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RICI HEALTHCARE HOLDINGS LIMITED

瑞慈醫療服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1526)

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

FINANCIAL SUMMARY

- Revenue for the six months ended June 30, 2025 amounted to RMB1,144.8 million, representing a decrease of 7.0% from that of RMB1,231.2 million for the corresponding period in 2024.
- Gross profit for the six months ended June 30, 2025 amounted to RMB407.6 million, as compared to that of RMB396.3 million for the corresponding period in 2024.
- Profit attributable to owners of the Company for the six months ended June 30, 2025 amounted to RMB55.9 million, as compared to RMB85.0 million for the corresponding period in 2024.
- The adjusted EBITDA amounted to RMB386.6 million during the Reporting Period, representing a decrease of 5.4% as compared to that of RMB408.8 million for the corresponding period in 2024.⁽¹⁾
- The Board has resolved not to declare any interim dividend for the Reporting Period.

Note:

- (1) Adjusted EBITDA is defined as profit for the period before certain expenses and depreciation and amortization, for further details, please refer to page 35 of this announcement.

In this announcement, “we”, “us”, “our” and “Rici” refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the “**Board**”) of directors (the “**Directors**”) of Rici Healthcare Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the unaudited consolidated financial results of the Group for the six months ended June 30, 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024. The Group’s unaudited interim condensed consolidated balance sheet, unaudited interim condensed consolidated statement of profit or loss, unaudited interim condensed consolidated statement of other comprehensive income and explanatory notes 1 to 20 as presented below are extracted from the Group’s unaudited interim condensed consolidated financial information for the six months ended June 30, 2025.

Interim condensed consolidated balance sheet

As at June 30, 2025

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	Notes		
ASSETS			
Non-current assets			
Property and equipment		1,435,849	1,491,855
Right-of-use assets	5	1,260,818	1,297,547
Intangible assets		14,351	15,636
Investments accounted for using equity method		11,053	10,485
Financial assets at fair value through profit or loss		1,500	1,500
Financial assets at fair value through other comprehensive income		168,000	169,000
Deposits for long-term leases		68,684	62,047
Deferred tax assets	6	143,635	118,236
Prepayments	9	35,637	25,030
		<u>3,139,527</u>	<u>3,191,336</u>
Current assets			
Inventories		27,272	35,962
Trade receivables	7	244,816	324,064
Other receivables		241,799	162,779
Prepayments	9	30,721	30,049
Financial assets at fair value through profit or loss		100	—
Amounts due from related parties		1,668	2,772
Restricted cash	8	2,037	1,722
Cash and cash equivalents	8	1,028,844	1,109,817
		<u>1,577,257</u>	<u>1,667,165</u>
Total assets		<u><u>4,716,784</u></u>	<u><u>4,858,501</u></u>

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	<i>Notes</i>		
EQUITY			
Equity attributable to owners of the Company			
Share capital	10	1,065	1,065
Reserves		1,399,719	1,344,778
		<u>1,400,784</u>	<u>1,345,843</u>
Non-controlling interests		<u>16,109</u>	<u>29,300</u>
Total equity		<u>1,416,893</u>	<u>1,375,143</u>
LIABILITIES			
Non-current liabilities			
Borrowings	11	240,400	254,600
Lease liabilities	12	1,210,428	1,230,970
Deferred income		5,591	7,276
		<u>1,456,419</u>	<u>1,492,846</u>
Current liabilities			
Borrowings	11	530,400	542,400
Lease liabilities	12	264,433	272,308
Contract liabilities	13	630,522	630,615
Trade and other payables	14	385,868	495,179
Amount due to a related party		7	—
Income tax payables		28,817	46,456
Deferred income		3,425	3,554
		<u>1,843,472</u>	<u>1,990,512</u>
Total liabilities		<u>3,299,891</u>	<u>3,483,358</u>
Total equity and liabilities		<u>4,716,784</u>	<u>4,858,501</u>

Interim condensed consolidated statement of profit or loss

For the six months ended 30 June 2025

		Unaudited Six months ended 30 June 2025 RMB'000	Unaudited 2024 RMB'000
	Notes		
Revenue	15	1,144,849	1,231,205
Cost of sales	16	<u>(737,259)</u>	<u>(834,918)</u>
Gross profit		407,590	396,287
Distribution costs and selling expenses	16	(134,471)	(108,614)
Administrative expenses	16	(116,740)	(111,793)
(Impairment losses)/reversal of impairment losses on financial assets	16	(2,543)	1,871
Other income		20,978	9,885
Other losses		<u>(5,855)</u>	<u>(1,939)</u>
Operating profit		168,959	185,697
Finance costs	17	(53,300)	(64,055)
Finance income	17	<u>3,214</u>	<u>3,089</u>
Finance costs — net		(50,086)	(60,966)
Share of results of investments accounted for using equity method		<u>568</u>	<u>417</u>
Profit before income tax		119,441	125,148
Income tax expense	18	<u>(39,696)</u>	<u>(38,027)</u>
Profit for the period		<u>79,745</u>	<u>87,121</u>
Profit attributable to:			
Owners of the Company		55,941	84,991
Non-controlling interests		<u>23,804</u>	<u>2,130</u>
		<u>79,745</u>	<u>87,121</u>
Earnings per share for profit attributable to Owners of the Company			
— Basic and diluted	19	<u>RMB0.04</u>	<u>RMB0.05</u>

Interim condensed consolidated statement of other comprehensive income

For the six months ended 30 June 2025

	Unaudited Six months ended 30 June 2025 RMB'000	Unaudited 2024 RMB'000
Profit for the period	79,745	87,121
Other comprehensive income or loss		
Item will not be subsequently reclassified to profit or loss		
— Change in fair value of financial assets at fair value through other comprehensive income	<u>(1,000)</u>	<u>600</u>
Total comprehensive income for the period	<u><u>78,745</u></u>	<u><u>87,721</u></u>
Total comprehensive profit for the period is attributable to:		
Owners of the Company	54,941	85,591
Non-controlling interests	<u>23,804</u>	<u>2,130</u>
	<u><u>78,745</u></u>	<u><u>87,721</u></u>

Notes to the interim condensed consolidated financial information

For the six months ended 30 June 2025

1 General information

Rici Healthcare Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands on 11 July 2014. The address of the Company’s registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company, an investment holding company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of general hospital services and medical examination services in the People’s Republic of China (“**PRC**”).

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 6 October 2016.

The interim condensed consolidated financial information is presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated, and was approved and authorised for issue by the board of directors (the “**Board**”) of the Company on 28 August 2025.

2 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 “Interim Financial Reporting”, and does not include all the notes of the type normally included in an annual financial statements. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards and together with any public announcements made by the Company.

Going concern

As at 30 June 2025, the Group's current liabilities exceeded its current assets by RMB266,215,000. Contract liabilities and deferred income included in current liabilities of the Group as at 30 June 2025 amounting to RMB633,947,000 in aggregate are not expected to create cash outflow for the Group. The Group meets its day-to-day working capital requirements depending on cash flows generated from operating activities, bank borrowings and unutilised banking facilities provided by banks in the PRC. Based on the Group's past experience and good credit standing, the directors are confident on future operating cash flows and that the Group's bank financing could be renewed and/or extended for at least another twelve months upon maturity, as and when necessary. The directors therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the interim condensed consolidated financial information.

3 Accounting policies

The accounting policies applied in the preparation of the interim condensed consolidated financial information are consistent with those of the annual financial statements of the Group for the year ended 31 December 2024, as described in those annual financial statements, except for the adoption of new and amended standards, as set out below.

(a) Amended standards adopted by the Group

- Amendments to HKAS 21 — Lack of Exchangeability

The amended standards listed above did not have any impact on the amounts recognised in prior years and are not expected to materially affect the current or future reporting period.

(b) New and revised standards and interpretations not yet adopted

Certain new and amendments of HKFRS Accounting Standards have been published but are not mandatory for the financial year beginning 1 January 2025 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

4 Segment information

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker (“**CODM**”) for the purpose of corporate planning, allocating resources and assessing performance.

Management considers the business from a business perspective, and assesses the performance of the business segment based on segment profit without allocation of administrative expenses, reversal of impairment losses on financial assets, net impairment losses on financial assets, interest income, interest expenses, net exchange losses, net exchange gains, other income, other losses, share of result of investments accounted for using equity method and income tax expense.

The amounts provided to management with respect to total assets and total liabilities are measured consistent with that of the financial information. These assets are allocated based on the operations of segments. Certain assets and liabilities related to some subsidiaries with corporate function are not allocated into segments. Elimination of revenue are mainly inter-segment service charges related to general hospital business.

The Group manages its business by two operating segments based on their services, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. The principal assets employed by the Group are located in the PRC, and accordingly, no geographical segment analysis has been prepared.

(a) General hospital

The business of this segment is in Nantong, a city of Jiangsu Province. Revenue from this segment is derived from general hospital services provided by Nantong Rich Hospital Co., Ltd. ("**Nantong Rich Hospital**") and maternity care services provided by Nantong Advanced Hejia Material and Child Nursing Service Co., Ltd.

(b) Medical examination centers

The business of this segment is in Shanghai city, Jiangsu Province and other provinces in the PRC. Revenue from this segment is derived from medical examination services.

The following table presents revenue and profit information regarding the Group's operation segments for the six months ended 30 June 2025 and 2024, and the segment assets and liabilities as at 30 June 2025 and 31 December 2024.

Revenue between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties is measured in the same way as in the interim condensed consolidated statement of profit or loss.

	General Hospital <i>RMB'000</i>	Medical Examination Centers <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2025					
(unaudited)					
Revenue	<u>234,004</u>	<u>925,129</u>	<u>—</u>	<u>(14,284)</u>	<u>1,144,849</u>
Segment profit/(loss)	<u>33,258</u>	<u>241,539</u>	<u>(1,678)</u>	<u>—</u>	<u>273,119</u>
Administrative expenses					(116,740)
Net of impairment losses on financial assets					(2,543)
Interest income					3,214
Interest expenses					(53,239)
Net exchange losses					(61)
Other income					20,978
Other losses					(5,855)
Share of result of investments accounted for using equity method					<u>568</u>
Profit before income tax					119,441
Income tax expense					<u>(39,696)</u>
Profit for the period					<u><u>79,745</u></u>

	General	Medical Examination				
	Hospital	Centers	Subtotal	Unallocated	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2025						
(unaudited)						
Segment assets	<u>1,285,877</u>	<u>4,168,976</u>	<u>5,454,853</u>	<u>1,026,903</u>	<u>(1,764,972)</u>	<u>4,716,784</u>
Segment liabilities	<u>590,167</u>	<u>3,065,492</u>	<u>3,655,659</u>	<u>411,629</u>	<u>(767,397)</u>	<u>3,299,891</u>
For the six months ended 30						
June 2025 (unaudited)						
Other information						
Additions to property and equipment, right-of-use assets and intangible assets	<u>13,969</u>	<u>161,118</u>	<u>175,087</u>	<u>—</u>	<u>—</u>	<u>175,087</u>
Depreciation and amortisation	<u>24,740</u>	<u>186,646</u>	<u>211,386</u>	<u>50</u>	<u>—</u>	<u>211,436</u>

	General Hospital <i>RMB'000</i>	Medical Examination Centers <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2024					
(unaudited)					
Revenue	<u>323,966</u>	<u>922,936</u>	<u>—</u>	<u>(15,697)</u>	<u>1,231,205</u>
Segment profit/(loss)	<u>72,356</u>	<u>215,616</u>	<u>(299)</u>	<u>—</u>	<u>287,673</u>
Administrative expenses					(111,793)
Reversal of impairment losses on financial assets					1,871
Interest income					3,089
Interest expenses					(63,533)
Net exchange gains					(522)
Other income					9,885
Other losses					(1,939)
Share of result of investments accounted for using equity method					<u>417</u>
Profit before income tax					125,148
Income tax expense					<u>(38,027)</u>
Profit for the period					<u><u>87,121</u></u>

	General Hospital <i>RMB'000</i>	Medical Examination Centers <i>RMB'000</i>	Subtotal <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2024 (audited)						
Segment assets	<u>1,334,284</u>	<u>3,810,376</u>	<u>5,144,660</u>	<u>1,005,625</u>	<u>(1,607,470)</u>	<u>4,542,815</u>
Segment liabilities	<u>654,175</u>	<u>2,837,686</u>	<u>3,491,861</u>	<u>488,735</u>	<u>(624,413)</u>	<u>3,356,183</u>
For the six months ended 30 June 2024 (unaudited)						
Other information						
Additions to property and equipment, right-of-use assets and intangible assets	<u>37,419</u>	<u>284,359</u>	<u>321,778</u>	<u>—</u>	<u>—</u>	<u>321,778</u>
Depreciation and amortisation	<u>24,255</u>	<u>192,251</u>	<u>216,506</u>	<u>—</u>	<u>—</u>	<u>216,506</u>

5 Right-of-use assets

	Unaudited As at 30 June 2025 <i>RMB'000</i>	Audited As at 31 December 2024 <i>RMB'000</i>
Properties	1,258,170	1,294,849
Land use rights	2,648	2,698
	<u>1,260,818</u>	<u>1,297,547</u>

	Properties	Equipment	Land use	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>rights</i>	<i>RMB'000</i>
	<i>RMB'000</i>		<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025				
(Audited)				
Cost	1,976,479	—	4,698	1,981,177
Accumulated depreciation	(681,630)	—	(2,000)	(683,630)
Net book amount	<u>1,294,849</u>	<u>—</u>	<u>2,698</u>	<u>1,297,547</u>
Six months ended 30 June				
2025 (Unaudited)				
Opening net book amount	1,294,849	—	2,698	1,297,547
Additions	122,052	—	—	122,052
Revaluation	(22,539)	—	—	(22,539)
Disposals	(29,029)	—	—	(29,029)
Depreciation	(107,163)	—	(50)	(107,213)
Closing net book amount	<u>1,258,170</u>	<u>—</u>	<u>2,648</u>	<u>1,260,818</u>
As at 30 June 2025				
(Unaudited)				
Cost	2,033,489	—	4,698	2,038,187
Accumulated depreciation	(775,319)	—	(2,050)	(777,369)
Net book amount	<u>1,258,170</u>	<u>—</u>	<u>2,648</u>	<u>1,260,818</u>

	Properties <i>RMB'000</i>	Equipment <i>RMB'000</i>	Land use rights <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024				
(Audited)				
Cost	1,931,042	32,445	4,698	1,968,185
Accumulated depreciation	<u>(698,183)</u>	<u>(22,847)</u>	<u>(1,900)</u>	<u>(722,930)</u>
Net book amount	<u><u>1,232,859</u></u>	<u><u>9,598</u></u>	<u><u>2,798</u></u>	<u><u>1,245,255</u></u>
Six months ended 30 June 2024 (Unaudited)				
Opening net book amount	1,232,859	9,598	2,798	1,245,255
Transfer to property and equipment	—	(7,090)	—	(7,090)
Additions	209,655	—	—	209,655
Depreciation	<u>(116,758)</u>	<u>(2,508)</u>	<u>(50)</u>	<u>(119,316)</u>
Closing net book amount	<u><u>1,325,756</u></u>	<u><u>—</u></u>	<u><u>2,748</u></u>	<u><u>1,328,504</u></u>
As at 30 June 2024				
(Unaudited)				
Cost	2,033,512	—	4,698	2,038,210
Accumulated depreciation	<u>(707,756)</u>	<u>—</u>	<u>(1,950)</u>	<u>(709,706)</u>
Net book amount	<u><u>1,325,756</u></u>	<u><u>—</u></u>	<u><u>2,748</u></u>	<u><u>1,328,504</u></u>

As at 30 June 2025, land with a total carrying amount of RMB2,648,000 (31 December 2024: RMB2,698,000) were pledged for the Group's borrowings.

6 Deferred tax assets

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
The balance comprises temporary differences attributable to:		
Tax losses	66,886	37,005
Right-of-use assets and lease liabilities	47,794	45,401
	<u>114,680</u>	<u>82,406</u>
Share option scheme	21,882	24,279
Loss allowances for financial assets	4,885	8,248
Impairment of property and equipment	2,188	3,303
	<u>28,955</u>	<u>35,830</u>
Total deferred tax assets	<u><u>143,635</u></u>	<u><u>118,236</u></u>

7 Trade receivables

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade receivables	262,714	357,264
Less: loss allowance	(17,898)	(33,200)
	<u>244,816</u>	<u>324,064</u>

As at 30 June 2025 and 31 December 2024, the fair value of trade receivables of the Group approximated to their carrying amount.

The aging analysis of trade receivables based on the date the relevant service was rendered is as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade receivables		
— Up to 6 months	235,080	341,458
— 6 months to 1 year	17,694	8,079
— 1 to 2 years	2,984	2,911
— 2 to 3 years	2,669	646
— Over 3 years	4,287	4,170
	<u>262,714</u>	<u>357,264</u>

8 Cash and bank balances

(a) Cash and cash equivalents

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Cash at bank and on hand		
— Denominated in RMB	1,023,961	1,103,627
— Denominated in USD	1,724	1,963
— Denominated in HKD	3,159	4,227
	<u>1,028,844</u>	<u>1,109,817</u>

(b) Restricted cash

As at 30 June 2025, RMB938,000 placed in a bank (31 December 2024: RMB938,000) is a guarantee deposits for gas heating service.

The amount of RMB1,099,000 is a security deposit for the letter of guarantee from the banks (31 December 2024: RMB784,000) for the daily operation of the Group as at 30 June 2025.

9 Prepayments

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Non-current:		
Prepayments for property and equipment	<u>35,637</u>	<u>25,030</u>
Current:		
Prepayments for consumables	13,699	13,840
Others (<i>note</i>)	<u>17,022</u>	<u>16,209</u>
	<u>30,721</u>	<u>30,049</u>
Total prepayments	<u>66,358</u>	<u>55,079</u>

Note:

Others mainly included prepaid advertising expenses and prepaid property management fee.

10 Share capital

Ordinary shares, issued and fully paid:

	Number of ordinary shares	Share capital RMB'000
As at 30 June 2025 and 31 December 2024	<u>1,590,324,000</u>	<u>1,065</u>

11 Borrowings

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Bank borrowings-secured and/or guaranteed	770,800	797,000
Less: Non-current portion of non-current borrowings	<u>(240,400)</u>	<u>(254,600)</u>
	<u>530,400</u>	<u>542,400</u>

All the borrowings are denominated in RMB and their fair value approximated to their carrying amounts.

12 Lease liabilities

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Present value of the minimum lease payments:		
Within 1 year	264,433	272,308
After 1 year but within 2 years	244,247	252,859
After 2 years but within 5 years	523,028	547,076
After 5 years	443,153	431,035
	<u>1,474,861</u>	<u>1,503,278</u>

13 Contract liabilities

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Sales of medical examination cards	581,547	559,060
Advances from medical examination customers	39,916	64,298
Advances from hospital patients	9,059	7,257
	<u>630,522</u>	<u>630,615</u>

14 Trade and other payables

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade payables due to third parties	145,681	162,299
Payables for purchase of property and equipment	81,672	111,248
Staff salaries and welfare payables	69,287	129,427
Deposits received	24,698	19,082
Accrued taxes other than income tax	4,479	6,352
Accrued professional service fees	846	4,277
Interest payables	552	682
Accrued advertising expenses	548	548
Others	58,105	61,264
	<u>385,868</u>	<u>495,179</u>

The aging analysis of the trade payables based on invoice date is as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade payables		
— Up to 3 months	120,841	141,205
— 3 to 6 months	5,110	3,413
— 6 months to 1 year	5,957	3,953
— 1 to 2 years	4,593	3,887
— 2 to 3 years	1,118	979
— Over 3 years	8,062	8,862
	<u>145,681</u>	<u>162,299</u>

The trade payables are usually paid within 30–60 days of recognition.

The fair value of all trade and other payables of the Group approximated to their carrying amounts and the carrying amounts of the Group's trade and other payables are denominated in RMB.

15 Revenue

Revenue of the Group consists of the following:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
General hospital		
Outpatient pharmaceutical revenue	21,834	33,035
Outpatient service revenue	27,988	34,607
Inpatient pharmaceutical revenue	62,365	104,406
Inpatient service revenue	107,533	136,221
Medical examination centers		
Examination service revenue	924,923	922,445
Management service revenue and others	206	491
	<u>1,144,849</u>	<u>1,231,205</u>

16 Expenses by nature

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefits expenses	469,101	501,699
Depreciation and amortization	211,436	216,506
Pharmaceutical costs	55,549	92,307
Medical consumables costs	51,788	50,827
Outsourcing testing expenses	49,140	61,058
Utility expenses	45,512	44,441
Platform service charges	29,612	23,846
Maintenance expenses	18,046	10,032
Office expenses	14,867	16,714
Advertising expenses	11,505	4,576
Entertainment expenses	6,242	7,133
Short-term or low-value operating lease rentals	5,517	2,405
Professional service charges	5,169	7,500
Stamp duty and other taxes	4,500	4,588
Impairment losses/ (reversal of impairment losses) on financial assets	2,543	(1,871)
Travel expenses	2,174	1,220
Labour union dues	1,298	1,388
Auditor's remuneration	570	570
Other expenses	6,444	8,515
	991,013	1,053,454

17 Finance costs — net

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	42,168	47,636
Interest on borrowings	11,071	15,897
	53,239	63,533
Net exchange losses	61	522
Finance costs	53,300	64,055
Interest income	(3,214)	(3,089)
Finance income	(3,214)	(3,089)
Finance costs — net	50,086	60,966

18 Income tax expense

The amount of income tax expense recognised in the interim condensed consolidated statement of profit or loss represents:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax		
— Current period	46,692	48,203
— Under-provision in respect of prior years	18,403	4,854
Deferred income tax	(25,399)	(15,030)
Income tax expense	39,696	38,027

The corporate income tax rate applicable to the Group's subsidiaries located in mainland China is 25%. During the six months ended 30 June 2025, the corporate income tax rate applicable to some of the subsidiaries in mainland China is 15%.

19 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and 2024, respectively.

	Unaudited	
	Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company (RMB'000)	<u>55,941</u>	<u>84,991</u>
Weighted average number of ordinary shares in issue	<u>1,590,324,000</u>	<u>1,590,324,000</u>
Basic earnings per share (RMB)	<u>0.04</u>	<u>0.05</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted number of ordinary shares in issue for the potential dilutive effect caused by the share options granted under the share option scheme assuming they were exercised.

For the six months ended 30 June 2025 and 2024, as the average market share price of the Company's share was lower than assumed exercise price including the fair value of any services to be supplied to the Group in the future under the share option arrangement, there would be no dilutive impact.

20 Dividend

The Board has resolved not to declare interim dividend for the six months ended 30 June 2025 (six months ended June 30, 2024: HK\$0.045 per share).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND STRATEGIC OUTLOOK

Industry Overview

The year 2025 is a critical stage for the transformation and upgrading of China's healthcare industry. Driven by the synergy of policy boost and technological revolution, the sector exhibits three key trends: multi-level development, competitiveness enhancement and service model innovation. At the policy level, the government has focused on two priorities namely, people's health needs and technological innovation, by deepening reforms in medical service pricing, promoting equitable primary healthcare, and upgrading public health services. Initiatives such as the expansion of the medical insurance catalog and centralized procurement of medical devices have improved the accessibility of advanced medical technologies. At the technology level, artificial intelligence (AI) has been deeply integrated into healthcare scenarios, with AI-assisted diagnostics achieving breakthroughs in medical imaging and cutting-edge technologies like surgical robots flourishing across multiple fields. According to statistics from the National Health Commission, the coverage rate of AI technology application in the China's tertiary hospitals has reached 92.6% in 2024. At the demand level, with the increase in residents' health awareness and the prominent trend of an aging population, the demand of the community for high-quality healthcare services is continuously growing, bringing vast market for industry development.

Driven by both policy guidance and technological empowerment, the hospital sector has continued to optimize its revenue structure and accelerated the innovation of its service model. Meanwhile, with the normalization of special anti-corruption campaigns in healthcare, the industry ecosystem has been effectively purified, the pace of in-hospital operations and the order of medical activities have gradually resumed, and the rigid and consumption demands in hospital settings are recovering continuously. According to data from the National Health Commission, from January to November 2024, the total number of patient visits to medical institutions nationwide reached 6.88 billion, representing a year-on-year increase of 7.3%. Hospitals accounted for 4.10 billion visits, a year-on-year increase of 6.2%, including 3.43 billion at public hospitals, a year-on-year increase of 6.2%, and 670 million at private hospitals, representing a year-on-year increase of 4.7%.

For the medical examination industry, the market size has been expanding year after year with the increasing health awareness among the populace. Meanwhile, the increase in income per capita in China has driven up healthcare spending per capita, leading to a continuous rise in the demand for high-end health examination services. According to Caitong Securities Research, from 2020 to 2023, the annual compound growth rate of the market size of China's physical examination industry is 8.5%, with the market size projected to approach RMB380 billion by 2025, primarily driven by higher average spending per customer. Moreover, the application of digital technology and AI has significantly improved

the detection efficiency and accuracy of health examinations. This not only supports the development of more innovative products and personalized health management services, but also promotes the in-depth integration of medical examinations with healthcare, rehabilitation, insurance and other industry chains, thereby contributing to the industry's continued growth.

General Hospital Business

Nantong Rich Hospital is a large-scale general hospital integrating medical education and research. As one of the regional medical centers in Nantong, it is currently a Class III Grade B general hospital, a designated hospital for medical insurance reimbursement and a national standardized medical residency training coordination base.

On June 14, 2025, Shanghai East Hospital (the East Hospital Affiliated to Tongji University) formally entered into a strategic cooperation agreement with Nantong Economic and Technological Development Zone and Nantong Rich Hospital, jointly embarking on a new journey of integrated healthcare development in the Yangtze River Delta. Shanghai East Hospital and Nantong Rich Hospital have started close collaboration in hospital management, medical services, discipline development, talent cultivation, and scientific research. On the same day, "Shanghai East Hospital Nantong Rich Hospital" was officially inaugurated. Shanghai East Hospital will assume comprehensive management of Nantong Rich Hospital, introducing its top-tier medical expertise, management models, and brand influence. Core departments of Shanghai East Hospital, including cardiology, oncology, endoscopy, hepatobiliary surgery, and orthopedics, will station senior specialists at Nantong Rich Hospital to provide high-quality outpatient services, complex surgeries, rigorous teaching rounds, and systematic discipline-building guidance.

During the Reporting Period, Nantong Rich Hospital provided services for 142,777 outpatient visits (same period in 2024: 161,604) and 12,456 inpatient visits (same period in 2024: 15,760), representing a year-on-year decrease of 11.65% and 20.96%, respectively. Nantong Rich Hospital's share of pharmaceutical sales in the total revenue has shown an overall downward trend over the past six years.

Located in Nantong Rich Hospital, Nantong Rich Meidi Elderly Care Centre is a joint venture formed by Nantong Rich Hospital and Medical Care Service Company Inc., which is a senior care institution combined with medical and wellness services integrating professional senior care, nursing care, and rehabilitation and physical therapy. As of June 30, 2025, Nantong Meidi served 89 elderly people (as of June 30, 2024: 89) with an occupancy rate of 84% (as of June 30, 2024: 84.0%).

Medical Examination Business

The revenue of the medical examination business accounts for the largest share of the Group's total revenue. During the Reporting Period, the Group initiated a multi-brand strategy by launching the premium health examination brand “RICI PREMIER,” targeting corporate executives, elite white-collar workers and other high-net-worth families. The brand combines in-depth testing and efficient services to satisfy the demand of Chinese consumers for more segmented and personalized health examination services. In view of Rici Medical Examination Business, the Group implemented the strategy of development of key markets, focusing on major markets, including the Yangtze River Delta, Beijing, the Greater Bay Area and Zhejiang, and marching into new first-tier cities and second-tier cities. As of June 30, 2025, the Group had 86 medical examination centers in China, among which 76 centers were in operation, covering 29 cities.

During the Reporting Period, “RICI HEALTH CHECKUP” became the official strategic partner and designated medical service provider of the Nantong team of the “2025 Jiangsu Football City League”. Through pre- and post-match rehabilitation therapy support, fast-track medical services for fans, health awareness campaigns for spectators, and other initiatives, it provided comprehensive health protection for players and fans, contributing to the development of football in Nantong and China.

Rici Medical Examination Business has always adhered to the pursuit of medical quality and high-quality services, and has been continuously committed to improving customer experience. During the Reporting Period, we deepened the closed-loop satisfaction management mechanism and implemented improvements by extracting service issues based on customers' messages. A total of 340 service improvement items were collected and monitored, with an improvement rate of 93.13% (“**RICI HEALTH CHECKUP**”) brand / 95.00% (“**XMEDIC**” brand). A series of training sessions were conducted for customer service teams, alongside targeted spot checks, leading to notable improvements: the on-time response rate for customer service tickets under the XMEDIC brand increased by 4.60%, the secondary follow-up rate for critical anomalies rose by 13.05%, the report interpretation rate improved by 9.48% (VIP customers) and 14.39% (CEO customers), and the tumor reporting rate increased by 1.66%. For the “RICI HEALTH CHECKUP” brand, proactive report interpretation services were implemented for customers with specific abnormal indicators. In terms of medical quality control, we have launched the professional capacity building projects “Operation Leader” and “Operation Assisting Training”, by integrating multidisciplinary expert resources from nationwide medical examination centers and Nantong Rich Hospital, we established key disciplinary professional committees, developed a quality management and control system with standardized service protocols, and conducted training and assessments for professional teams across all facilities. Innovations in health management technologies and product training were pursued, alongside multidisciplinary consultations for complex cases, internal reviews of medical disputes, and medical evaluations. These efforts ensured the standardization and homogenization of

medical quality and processes, as well as the accessibility and cutting-edge advancement of medical technologies.

Outlook

As the aging population reaches a tipping point, the demand for full-course and full-life-cycle medical management is constantly rising, while the incidence rate of various diseases continues to rise, with the types of diseases increasingly affecting younger populations and becoming more complex. As an important supplement to the public medical system, private healthcare meets the growing medical needs of the people. In the face of deepening hospital performance reform and intensifying competition from sinking public hospitals, Nantong Rich Hospital will pay more attention to lean, intelligent and synergistic development in order to adapt to the evolving healthcare industry and the upgrading demands of patients. Nantong Rich Hospital aims to become a Class III Grade A general hospital and strives to be one of the three major medical centers in Nantong. Specifically, in the next five years, we plan to develop two provincial clinical key specialties and 10 municipal clinical key specialties and will enhance the core competitiveness of the hospital by creating specialties and technologies. It will focus on reforming its operational management system and strengthening institutional mechanisms, establishing a supervision mechanism for major initiatives and improving the financial performance evaluation system to elevate operational efficiency. Leveraging the strategic partnership with Shanghai East Hospital, the hospital will continuously enhance its specialty capabilities, management expertise, and brand influence, promoting high-quality sustainable development.

The year 2025 marks the conclusion of the 14th Five-Year Plan and a critical milestone in advancing the “Healthy China 2030” strategy. At the policy level, more emphasis will be placed on “prevention over treatment,” strengthening the prevention and control of chronic diseases, and promoting health examinations and early screening and diagnosis. In this context, the physical examination industry is ushering in broader development opportunities. Looking ahead to the second half of the year, the industry as a whole will enter a peak business season and move into high-speed phase of development. The medical examination business of the Group will continue to implement a multi-brand synergy strategy encompassing “RICI HEALTH CHECKUP”, “RICI PREMIER”, and “XMEDIC”, to meet consumers’ diverse health management needs. Adhering to the concept of “in-depth screening and scientific health examination”, the Company will focus on product iteration and upgrades and the development of post-examination medical services and derivative products. We will further optimize operational management processes, rationally plan customer appointment capacity, and improve production efficiency. Efforts will also be made to enhance the conversion rate of online channel traffic, increase the proportion of individual customer revenue, and expand brand value. Additionally, we will strengthen our efforts to identify and develop talents, cultivate a pool of young managers, and build a robust talent pipeline.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly generated from general hospital business and medical examination business. The following table sets forth the components of our revenue by operating segments for the periods indicated:

	Six months ended June 30,		
	2025	2024	Percentage
	<i>RMB'000</i>	<i>RMB'000</i>	change
General hospital business	234,004	323,966	(27.8%)
Medical examination business	925,129	922,936	0.2%
Inter-segment	(14,284)	(15,697)	(9.0%)
Total	<u>1,144,849</u>	<u>1,231,205</u>	<u>(7.0%)</u>

The Group's revenue for the Reporting Period amounted to RMB1,144.8 million, representing a decrease of 7.0% as compared to that of RMB1,231.2 million for the corresponding period in 2024. The year-on-year decrease in revenue during the Reporting Period was mainly attributable to the impact of external competitive pressure on the general hospital business, resulting in a decline in revenue.

Revenue from the general hospital business for the Reporting Period amounted to RMB219.7 million, representing a decrease of 28.7% from that of RMB308.3 million for the corresponding period in 2024, excluding inter-segment revenue of RMB14.3 million and RMB15.7 million for the six months ended June 30, 2025 and 2024, respectively. The decrease in revenue from the general hospital business was mainly due to the impact of external competition, as major public hospitals in the region continued to expand, diverting a portion of patients and resulting in a year-on-year decline in revenue.

Revenue from the medical examination business for the Reporting Period amounted to RMB925.1 million, representing an increase of 0.2% from that of RMB922.9 million for the corresponding period in 2024. The growth was mainly attributable to the increase in revenue from the "XMEDIC" brand, a high-end medical examination business line, as compared to the corresponding period of last year.

Cost of Sales

The Group's cost of sales primarily consists of pharmaceuticals and medical consumables costs, staff costs and depreciation and amortization expenses. The following table sets forth an analysis of cost of sales by operating segments for the periods indicated:

	Six months ended June 30,		
	2025	2024	Percentage
	<i>RMB'000</i>	<i>RMB'000</i>	change
General hospital business	201,037	250,714	(19.8%)
Medical examination business	550,506	599,901	(8.2%)
Inter-segment	(14,284)	(15,697)	(9.0%)
	<u> </u>	<u> </u>	<u> </u>
Total	<u>737,259</u>	<u>834,918</u>	<u>(11.7%)</u>

The Group's cost of sales for the Reporting Period amounted to RMB737.3 million, representing a decrease of 11.7% from that of RMB834.9 million for the corresponding period in 2024.

Cost of sales from the general hospital business for the Reporting Period amounted to RMB201.0 million, representing a decrease of 19.8% from that of RMB250.7 million for the corresponding period in 2024. The decrease in cost of sales of the general hospital business during the Reporting Period was mainly due to the decrease in revenue of the general hospital business during the Reporting Period.

Cost of sales from the medical examination business for the Reporting Period amounted to RMB550.5 million, representing a decrease of 8.2% from that of RMB599.9 million for the corresponding period in 2024. The decrease in cost of sales from the medical examination business during the Reporting Period was mainly due to the Group's vigorous implementation of its strategy to improve efficiency and reduce costs, effectively controlling the cost of sales through multi-faceted refined management and efficiency enhancement measures.

Gross Profit

The Group's gross profit increased from RMB396.3 million for the six months ended June 30, 2024 to RMB407.6 million for the Reporting Period. Gross profit margin increased by 3.4 percentage points from 32.2% for the six months ended June 30, 2024 to 35.6% for the Reporting Period. This was due to the positive results achieved from the Group's persistent promotion of measures to improve efficiency and reduce costs during the Reporting Period.

Distribution Costs and Selling Expenses

The Group's distribution costs and selling expenses for the Reporting Period amounted to RMB134.5 million, as compared to RMB108.6 million for the corresponding period in 2024. The increase was mainly because the Company built up its sales talent pool for the medical examination business, leading to a corresponding increase in staff costs and an increase in promotional expenses.

Administrative Expenses

The Group's administrative expenses for the Reporting Period amounted to RMB116.7 million, representing a slight increase as compared to that of RMB111.8 million for the corresponding period in 2024, mainly due to the increase in the administrative expenses as a result of a year-on-year increase in the number of medical examination centers of the Group in the first half of 2025.

Other Income

The Group's other income, which is mainly comprised of government subsidies, amounted to RMB21.0 million during the Reporting Period (corresponding period in 2024: RMB9.9 million).

Other Losses

The Group's other losses for the Reporting Period amounted to RMB5.9 million, as compared to that of RMB1.9 million for the corresponding period in 2024. Other losses during the Reporting Period were mainly attributable to contract penalties and other miscellaneous losses resulting from the early termination of a lease agreement by one of the Group's medical examination centers for relocation purposes.

Finance Costs — Net

Our finance costs — net amounted to RMB50.1 million during the Reporting Period, as compared to that of RMB61.0 million for the corresponding period in 2024. This was primarily due to interest expenses of approximately RMB53.2 million and interest income of RMB3.2 million incurred during the Reporting Period.

Share of Results of Investments Accounted for Using Equity Method

For the Reporting Period, the Group recognised a share of profit of RMB0.6 million from investments accounted for using equity method (corresponding period in 2024: RMB0.4 million) in its consolidated results, mainly due to the operating profit generated by Nantong Meidi, a subsidiary of a joint venture of the Group.

Income Tax Expense

For the Reporting Period, income tax expense amounted to RMB39.7 million (corresponding period in 2024: income tax expense of RMB38.0 million).

Profit for the Period

As a result of the above, the Group reported a net profit of RMB79.7 million for the Reporting Period (corresponding period in 2024: a net profit of RMB87.1 million).

Adjusted EBITDA

To supplement our interim condensed consolidated financial information which are presented in accordance with HKAS 34 Interim Financial Reporting, we use adjusted EBITDA as an additional financial measure. We define adjusted EBITDA as profit for the period before certain expenses and depreciation and amortization as set out in the table below. Adjusted EBITDA is not an alternative to (i) profit before income tax or profit for the period (as determined in accordance with HKFRSs) as a measure of our operating performance; (ii) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs; or (iii) any other measures of performance or liquidity. The following table reconciles our profit for the periods under HKFRSs to our definition of adjusted EBITDA for the periods indicated.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Calculation of adjusted EBITDA		
Profit for the Period	79,745	87,121
Adjustments to the following items:		
Income tax expense	39,696	38,027
Finance costs — net	50,086	60,966
Depreciation and amortization	211,436	216,506
Pre-opening expenses and EBITDA loss of soft-opening ⁽¹⁾	5,636	6,164
Adjusted EBITDA	<u>386,599</u>	<u>408,784</u>
Adjusted EBITDA margin ⁽²⁾	<u>33.8%</u>	<u>33.2%</u>

Note:

- (1) Primarily represents (a) the pre-opening expenses, such as staff costs and rental expenses, incurred in the applicable period in connection with the construction of medical examination centers; and (b) the EBITDA loss incurred during the period when the newly opened medical examination centers commenced their operations.
- (2) The calculation of adjusted EBITDA margin is based on adjusted EBITDA divided by revenue and multiplied by 100%.

The adjusted EBITDA amounted to RMB386.6 million during the Reporting Period, representing a decrease of 5.4% as compared to that of RMB408.8 million for the corresponding period in 2024, mainly due to the decrease in revenue from the general hospital business, resulting in a slight decrease in profit.

FINANCIAL POSITION

Property and Equipment

Property and equipment primarily consist of buildings, medical equipment, general equipment, leasehold improvements and construction in progress. As at June 30, 2025, the property and equipment of the Group amounted to RMB1,435.8 million, representing a decrease of RMB56.1 million as compared to that of RMB1,491.9 million as at December 31, 2024.

Trade Receivables

As at June 30, 2025, the trade receivables of the Group amounted to RMB244.8 million, representing a decrease of RMB79.3 million as compared to RMB324.1 million as at December 31, 2024.

Net Current Liabilities

As at June 30, 2025, the Group's current liabilities exceeded its current assets by RMB266.2 million (as at December 31, 2024: RMB323.3 million). The decrease in the Group's net current liabilities was mainly due to the decrease in the borrowings at the end of Reporting Period.

Liquidity and Capital Resources

As at June 30, 2025, the Group had cash and cash equivalents of RMB1,028.8 million (as at December 31, 2024: RMB1,109.8 million), with available unused bank facilities of RMB382.2 million (as at December 31, 2024: RMB163.0 million). As at June 30, 2025, the Group had outstanding borrowings of RMB770.8 million (as at December 31, 2024: RMB797.0 million), with non-current portion of long-term borrowings of RMB240.4 million (as at December 31, 2024: RMB254.6 million). Based on the Group's past experience and good credit standing, the Directors are confident that such bank facilities could be renewed or extended for at least 12 months upon maturity. We adopt prudent treasury policies in cash and financial management to achieve better risk control, manage financial resources efficiently and minimize the cost of funds. For the currency in which cash and cash equivalents are denominated, please refer to Note 8 to the interim condensed consolidated financial information. As of June 30, 2025, the Group had not used any financial instruments for hedging purposes.

Significant Investments, Material Acquisitions and Disposals

During the Reporting Period, the Group did not have any significant investment, material acquisition or material disposal.

Future Plans for Material Investments and Capital Asset

Save as disclosed in this announcement, as of June 30, 2025, the Group did not have detailed future plans for material investments and capital assets.

Capital Expenditure and Commitments

For the Reporting Period, the Group incurred capital expenditures of RMB175.1 million (corresponding period in 2024: RMB321.8 million), primarily for (i) purchases of medical equipment as well as renovation for our medical examination centers; and (ii) the lease of business premises for new medical examination centers.

As at June 30, 2025, the Group had a total capital commitment of RMB13.4 million (as at December 31, 2024: RMB16.9 million), mainly comprising leasehold improvement.

Borrowings

As at June 30, 2025, the Group had total bank and other borrowings of RMB770.8 million (as at December 31, 2024: RMB797.0 million). All the borrowings are denominated in RMB. Please refer to Note 11 to the interim condensed consolidated financial information for more details.

Contingent Liabilities

The Group had no material contingent liability as at June 30, 2025 (as at December 31, 2024: Nil).

Gearing Ratio

As at June 30, 2025, on the basis of net debt divided by total capital, the Group's gearing ratio was 46.2% (as at December 31, 2024: 46.4%).

Cash Flow and Fair Value Interest Rate Risk

Our exposure to changes in interest rates is mainly attributable to our bank borrowings and lease liabilities.

Borrowings obtained at variable rates expose us to cash flow interest rate risk. Borrowings obtained at fixed rates expose us to fair value interest rate risk. As at June 30, 2025, borrowings of RMB388,800,000 were with floating interest rates (as at December 31, 2024: RMB239,000,000). We did not hedge our cash flow and fair value interest rate risk during the Reporting Period.

Foreign Exchange Risk

For the Reporting Period, the Group was not exposed to significant foreign currency risk, except for bank deposits denominated in Hong Kong dollar and United States dollar. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Credit Risk

We have no significant concentration of credit risk. The carrying amount of cash and cash equivalents, trade and other receivables and deposits from long-term leases represent our maximum exposure to credit risk in relation to our financial assets. The objective of our measures to manage credit risk is to control potential exposure to recoverability problem.

Cash and cash equivalents were deposited in the major financial institutions, which the directors believe are of high credit quality.

The Group has policies in place to ensure that receivables with credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of the counterparties. The credit period granted to the customers and the credit quality of these customers are assessed, with reference to their financial position, past experience and available forward-looking information. The Group considers the probability of default upon initial recognition of a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group also considers available reasonable and supportive forward-looking information.

The credit risk of hospital business is related to the recoverability of trade receivables and other receivables. The credit risk of medical examination business is related to the length of the overdue period of trade receivables from corporate customers and other receivables.

Liquidity Risk

Our finance department monitors rolling forecasts of our liquidity requirements to ensure that we have sufficient cash to meet operational needs while maintaining sufficient headroom on our undrawn borrowing facilities at all times so that we do not breach borrowing limits or covenants (where applicable) on any of our borrowing facilities. We expect to fund the future cash flow needs through cash flows generated from operations, borrowings from financial institutions and issuing debt instruments or capital contribution from the shareholders of the Company (the “**Shareholders**”), as necessary. Based on contractual undiscounted payments, our financial liabilities were RMB2,943.8 million as at June 30, 2025 (as at December 31, 2024: RMB3,201.8 million).

Pledge of Assets

As at June 30, 2025, the Group had assets with a total carrying amount of RMB191,378,000 (as at December 31, 2024: assets of RMB60,788,000) pledged for the Group’s borrowings.

HUMAN RESOURCES

The Group had a total of 8,363 (December 31, 2024: 8,908) employees as of June 30, 2025. The employee benefits expenses were approximately RMB469 million for the Reporting Period and RMB502 million for the corresponding period in 2024. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination. Remuneration of the Group’s employees includes basic salaries, allowances, bonus, share option scheme and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. We provide regular training to our employees in order to improve their skills and knowledge. The training courses range from further educational studies to skill training to professional development courses for management personnel, including a management trainee program.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period (for the six months ended June 30, 2024: HK\$0.045 per share).

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period, save for deviation from code provisions C.1.7 and C.2.1 of the CG Code.

Code provision C.1.7 of the CG Code provides that appropriate insurance cover in respect of legal action against directors should be arranged. For the Reporting Period, the Company did not have insurance cover for legal action against the Directors. However, pursuant to the Company’s articles of association, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. In view of the above, the Board considers that the Directors’ exposure to litigation risk is manageable even if there is no insurance cover for legal action against the Directors.

Pursuant to code provision C.2.1 of the CG Code, the responsibility between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and the chief executive officer and Dr. Fang Yixin (“**Dr. Fang**”) performs these two roles. The Board considers that vesting the roles of the chairman and the chief executive officer in Dr. Fang is beneficial to the Group for implementing its new business strategies given his abundant experience in the healthcare industry and longtime and substantive involvement in the day to day management and operation of the Group. In addition, the balance of power and authority is ensured by the operation of the Board and the senior management, which comprises experienced and capable individuals independent from Dr. Fang (except his spouse, Dr. Mei Hong, and his son, Mr. Fang Haoze). The Board comprised four executive Directors and three independent non-executive Directors as at the date of this announcement and has a fairly strong independence element in its composition.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company’s securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The audit committee of the Board, comprising Ms. Wong Sze Wing, Mr. Jiang Peixing and Dr. Wang Yong, has discussed with the management and the external auditor and reviewed the unaudited interim condensed consolidated financial information of the Group for the Reporting Period.

Auditor

In addition, the Company’s external auditor, BDO Limited, has performed an independent review of the Group’s interim condensed consolidated financial information for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information performed by the Independent Auditor of the Entity”.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.rich-healthcare.com. The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business associates for their trust and support.

By Order of the Board
Rici Healthcare Holdings Limited
Fang Yixin
Chairman and Chief Executive Officer

Shanghai, the PRC, August 28, 2025

As at the date of this announcement, the Board comprises four executive Directors, namely Dr. Fang Yixin, Dr. Mei Hong, Mr. Fang Haoze and Ms. Lin Xiaoying; and three independent non-executive Directors, namely Dr. Wang Yong, Mr. Jiang Peixing and Ms. Wong Sze Wing.