Group, for long-term development of our Company. Details of the share ownership plan are set out in the Prospectus.

The remuneration of the Directors and senior management is recommended by the Remuneration Committee and approved by the Board. The corporate goals and objectives set by the Board, the remuneration paid by comparable companies, the time and responsibilities committed by the Directors, and the employment conditions of other positions within the Group are taken into consideration in determining the remuneration of the Directors and senior management.

Subsequent Events

There were no other material events subsequent to the Reporting Period and up to the date of this announcement that would likely have an impact on the Group.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended June 30,	
	<i>NOTES</i>	2025	2024
		<i>RMB in</i>	<i>RMB in</i>
		<i>thousands</i>	<i>thousands</i>
		(unaudited)	(unaudited)
Revenue	4	298,552	229,205
Cost of sales		(144,684)	(108,007)
Gross profit		153,868	121,198
Other income		12,797	12,120
Impairment losses under expected credit loss model, net of reversal		(3,182)	(8,402)
Other gains and losses		5,166	(141)
Selling expenses		(102,060)	(87,457)
Administrative expenses		(47,399)	(44,496)
Research and development expenses		(114,505)	(135,289)
Listing expenses		—	(18,735)
Finance costs		(4,819)	(2,087)
Loss before tax	6	(100,134)	(163,289)
Income tax credit	5	17,858	29,551
Loss and total comprehensive expense for the period		<u>(82,276)</u>	<u>(133,738)</u>
Loss and total comprehensive expense attributable to:			
— Owners of the Company		(74,086)	(129,653)
— Non-controlling interests		(8,190)	(4,085)
		<u>(82,276)</u>	<u>(133,738)</u>
Loss per share			
— Basic (RMB yuan)	8	<u>(0.61)</u>	<u>(1.14)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	<i>NOTE</i>	June 30, 2025 <i>RMB in thousands (unaudited)</i>	December 31, 2024 <i>RMB in thousands (audited)</i>
Non-current assets			
Equipment		18,722	13,358
Right-of-use assets		6,783	8,301
Goodwill		23,777	23,777
Other intangible assets		148,924	145,588
Deferred tax assets		156,433	139,643
Long-term trade receivables		110,468	76,203
Pledged/restricted bank deposits		1,875	1,875
		466,982	408,745
Current assets			
Inventories		132,373	102,851
Trade and other receivables	9	856,875	795,609
Contract assets		36,127	20,325
Tax recoverable		88	88
Amount due from the ultimate holding company		4,426	4,610
Amounts due from fellow subsidiaries		70,362	69,527
Pledged/restricted bank deposits		11,638	11,428
Cash and cash equivalents		743,885	676,754
		1,855,774	1,681,192

	<i>NOTE</i>	June 30, 2025 <i>RMB in thousands (unaudited)</i>	December 31, 2024 <i>RMB in thousands (audited)</i>
Current liabilities			
Bill, trade and other payables	10	504,533	521,170
Bank borrowings		303,500	180,000
Amount due to the ultimate holding company		100,782	78,893
Amounts due to related companies		124,523	99,600
Lease liabilities		3,031	4,670
Provision		81,355	79,118
Contract liabilities		32,041	28,897
Deferred income		6,150	6,283
Tax liabilities		1,523	1,658
		<u>1,157,438</u>	<u>1,000,289</u>
Net current assets		<u>698,336</u>	<u>680,903</u>
Total assets less current liabilities		<u>1,165,318</u>	<u>1,089,648</u>
Non-current liabilities			
Lease liabilities		4,269	4,638
Deferred income		17,386	19,302
Bank borrowings		210,000	64,800
Deferred tax liabilities		12,998	14,066
		<u>244,653</u>	<u>102,806</u>
Net assets		<u><u>920,665</u></u>	<u><u>986,842</u></u>
Capital and reserves			
Share capital		120,879	120,879
Reserves		760,788	819,020
		<u>881,667</u>	<u>939,899</u>
Equity attributable to owners of the Company		881,667	939,899
Non-controlling interests		38,998	46,943
		<u>920,665</u>	<u>986,842</u>
Total equity		<u><u>920,665</u></u>	<u><u>986,842</u></u>

1. GENERAL INFORMATION

Xunfei Healthcare Technology Co., Ltd. (訊飛醫療科技股份有限公司) (the “**Company**”), formerly known as Anhui Xunfei Medical Co., Ltd. (安徽訊飛醫療股份有限公司), Anhui iFLYTEK Medical Information Technology Company Limited (安徽科大訊飛醫療信息技術有限公司) and Anhui Puji Information Technology Company Limited (安徽普濟信息科技有限公司), was established as a company with limited liability in Hefei City, Anhui Province, the PRC, on May 13, 2016, under the Company Law of the PRC. The immediate holding company and the ultimate holding company of the Company is iFLYTEK. The address of the registered office and the principal place of business of the Company is 4 to 5/F (North Area), No.1 Building, iFLYTEK AI Research and Development Production Base (Phase I), No. 666 Science and Innovation Road, Chengxiqiao Community Services Center, High-tech Zone, Hefei City, Anhui Province, PRC.

On December 24, 2021, the Company was converted into a joint stock company with limited liability. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on December 30, 2024 (the “**Listing**”).

The Group are principally engaged in the provision of comprehensive healthcare AI solutions in the PRC.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

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

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

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

Application of amendments to IFRS Accounting Standards

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

Amendments to IAS 21 Lack of Exchangeability

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

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended June 30,	
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>thousands</i>	<i>thousands</i>
	(unaudited)	(unaudited)
Types of goods or services		
Project implementation services	238,425	190,403
Operation services	23,580	11,112
AI healthcare products	36,547	27,690
	<u>298,552</u>	<u>229,205</u>
By business lines		
Primary solutions	83,812	55,042
Regional solutions	57,625	20,722
Hospital solutions	52,862	58,727
Patient management services	104,253	94,714
	<u>298,552</u>	<u>229,205</u>

	Six months ended June 30,	
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>thousands</i>	<i>thousands</i>
	(unaudited)	(unaudited)
Timing of revenue recognition		
A point in time	274,972	218,093
Overtime	23,580	11,112
	<u>298,552</u>	<u>229,205</u>

Segment Information

Information is reported to the executive director of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group’s accounting policies described in Note 3. No other analysis of the Group’s results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

Geographical information

The Group primarily operates in the PRC. The Group’s non-current assets are all located in the PRC.

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Six months ended June 30,	
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>thousands</i>	<i>thousands</i>
	(unaudited)	(unaudited)
Customer A	39,028	N/A ¹
Customer B	—	28,709

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group.

5. INCOME TAX CREDIT

	Six months ended June 30,	
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>thousands</i>	<i>thousands</i>
	(unaudited)	(unaudited)
Current tax	—	—
Deferred tax	(17,858)	(29,551)
	(17,858)	(29,551)

6. LOSS BEFORE TAX

Loss for the year has been arrived at after charging:

	Six months ended June 30,	
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>thousands</i>	<i>thousands</i>
	(unaudited)	(unaudited)
Directors' remuneration	6,643	9,742
Other staff:		
Salaries, Discretionary bonus and other benefits	137,987	123,755
Retirement benefit scheme contributions	11,416	9,766
Equity-settled share-based payments	11,529	20,552
Total staff costs	167,575	163,815
Less: Capitalised in development costs	(8,557)	(9,728)
	159,018	154,087
Depreciation of equipment	3,024	4,357
Depreciation of right-of-use assets	1,519	514
Amortization of other intangible assets	16,344	18,587
Total depreciation and amortization	20,887	23,458

7. DIVIDENDS

No dividend was paid, declared or proposed by the Company during the six months ended June 30, 2025, nor has any dividend been proposed since the end of the reporting period (June 30, 2024: nil). The Directors of the Company have resolved not to declare any interim dividend (June 30, 2024: nil).

8. LOSS PER SHARE

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

	Six months ended June 30,	
	2025	2024
	<i>in thousands</i>	<i>in thousands</i>
	(unaudited)	(unaudited)
Loss for the purposes of calculating basic loss per share attributable to owners of the Company (<i>RMB</i>)	<u>(74,086)</u>	<u>(129,653)</u>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>120,878</u>	<u>113,843</u>

No diluted loss per share for both periods as there were no potential ordinary shares in issue.

9. TRADE AND OTHER RECEIVABLES

	June 30,	December 31,
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>thousands</i>	<i>thousands</i>
	(unaudited)	(audited)
Trade receivables	808,190	755,555
Less: allowance for credit losses	<u>(24,820)</u>	<u>(24,181)</u>
	783,370	731,374
Other receivables	13,836	15,799
Advance to suppliers	53,123	39,923
Other tax recoverables	<u>6,546</u>	<u>8,513</u>
	<u>856,875</u>	<u>795,609</u>

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on invoice dates:

	June 30, 2025	December 31, 2024
	<i>RMB in thousands</i>	<i>RMB in thousands</i>
	(unaudited)	(audited)
0–90 days	160,926	272,046
91–180 days	116,957	56,729
181–365 days	202,081	82,593
1–2 years	110,154	124,524
2–3 years	150,063	153,311
Over 3 years	43,189	42,171
	783,370	731,374

10. BILL, TRADE AND OTHER PAYABLES

	June 30, 2025	December 31, 2024
	<i>RMB in thousands</i>	<i>RMB in thousands</i>
	(unaudited)	(audited)
Trade payables	372,148	346,122
Bill payables	54,608	53,139
Total trade and bill payables	426,756	399,261
Payroll payables	38,286	63,011
Value-added tax and other tax payables	29,903	34,437
Listing expenses and issue costs payable	—	19,806
Others	9,588	4,655
	504,533	521,170

The credit period of trade creditors is generally 30 days. The following is an aged analysis of trade payables presented based on the invoice dates:

	June 30, 2025	December 31, 2024
	<i>RMB in thousands (unaudited)</i>	<i>RMB in thousands (audited)</i>
0–90 days	157,804	195,350
91–180 days	58,479	20,610
181–365 days	91,979	80,711
Over 1 year	63,886	49,451
	<u>372,148</u>	<u>346,122</u>

The following is an aged analysis of bill payables based on the bill issuance dates at the end of each reporting period:

	June 30, 2025	December 31, 2024
	<i>RMB in thousands (unaudited)</i>	<i>RMB in thousands (audited)</i>
0–180 days	<u>54,608</u>	<u>53,139</u>

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company is committed to maintaining high standards of corporate governance to protect shareholders' interests, enhance corporate value, and ensure accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules as its own code of corporate governance. To the best of the Directors' knowledge, our Company has complied with the applicable code provisions set out in Part 2 of the CG Code during the six months ended June 30, 2025.

The Board will continue to review and monitor the Company's corporate governance practices to ensure compliance with the CG Code and maintain high standards of corporate governance.

COMPLIANCE WITH THE MODEL CODE

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as the code for securities transactions by Directors. Each of the Directors has confirmed, after making specific inquiries of all Directors, that they have complied with the Model Code during the six months ended June 30, 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The Group's auditor, Messrs. Deloitte Touche Tohmatsu, has carried out a review of the condensed consolidated financial statements of the Group for the six months ended June 30, 2025 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

AUDIT COMMITTEE

The Company has established the Audit Committee in accordance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three members, namely Prof. Zhao Huifang (趙惠芳), Prof. Wang Yang (汪揚) and Mr. Duan Dawei (段大為), with Prof. Zhao Huifang (who is an independent non-executive Director of the Company with appropriate professional qualifications) acting as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended June 30, 2025 and has discussed with senior management and the Auditor matters relating to the accounting policies and practices and internal controls adopted by the Company.

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

During the six months ended June 30, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including the sale of treasury shares (as defined under the Listing Rules)). The Company did not hold any treasury shares as of June 30, 2025.

DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2025.

USE OF PROCEEDS FROM THE LISTING

The Company was listed on the Main Board of the Hong Kong Stock Exchange on December 30, 2024 (the “**Listing**”), issuing 7,035,550 new shares at an offer price of HK\$82.80 per share, with net proceeds from the Listing of approximately HK\$507.1 million after deducting underwriting commissions, fees and other expenses related to the Global Offering. The proceeds from the Listing will be utilized in accordance with the plans disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, namely:

Item	Percentage %	Proceeds to be used for related purpose and unutilized proceeds as at 31 December 2024 (HK\$ in millions)	Utilized proceeds during the Reporting Period (HK\$ in millions)	Unutilized proceeds as of the end of the Reporting Period (HK\$ in millions)	Expected timetable for the fully utilizing of unutilized proceeds
Investing in research and development to continuously reinforce our core competence	32.3	164.0	12.0	152.0	By the end of December 2026
Further enriching our products and services through upgrading existing products and developing new products	26.6	135.0	9.1	125.9	By the end of December 2026
Reinforcing our commercialization capabilities and expand our service network	24.7	125.1	5.5	119.6	By the end of December 2026
Acquiring companies that may generate synergy with our existing capacities, such as medical device manufactures.	6.4	32.3	—	32.3	By the end of December 2026
Working capital and other general corporate purposes	10.0	50.7	49.1	1.6	By the end of December 2025
Total	100	507.1	75.7	431.4	

Note: The expected timetable for the fully utilizing of unutilized proceeds was based on the estimate of the Group, which is subject to the current and future development of the market conditions.

The Company has placed the net proceeds that have not yet been utilized in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions. The Company will comply with PRC laws regarding foreign exchange registration and remittance of proceeds.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.iflyhealth.com). The interim report of the Company for the six months ended 30 June 2025 will be published on the websites of the Hong Kong Stock Exchange and the Company in due course.

By order of the Board
Xunfei Healthcare Technology Co., Ltd.
Dr. Tao Xiaodong
Executive Director

Hong Kong, August 20, 2025

As at the date of this announcement, the Board of the Company comprises: (i) Dr. Tao Xiaodong as executive Director; (ii) Dr. Liu Qingfeng, Mr. Zhao Zhiwei and Mr. Duan Dawei as non-executive Directors; and (iii) Prof. Wang Yang, Prof. Zhao Huifang and Mr. Tan Ching as independent non-executive Directors.