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Sinohealth Holdings Limited

中康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2361)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- During the Reporting Period, the Group's revenue was RMB147.9 million, representing a year-on-year decrease of 7.3%. Revenue from in-hospital business was RMB25.1 million, representing a year-on-year increase of 8.7%.
- During the Reporting Period, the Group's cost of sales was RMB65.8 million, representing a year-on-year decrease of 7.0%.
- During the Reporting Period, the Group's gross profit was RMB82.1 million, representing a year-on-year decrease of 7.5%. The gross profit margin was 55.5%, representing a year-on-year decrease of 0.2 percentage points.
- During the Reporting Period, the Group's net profit was RMB24.5 million, representing a year-on-year decrease of 42.1%.
- During the Reporting Period, the Group's R&D expenses was RMB33.0 million, representing a year-on-year increase of 14.4%.
- As of the date of this announcement, the Group has entered into contracts with an amount of approximately RMB417.5 million scheduled for delivery this year, representing a year-on-year increase of 11.0%.
- As of the date of this announcement, the Group has entered into in-hospital business contracts with an amount of approximately RMB70.7 million scheduled for delivery this year, representing a year-on-year increase of 44.0%.
- During the Reporting Period, we cooperated with 965 clients, representing a year-on-year increase of approximately 11.0%.

The board (the "**Board**") of directors (the "**Directors**") of Sinohealth Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results (the "**Interim Results**") of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**"). The Interim Results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

BUSINESS REVIEW

China's pharmaceutical market has experienced a continuous slowdown in growth over the past two years. The full-year pharmaceutical end market scale is projected to decline by 2.9%, with graded hospitals and retail pharmacies down by 5.7% and 0.4% year-on-year, respectively. Growth in primary healthcare has slowed to 4.3%, while e-commerce growth has also decelerated from double digits to 5.8%. The market is currently in a state where the old structure has been disrupted, but a new one has yet to fully emerge. Nevertheless, sustained growth in health demand, increasingly rational payment structures, and innovation-driven upgrades in drug supply continue to signal long-term optimism for the market. These conditions are compelling the industry to shift from "passive growth" to "active evolution". Over the next decade, advancements in artificial intelligence and its applications, breakthroughs in life sciences and biotechnology, supply-side structural reforms led by healthcare reform, domestic demand from the aging population, and globalization will propel the health industry into a new phase of dynamism.

In the face of industry changes, in the first half of 2025, the Company continued to fully leverage its first-mover advantage gained from 18 years of deep-rooted experience in the health industry. As China's leader in medical and health data technology, the Company persists in its "AI-driven" development strategy. Relying on formidable data resources, AI technology, and industrial ecosystem advantages, it provides customers with one-stop digital and intelligent solutions, building an all-scenario intelligent platform covering medical care, pharmacies, commercial use, health management, and R&D. Through constructing a closed-loop business featuring "intelligent decision-making, agile action and controllable outcomes", it assists the life sciences field in achieving efficiency improvements and service quality optimization, propelling the industry toward high-quality development.

1. Performance Overview

The Company continued to upgrade its self-developed vertical large model for the healthcare industry, strengthening its underlying technological infrastructure. Concurrently, we proactively responded to market dynamics by continuously advancing strategic upgrades and execution, while accelerating the establishment of an agent-centric platform. By broadening its partnership network and deepening industrial-ecosystem collaboration, the Company further consolidated its competitive edge and market position.

During the Reporting Period, the Company focused on long-term growth, resolutely expanding into new business segments, continuously driving technological upgrades to cement its core competitiveness, and widening its ecosystem and industry network, thereby fostering momentum for unlocking medium- to long-term value:

— Short-term strategic business restructuring and client base expansion

During the Reporting Period, revenues from our businesses decreased from RMB159.5 million in the corresponding period of 2024 to RMB147.9 million for the current year, representing a year-on-year decrease of 7.3%. This decrease was mainly due to the Company's strategic business restructuring, focusing on high-potential future segments, coupled with a shift in the profit model of the health management business to post-examination management transformation. At the same time, through deeper customer insight and proactive client-base expansion, the Company grew its Smart Retail Cloud customer count from 519 in the corresponding period of 2024 to 676 in the current period, an increase of 30.3%.

— **Sustained increase in contracted value**

As of the date of this announcement, the Group has entered into contracts with an amount of approximately RMB417.5 million scheduled for delivery this year, representing a year-on-year increase of approximately 11.0%, which demonstrates that the Company maintained an increase in market expansion.

— **In-hospital businesses' positive growth trend demonstration**

During the Reporting Period, our total operating income from in-hospital businesses amounted to RMB25.1 million, representing a year-on-year increase of approximately 8.7%. Among this, the innovative hospital data services successfully achieved commercialization, generating operating income of RMB3.5 million. The commercial models of the innovative drug patient management services and the intelligent iMDT platform have matured progressively, generating operating income of RMB21.6 million. Furthermore, as of the date of this announcement, the Company has entered into in-hospital business contracts with an amount of approximately RMB70.7 million scheduled for delivery this year, representing a year-on-year increase of approximately 44.0%, demonstrating a positive growth trend.

— **Increasing investment in R&D**

During the Reporting Period, R&D expenses increased by approximately 14.4% year-on-year, directed primarily towards expanding compute infrastructure and enlarging a high-level R&D talent pool. During the Reporting Period, the Company recruited a number of R&D and product experts with profound backgrounds in the field of AI. These talents possess proven practical experience in domains such as machine learning, natural language processing (NLP), computer vision and artificial intelligence generated content (AIGC), helping the Company accelerate the intelligent iteration of core products while injecting critical momentum into exploring novel AI commercialization scenarios, thereby laying a foundation for future technological breakthroughs and market competitiveness.

— **Sustained expansion of ecosystems and industry networks by precision-driven empowerment for high-quality industry's development**

Drawing on deep industry expertise, forward-looking research leadership, robust resource integration and comprehensive systematic operations, the Company has built an extensive “physician, pharmacy, patient” cooperation network, amassing vast data resources and rich application scenarios that precisely empower the deep deployment of AI and the high-quality development of the industry. During the Reporting Period, we cooperated with 965 clients, representing a year-on-year increase of approximately 11.0%. As of 30 June 2025, we have extended coverage to 2,968 pharmaceutical retail enterprises, over 170,000 pharmacies, over 530 hospitals, and over 680 physical examination institutions. The staff and members of our managed pharmacies were over 255,000 and 310 million respectively.

2. Operational Analysis of Principal Business

(1) Adherence to the “AI-driven” core development strategy to expedite the deployment of the healthcare vertical-specific agent platform

The Company unwaveringly executes its “AI-driven” strategy through dual engines, the Big Data Research Institute and Industrial Research Institute, which strengthens technological barriers, deepens industry insight and integrates industrial resources in the whole chain, providing a one-stop AI-driven digital and intelligent solutions to customers in life sciences such as pharmaceutical product suppliers, pharmaceutical retailers, medical institutions and patients. By advancing on three fronts simultaneously, there is a new phase of growth: in the To B business, consistently deepening the out-of-hospital market and expanding the in-hospital market to consolidate leadership advantages; in the To C business, accelerating product innovation to tap diverse value realization scenarios; in the To R business, focusing on the closed-loop biopharmaceutical R&D.

During the Reporting Period, the Company established a vertical healthcare platform featured by intelligent agents spanning five major scenarios: healthcare, pharmacies, commercial settings, health management and R&D. Externally, it empowers clients to close the loop of “intelligent decision-making, agile action and controllable outcomes”, boosting efficiency and service quality across the healthcare sector; internally, it serves as a super assistant for product development and business operations. The Company’s full-scenario healthcare agent platform is as follows:

- **Medical agents:** assist doctors in enhancing diagnostic efficiency and accuracy by analyzing multimodal data (imaging, pathology, etc.) to provide real-time decision support for complex cases, simultaneously helping doctors improve research efficiency;
- **Pharmacy agents:** provide personalized professional service solutions for consumers, optimizing inventory and operational efficiency for pharmacy chains to drive sales growth;
- **Business agents:** integrate internal and external data with real-time policy insights, gain a comprehensive view of market dynamics, swiftly generates precise strategies and supports clients in their execution, enabling pharmaceutical enterprises to respond rapidly to market changes;
- **Health management agents:** break down barriers between healthcare service providers to deliver whole-life-cycle health management services for users, enhancing the healthcare experience and elevating health management standards;
- **R&D agents:** accelerate the new drug development cycle by utilizing AI to simulate drug efficacy and clinical trials, shortening R&D timelines and reducing development costs.

Up to now, the Company has deployed intelligence agents across pharmacy, commercial and health management settings, among which the Operational Insight Agent was first launched in the pharmacy setting, securing partnerships with leading pharmaceutical retail enterprises; the Consumer Insight Intelligence Agent was launched in the commercial setting, where functional validation and pre-sale contracts were completed; the Health Management Intelligence Agent has been already integrated into the Woodpecker AI-MDT report interpretation, intelligent files and single disease management, among which the “Woodpecker AI Report Interpretation Agent” has been listed on the Guangzhou Data Exchange. The “Woodpecker Doctor Agent”, which was launched and selected as a Guangzhou “AI+” exemplary case, is currently undergoing algorithm record-filing. Going forward, the Company will accelerate the development and iteration of specialized Intelligence Agents for more scenarios based on market demand and drive scale deployment.

(2) Consolidating established businesses while developing new businesses for growth

— **Analysis by client types**

The Company has established a robust business ecosystem through its To B business, extended its core strengths, including leading technology, data resources and industrial ecosystems, to the To C business and To R business, and speeded up making breakthroughs in and developing innovative businesses, driving business collaboration between different sectors and building an ecological loop.

To B business: consolidating out-of-hospital market strengths and expanding in-hospital innovative business to formulate digital and intelligent solutions

The Company is focused on the digital and intelligent needs of medical product suppliers and medical retail enterprises, with a core strategy of “consolidating out-of-hospital advantages + adopting in-hospital modes”, in order to develop digital and intelligent decision-making, retail and medical solutions and achieve “full-scenario coverage + full-process empowerment”. The Company has actively conducted its product iteration, introduced agents in certain areas to achieve product upgrades and strengthen its leading competitive advantage in the To B business.

Digital and intelligent decision-making solutions

The Company's suite of Smart Decision Cloud products for medical product suppliers harnesses all-channel industry data, driven by "out-of-hospital + in-hospital" patterns, to deliver digital and intelligent solutions comprising "three major data sets × three major services + a digital insight DaaS system". This empowers key scenarios of pharmaceutical and medical device products, including R&D, production, distribution, promotion and end-retail, helping clients build efficient and intelligent decision-making capabilities. The solution rests on three data foundations: (i) omnichannel sales data covering retail pharmacies (including county-level stores), new retail, DTP pharmacies and hospitals; (ii) consumer data capturing purchasing behaviour and mindset; and (iii) retail-outlet data involving drug sales potential and pharmacy characteristics. Three insight services span the "people-product-place" framework: pharmaceutical market intelligence, consumer-research insights and outlet-specific strategy guidance, providing end-to-end support from decision-making to execution. The three insight services deliver: across "people, product and place" scenarios, pharmaceutical market intelligence, consumer research insights and precise outlet strategy insights, offering full-process support from decision to execution. The digital insight DaaS system includes CHIS, Lingxi, Pharmacy Connect, Linghe and Lingsu systems, which combines professional research models and intelligent visual boards to support clients in conducting governance analysis on internal data and external data interaction insight. The Company has now developed the Lingxi Consumer Insight Agent, which has completed function tests and pre-sale signings.

The Company also organized industry events such as CPEO and CPIE based on digital and intelligent insights, providing a platform for forward-looking exchanges of ideas and precise resources matching for various entities in the healthcare industry. At the same time, the above events set scenarios for the Company to conduct marketing and traffic monetization, helping the Company to conduct in-depth business negotiations with customers, reduce marketing costs and improve marketing efficiency.

For digital and intelligent decision-making solutions, the Company has maintained its leading position in the out-of-hospital market, with a continuous increase in customer loyalty and market share. In the in-hospital segment, the Group has successfully transplanted the mature model developed for the out-of-hospital market, launching innovative hospital data services that have already closed the commercial loop. By securing the out-of-hospital base while driving new in-hospital growth, the dual-track strategy advances in tandem, delivering customers more comprehensive and precise digital-intelligence decisions.

Digital and intelligent retail solutions

Digital and intelligent retail solutions include a series of our Smart Retail Cloud products provided by the Company for medical product retail enterprises and medical product suppliers.

For medical retail enterprises (the chain side), the Company offers a one-stop digital and intelligent solution anchored in the SIC, integrating membership management, category management, intelligent marketing, chronic disease management and pharmaceutical services. Its “system + strategy + service + content” package drives these enterprises in completing digital upgrade, elevates pharmacy management efficiency and creates a “patient-centred” personal-health hub that boosts member loyalty and consumption willingness. During the Reporting Period, the Company launched the Operational Insight Agent, a pharmacy-focused sub-module, now deployed across dozens of medical retail enterprises with a 73.7% monthly active-user rate. Further specialised agents for staff empowerment, member operations, disease management and product optimisation are being rolled out, covering the full journey from data insight to execution. This enables chains to leapfrog operational efficiency, strengthen risk control and upgrade patient experience. As at 30 June 2025, the platform served a total of 2,968 medical retail enterprises, staff and members of the pharmacies managed through the SIC system were over 255,000 and 310 million respectively.

For medical product suppliers (the industrial side), leveraging AI large models and data advantages, the Company has analysed the needs, preferences and behaviours of retail pharmacies and end patients, and provided a digital and intelligent integrated marketing solution that covers the entire process from planning, implementation, tracking to review across both industrial and retail chain domains. The solution includes specialized services such as “supplier-retailer connectivity, campaign planning and product development, professional training and empowerment, IP creation, industry-leading media operations, public domain advertising, and performance monitoring”, helping clients precisely approach their target audiences and enhance their marketing returns, and improving patient awareness and trust in pharmaceutical products to achieve better treatment outcomes and enhanced patient health management.

The Company also held PHCF, MASC and other industry events, which promoted commodity trading in the healthcare industry and high-quality development through panoramic data analysis, policy trends interpretation, new trends interpretation for health consumption and product display, etc.

Digital and intelligent medical solutions

In terms of patient management services, the Company has collaborated with pharmaceutical and medical device companies as well as medical institutions to provide full-course disease management of innovative drugs and support services for patients with critical illnesses, enhanced the continuity, convenience and professionalism for patient treatment, and helped pharmaceutical and medical device companies and medical institutions improve patient management. As of 30 June 2025, the Company has cumulatively served more than 300,000 patients.

In terms of physician education, the Company leverages its intelligent iMDT platform and professional operational capabilities to build a robust network connecting tumor experts and physicians across various hospital tiers. This provides medical product suppliers and doctors with a professional and efficient platform for medical education, ultimately helping to deliver more authoritative diagnosis and treatment plans and health management services to tumor patients, thereby facilitating their access to better-tailored medications, treatments, and health management support. The platform currently covers major high-incidence tumor types such as colorectal cancer, lung cancer, gastric cancer, liver cancer, brain glioma, and breast cancer. As of 30 June 2025, the iMDT platform had registered over 20,000 oncologists and hosted more than 1,200 MDT conferences.

To C business: continuous mining personalized demand for the To C business based on the To B business for “light” and “heavy” digital and intelligent services

Based on its industrial ecosystem advantages and industry insight capabilities established in the To B business, the Company has deeply explored the personalized need for “health management+ critical illness management” from the To C business clients, developed innovative products, and provided them with more precise digital and intelligent services, thereby achieving an ecosystem extension from the To B business to the To C business. In particular,

“Light” referring to health management solutions

It mainly includes products tailored for health checkup scenarios in the Smart Health Management Cloud. The Company leveraged the Woodpecker Medical Large Model and provided the “Woodpecker AI-MDT” digital and intelligent solutions for medical examination users and individuals at risk for various chronic diseases, including report interpretation, health follow-up for sub-healthy groups, single disease management and personalized physical examinations. These services have met the entire post-examination health management needs, enabling early intervention and treatment while enhancing personal health. To further improve report interpretation efficiency, the Company launched and listed the Woodpecker AI Report Agent on the Guangzhou Data Exchange during the Reporting Period, establishing a feasible model for “compliant circulation and value monetization” of medical data elements. Relying on its proven technology and differentiated advantages, the AI-MDT has gained unanimous recognition from both cooperative clients and medical-examination users.

As of 30 June 2025, the Company has made contact with approximately 230 hospitals and 680 private physical examination centers, and has cumulatively served more than 9,800,000 patients. The Woodpecker AI-MDT's highest daily processing volume for medical examination report interpretation exceeded 73,000 cases.

“Heavy” referring to critical illness management solutions

It mainly includes products tailored for critical illness management scenarios in the Smart Medical Cloud. The Company has built the Woodpecker Oncology multi-disciplinary Diagnosis and Treatment Platform, adhered to the concept of “patient-centred”, followed authoritative clinical guidelines, accurately matched the team of cancer experts, and provided multi-disciplinary joint solutions to offer online multi-disciplinary, personalized and accurate diagnosis, treatment and consultation services to cancer patients. The solutions cover the whole process involving case establishment, surgical appointment, preoperative communication, intraoperative consultation and postoperative follow-up, which has significantly improved the efficiency of patients approaching excellent medical experts, and enhanced the synergy of multi-disciplinary diagnosis and treatment, further ensuring that more effective and convenient diagnosis and treatment services with better quality are available to patients.

To R business: extension of To B capabilities, continuous expansion of presence on the R&D side, and building a whole-life-cycle empowerment platform for innovative drugs and medical devices

The Company has fully leveraged and applied its AI large model advantages and industry insight capabilities established in the To B business to biopharmaceutical R&D business, established a digital and intelligent empowerment platform for the whole lifecycle of innovative drugs and medical devices, across process from clinical development to post-market marketing, and empowered innovative drug and medical device companies in drug R&D, scientific research collaboration, clinical data processing, commercialization, pharmaceutical business development, and capital operations. The Company has collaborated with medical institutions, innovative drug companies, CROs, CMOs, pharmaceutical retail enterprises and other entities to integrate resources and build an industrial cooperative ecosystem. The Company has also integrated capital and technology through investments, mergers and acquisitions, in order to develop targets with development potential and synergistic effects, further exploring new growth trajectories and consolidating its strategic position in the innovative drug and medical device sector.

— Analysis by application scenarios

Smart Decision Cloud

Smart Decision Cloud represents the Company's digital and intelligent decision-making solution for medical-product suppliers. During the Reporting Period, revenue from Smart Decision Cloud was RMB71.7 million, up 5.1% year-on-year, serving 360 corporate customers, with a repeat-purchase sales rate of 98.3%. In particular, the number of core DaaS customers continued to rise, delivering a 12.8% year-on-year revenue increase;

Smart Retail Cloud

Smart Retail Cloud represents the Company's digital and intelligent retail solution for pharmaceutical retail enterprises and medical product suppliers. Following product-mix adjustments and an optimised pricing structure, revenue amounted to RMB48.5 million during the Reporting Period. Leveraging acute customer insight and proactive market development, during the Reporting Period, the platform served 676 enterprise clients, up about 30.3% year-on-year, with an enterprise client repeat purchase sales rate of 81.9%.

Smart Health Management Cloud

Smart Health Management Cloud represents the Company's Woodpecker AI-MDT digital and intelligent health management solutions delivered to screening users and chronic-disease-risk populations via medical and health management institutions, together with the intelligent iMDT platform provided to medical product suppliers and physicians. Revenue from Smart Health Management Cloud for the Reporting Period was approximately RMB10.6 million, down about 37.5% year-on-year, mainly due to the Company's shift in profit model towards post-examination management.

Smart Medical Cloud

Smart Medical Cloud represents the Company's innovative drug patient management solutions for medical product suppliers and offers critically ill patients the Woodpecker multidisciplinary-diagnosis solutions. Benefiting from the increasingly mature business model for innovative drug patient management, revenue from Smart Medical Cloud reached approximately RMB17.2 million during the Reporting Period, with an enterprise client repeat purchase sales rate of 96.0%.

(3) AI renewal of core competitiveness, continuously fortifying a robust moat

As a pioneer in digital and intelligent transformation of the healthcare industry, the Company has established three core competitiveness - “AI Foundation, Ecosystem Empowerment, and Collaborative Network”: leveraging rich data assets, cutting-edge AI technology, and deep professional insights, the Company continuously upgrades its independently developed Woodpecker Medical Large Model, building the all-scenario intelligent agent for healthcare platform; through years of industry immersion, the Company has developed a full-chain, ecosystem-driven empowerment system, enabling robust resource integration capabilities; and supported by an extensive industry partnership network, the Company has established distinct competitive advantages and long-term barriers to entry.

Leveraging the “Woodpecker” medical large model and “Tiangong No.1” commercial large model to support the all-scenario intelligent agent platform across the vertical healthcare industry

Built upon years of accumulated data assets, an intelligent business middleware for data management, “Tiangong No.1” and a smart middleware for health management and medical treatment, “Woodpecker”, the Company integrated open-source large models such as DeepSeek, combined technologies including AIGC (Generative AI), machine learning, NLP, and computer vision, and developed a large model matrix, including a data governance platform, an intelligent agent development platform, text models, multimodal models, reasoning models, decision-making models, medical models, and governance models. This matrix serves as the Company’s AI foundation, driving the evolution of its product to all-scenario intelligent agents across the vertical healthcare industry.

- **Strong data foundation, building a complete “Resource - Standard - Processing - Value” chain:** (i) extensive data resources: the weight parameter scale reaching 70 billion, covering millions of open data (including medical literature, guidelines, books and drug instructions), tens of millions of anonymized data (including drug sales data) and millions of labeled data; (ii) standardization and structuring: 38 master databases for the healthcare industry covering pharmaceutical retail, industry regulation, medicine, pharmacy and life sciences, with unified labeling systems and interconnected knowledge graphs, establishing structured data standards for healthcare; (iii) powerful data processing capabilities: leveraging large model data-processing capacity, machine automatic cleaning rate exceeds 97%, accuracy rate exceeds 99% and maximum response speed reaches T+1. Data processing time of pharmacies cleaning contracting 75% and operational cost cutting 20%; (iv) powerful data value mining ability: integrating professional insights with data processing to transform static data advantages into the capability to drive continuous product innovation, accelerating intelligent agent development and deployment.

- **Extensive application scenarios, covering “Physician - Pharmacy - Patient”:** (i) pharmaceutical decision-making: leveraging massive data for in-depth analysis, providing healthcare product suppliers with digital and intelligent decision-support on strategic planning, market insights and marketing strategies, enabling enterprises to accurately seize market opportunities and enhance decision-making efficiency; (ii) retail pharmacies: enabling digitalisation and intelligent transformation of end-to-end pharmacy operations, covering business insights, staff empowerment, operational management, disease services and product optimization, while simulating real consultations through interactive voice dialogues and intelligent Q&A to assist pharmacy staff in delivering professional medication guidance and health management advice, thereby enhancing service quality and sales conversion; (iii) health examination: by analyzing users’ checkup reports, health assessments, referrals and lifestyle interventions, helping physical examination organizations create continuous, personalized health profiles and enable customized health management, cumulatively serving over 20 million individuals; (iv) medical record governance: applying NLP structuring, terminology standardization and data normalization to lower governance costs and maintain consistent data quality, currently covering dozens of diseases; (v) medical record quality control: combining expert rules with case data for intelligent quality assurance of anonymized medical record data; and (vi) To C business health assistant: AI-powered health management for self-diagnosis, health assessments and medical navigation through woodpecker Doctor Agent, covering more than 2,800 diseases, 150,000 common drugs and more than 1,900 indicators.

- **AI-driven product evolution into intelligent agents, large-scale deployment poised for the future**

Leveraging its self-developed “Woodpecker Medical Large Model”, the Company has built a commercially viable, rapidly deployable, and domain-specialized vertical medical intelligent agent platform. This platform integrates core capabilities such as text generation, image and video generation, data analysis, and real-time search, and comprises three core modules: (i) Agent Hub: an “Agent Marketplace” spanning six domains (pharma, pharmacies, hospitals, health checks, individuals and enterprises), offering ready-to-use, easy-to-use and ready-for-reuse agents; (ii) Agent Creation Platform: low-code/no-code with template libraries (agent templates, workflow templates), enabling rapid customized agent development; and (iii) Agent Operations Backend: with account/permission, content and monitoring modules ensuring stable operation and model updates. Sinohealth’s intelligent agent platform empowers both internal and external operations. Internally, it acts as a super assistant to accelerate product development, iteration and rapid deployment in specific scenarios, thereby enhancing development and operational efficiency. Externally, by providing clients with customized and practical intelligent agent solutions, it enables AI-powered business transformation and upgrade.

In February 2025, the Company was selected into the “2024 Guangzhou Artificial Intelligence Innovation Development List - Enterprises with the Greatest Market Value (2024廣州人工智能創新發展榜單——最具市場價值企業榜)” by Guangzhou Science and Technology Bureau. In March 2025, the Woodpecker Doctor Agent was successfully selected as a typical case under Guangzhou’s “Artificial Intelligence+” initiative for 2025, which is currently undergoing algorithm filing, whereby the Company’s AI technology strengths were once again recognised. In July 2025, the “Woodpecker AI Report Interpretation Agent” was successfully listed on the Guangzhou Data Exchange, establishing a new paradigm for the compliant circulation of medical data elements; the Pharmacy Operational Insight Agent has entered into cooperation with a leading enterprise, and the Lingxi Consumer Insight Agent has completed function tests and pre-sale signings. These developments collectively demonstrate the rapid deployment of the Company’s AI agents under its AI-driven strategy.

All-round ecosystem continuously and accurately empowering the development of the healthcare industry

Leveraging its rich experience in the healthcare industry and based on forward-looking professional insight, the Company has integrated rich ecological resources and built a full-chain, multi-level empowerment system with strong brand influence.

As an “ecological brain” for industry insights, Sinohealth Industry Research Institute is a leading healthcare industry research think-tank in China. It focuses on constructing a China healthcare industry index evaluation system, research on special subjects and industry insights as the core. The Research Institute has established a high-end healthcare industry think-tank, bringing together pharmaceutical industry experts, senior information analysts and technical elites. In cooperation with top scientific research institutions and universities at home and abroad and leveraging its solid professional background and keen market insight, it provides forward-looking, leading, and practical research results and industry insight reports for the healthcare industry. It has been committed to providing industry participants with valuable market intelligence and strong support for industrial strategic decision-making and business development, as well as helping industry participants grasp market opportunities and formulate effective strategic plans. It therefore establishes broad and far-reaching influence within the industry. During the Reporting Period, Sinohealth Industry Research Institute published industrial reports such as “China’s Innovative Drugs: Toward High-quality Development (《中國創新藥,邁向高質量發展》)”, “Beyond Health: Reconstructing the Social Value of Retail Pharmacies (《超越健康:重構零售藥房的社會價值》)” and “Blue Book on the Development of On-demand Retail in the Pharmaceutical Industry (《醫藥行業即時零售發展藍皮書》)”. The depth and breadth of these reports have once again led the industry research and further solidified the authoritative position of the Sinohealth Industry Research Institute.

The ecological empowerment system built by the Company is like a “neural network” that radiates throughout the healthcare industry in an all-round way. We have provided all-round support for customers in the healthcare industry, including solutions related to strategic planning, research services, resource links, market expansion, brand building, industrial activities, operational empowerment and capital operation, etc. Leveraging on accurate resource integration and optimal allocation, we could help customers effectively improve resource utilization efficiency, significantly reduce marketing costs and enhance marketing efficiency. By continuously deepening ecological synergy and strategic guidance, we could help industry participants accurately grasp market opportunities, break through development bottlenecks and achieve sustainable growth and long-term value enhancement, which has not only enhanced the brand influence of the Company, but also promoted innovation and high-quality development of the healthcare industry. The Company has successfully held CPEO for 18 sessions. CPEO has become a forward-looking industry conference with a leading position in China’s healthcare industry in terms of level, scale and influence, providing forward-looking and systematic exchanges of ideas and information for the industry and realising the strategic integration, cooperation and interaction of diversified resources. As of the 18th CPEO, the conference has brought together over 8,000 key decision-makers from government agencies, domestic and foreign mainstream brand industries, innovative drug enterprises and innovative drug technology companies, mainstream pharmaceutical businesses, retail enterprises, domestic and foreign capital institutions, digital technology companies, commercial insurance institutions, medical and health service institutions as representatives attended the 18th CPEO, and the total number of participants exceeded 60,000. The Company successfully held PHCF for 10 sessions, which is a commodity fair with a leading position in the healthcare industry in terms of scale, complete commodity categories, transaction efficiency and transaction volume. With the aim of “creating sustainable market growth”, it gathered the latest and most comprehensive commodity categories and the most omni-channel procurement terminals at home and abroad, with more than 8,000 representatives of decision-making elites from commodity transaction entities in the healthcare industry involving brand industries, chain pharmacies and medical e-commerce attending the meeting and the total number of participants exceeding 30,000. In addition, the Company has also continually expanded the influence of the Sinohealth ecological empowerment system through diversified media services, brand building and operation empowerment, etc., and has reached nearly one million professionals, including pharmaceutical retail experts, pharmaceutical and medical device manufacturers, pharmacists, physicians, medical experts, industry investors and others.

The industrial partnering network with extensive and comprehensive coverage

The Company has focused on scenarios such as pharmaceutical sales, physical examination, clinical diagnosis and treatment, and has established a broad and solid cooperation network covering “physician, pharmacy, patient”, including:

- (i) **Enterprise customer cooperation network:** During the Reporting Period, the Company established cooperative relations with more than 965 enterprise customers, providing them with efficient products and professional empowerment. The changing needs of customers have driven the Company to optimize its product system, creating mutual benefits and synergy to drive the Company’s innovative development;

- (ii) **Pharmaceutical retail pharmacy cooperation network:** As of 30 June 2025, the Company's business cooperation network covered a total of 2,968 pharmaceutical retail enterprises and more than 170,000 pharmacy stores spanning 30 provinces and 356 cities, in particular, the number of partnering pharmacy stores using SIC system exceeded a total of 125,000, which has created a competitive barrier for the Company to obtain rich out-of-hospital data. During the Reporting Period, the Company managed more than 255,000 pharmacy clerks and more than 310 million pharmacy members through the SIC system. Such a sizeable active user base has provided a solid foundation for the Company scenario identifying, product innovation and traffic monetisation in terms of the To C business;
- (iii) **Health management cooperation network:** As of 30 June 2025, the Company has reached a total of approximately 230 hospitals and 680 physical examination centers through the Woodpecker AI-MDT health management solutions. The Company has served more than 9,800,000 patients;
- (iv) **Medical cooperation network:** The Company cooperated with more than 300 hospitals and served more than 300,000 patients by providing patient management services. The Company's intelligent iMDT platform has a cumulative total of over 20,000 registered oncologists.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 7.3% from approximately RMB159.5 million for the six months ended 30 June 2024 to RMB147.9 million for the six months ended 30 June 2025. The main reason for the decline in revenue was the Company's strategic business restructuring, focusing on high-potential future segments, coupled with a shift in the profit model of the health management business to post-examination management.

Cost of Sales

The Group's cost of sales primarily consisted of (i) costs related to the daily operation and maintenance of our solutions and products and our employee benefits; (ii) costs associated with our marketing campaigns and provision of services to our clients; and (iii) event costs mainly relating to venue and equipment rentals, event planning and organisation services fees, accommodation and catering costs. The Group's cost of sales decreased by approximately 7.0% from approximately RMB70.7 million for the six months ended 30 June 2024 to approximately RMB65.8 million for the six months ended 30 June 2025, which was mainly due to the optimization of the Group's business structure and the application of BrainyAI platform to improve work efficiency of all employees to achieve cost reduction and efficiency improvement.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately 7.5% from approximately RMB88.8 million for the six months ended 30 June 2024 to approximately RMB82.1 million for the six months ended 30 June 2025. The gross profit margin decreased from approximately 55.7% for the six months ended 30 June 2024 to approximately 55.5% for the six months ended 30 June 2025. The decrease in gross profit during the Reporting Period was mainly due to the expansion of customer coverage by adjusting the strategy of reducing the unit price of some products in the face of the rise of innovative drugs and non-pharmaceutical products.

Other Income and Gains

Other income and gains primarily consisted of bank interest income and government grants. The Group recorded other income and gains of approximately RMB13.1 million for the six months ended 30 June 2025, representing a decrease of approximately 44.0% as compared to approximately RMB23.5 million for the six months ended 30 June 2024, mainly because (i) the Company's interest income decreased due to interest rate cuts of the US dollar and RMB; (ii) the Company incurred foreign exchange losses due to foreign exchange rate fluctuations during the Reporting Period, as compared to foreign exchange gains in the same period last year, leading to the decrease in other income; and (iii) government grants received by the Company decreased due to policy factors.

Selling and Distribution Expenses

Selling and distribution expenses mainly consisted of (i) remuneration and employee benefit expenses for employees responsible for sales and marketing functions; (ii) travel and transportation expenses related to offline marketing campaigns, the development and maintenance of customer relationships and the production of advertising materials; and (iii) general office expenses. The selling and distribution expenses increased by approximately 2.2% from approximately RMB17.2 million for the six months ended 30 June 2024 to approximately RMB17.6 million for the six months ended 30 June 2025, which was mainly due to our investment of more resources in the expansion and maintenance of chain pharmacies to enhance their stickiness.

Administrative Expenses

The Group's administrative expenses primarily consisted of (i) employee benefits expenses; and (ii) professional fees. The Group's administrative expenses decreased by approximately 16.0% from approximately RMB17.0 million for the six months ended 30 June 2024 to approximately RMB14.2 million for the six months ended 30 June 2025, which was mainly attributable to the Company's reasonable cuts in redundancy costs and improvement of operational efficiency, with some activities postponed to the second half of the year.

Research and Development Costs

The Group's research and development costs primarily consisted of (i) employee benefits expenses; (ii) depreciation of right-of-use assets; and (iii) technology services fees and general office expenses. The Group's research and development costs increased by approximately 14.4% from approximately RMB28.9 million for the six months ended 30 June 2024 to approximately RMB33.0 million for the six months ended 30 June 2025, primarily due to the increase of R&D investments in AI + Data, AI + Healthcare and the integrated intelligent agent creation platform during the Reporting Period.

Profit before Tax

The Group's profit before tax decreased by approximately 38.5% from approximately RMB42.5 million for the six months ended 30 June 2024 to approximately RMB26.2 million for the six months ended 30 June 2025, mainly due to the combined effect of the following factors: (i) phased adjustments of operation strategies of the Group resulted in the decrease in gross profit of RMB6.7 million; (ii) the increase in R&D costs of RMB4.1 million due to higher investment in R&D talent and infrastructure; (iii) the decrease in government grants of RMB6.9 million due to policy factors; (iv) the decrease in interest income and foreign exchange gains totalling RMB5.6 million due to interest rates and foreign exchange fluctuation; and (v) the decrease in impairment losses of financial assets of RMB4.7 million as a result of the improvement in the control level over the Company's credit exposures during the Reporting Period.

Income Tax Expense

The Group's income tax expense increased from approximately RMB0.2 million for the six months ended 30 June 2024 to approximately RMB1.6 million for the six months ended 30 June 2025, mainly because some subsidiaries achieved a turnaround from loss to profit in the same period and last year, and these subsidiaries with lower effective tax rates contributed more to the pre-tax profit; while they recorded stable profits during the Reporting Period, therefore the effective tax rate increased year-on-year.

Profit for the Period

As a result of the foregoing, the Group's profit for the period decreased by approximately 42.1% from approximately RMB42.3 million for the six months ended 30 June 2024 to approximately RMB24.5 million for the six months ended 30 June 2025.

Liquidity and Capital Resources

As of 30 June 2025, the Group financed its operations mainly through cash generated from the Group's operating activities and the net proceeds from the Global Offering. The Group intends to continuously finance its expansion and business operations using a combination of cash generated from operating activities and the net proceeds from the Global Offering.

Cash and Cash Equivalents

As of 30 June 2025, the Group's total cash and cash equivalents amounted to approximately RMB51.4 million.

Borrowings

As of 30 June 2025, the Group did not have any short-term or long-term bank borrowings and had no outstanding bank and other borrowings and other indebtedness apart from lease liabilities for the relevant lease terms amounting to approximately RMB9.4 million in aggregate.

Gearing Ratio

The gearing ratio, which is calculated by dividing total liabilities by total equity, was 21.1% as of 30 June 2025 (31 December 2024: approximately 14.4%).

Foreign Currency Risk

The Group has transactional currency exposures and is subject to foreign currency risk arising from fluctuations in exchange rates between RMB and US\$. As of 30 June 2025, the Group had transactional currency exposures. Such exposures arose from its cash and cash equivalents in US\$. The Group is currently not engaged in hedging activities that are designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange fluctuations, actively study the timely use of financial instruments to hedge foreign exchange risks and strive to protect the cash value of the Group.

Charge on Assets

As of 30 June 2025, the Group did not pledge any of its assets.

Cash Flow and Capital Expenditure

For the six months ended 30 June 2025, the Group's capital expenditures were mainly incurred for the acquisition of equipment and software and leasehold improvements was approximately RMB3.9 million, representing an increase of over 100% as compared to the six months ended 30 June 2024, mainly because the Company purchased computing power servers during the Reporting Period to support its AI strategic layout. The Group intends to fund future capital expenditures with the existing bank balance, cash generated from operating activities and proceeds from the Global Offering. The Group will continue to incur capital expenditures to meet the expected business growth, and may reallocate funds for capital expenditures and long-term investments based on the Group's ongoing business needs.

Contingent Liabilities and Guarantees

As of 30 June 2025, the Group did not have any significant contingent liabilities, guarantees or any material litigation against the Group.

Significant Acquisitions or Disposals and Future Plans for Significant Investments

The Group did not have any significant acquisitions or disposals of subsidiaries, associates and joint ventures as of 30 June 2025.

As of 30 June 2025, none of investments individually held by the Group constituted 5% or more of the total assets of the Group, and there is no future plan for any material investment or capital assets.

Employees and Staff Costs

As of 30 June 2025, the Group had a total of 756 full-time employees (30 June 2024: 778). During the Reporting Period, the Group recognised staff costs of approximately RMB72.8 million, representing a decrease of approximately 3.4% as compared to the six months ended 30 June 2024.

The following table sets forth the number of employees by function as of 30 June 2025:

Function	Number	Percentage to the total number of employees
Solutions and Products	341	45%
Research and Development	224	30%
Sales and Marketing	125	16%
General and Administrative	66	9%
Total	756	100%

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

Leveraging our influence and expertise in the industry, we are able to continue to attract outstanding and versatile talents. As of 30 June 2025, approximately 39% of our employees have medical expertise and experience, and approximately 18% have artificial intelligence and technology expertise.

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

Subsequent Events

No significant events that require additional disclosure or adjustments occurred after the end of the Reporting Period and up to the date of this announcement.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June 2025

		2025	2024
		(Unaudited)	(Unaudited)
	<i>Notes</i>	RMB'000	RMB'000
REVENUE	5	147,925	159,531
Cost of sales		(65,823)	(70,743)
Gross profit		82,102	88,788
Other income and gains	5	13,145	23,454
Selling and distribution expenses		(17,564)	(17,184)
Administrative expenses		(14,243)	(16,963)
Research and development costs		(33,030)	(28,881)
Impairment losses on financial assets, net		(1,016)	(5,725)
Other expenses		(2,999)	(616)
Finance costs		(240)	(329)
PROFIT BEFORE TAX	6	26,155	42,544
Income tax expense	7	(1,644)	(196)
PROFIT FOR THE PERIOD		24,511	42,348
Attributable to:			
Owners of the parent		24,744	41,675
Non-controlling interests		(233)	673
		24,511	42,348
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		24,511	42,348
Attributable to:			
Owners of the parent		24,744	41,675
Non-controlling interests		(233)	673
		24,511	42,348
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	0.06	0.10

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

		30 June	31 December
		2025	2024
		(Unaudited)	(Audited)
	<i>Notes</i>	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		6,967	4,943
Right-of-use assets		8,547	10,882
Other intangible assets		1,874	1,956
Time deposits	<i>12</i>	10,434	105,723
Goodwill		11,551	11,551
Deferred tax assets		8,036	7,742
		<hr/>	<hr/>
Total non-current assets		47,409	142,797
CURRENT ASSETS			
Inventories		1,760	1,085
Trade and notes receivables	<i>10</i>	92,981	94,500
Prepayments, other receivables and other assets		13,444	11,159
Contract assets		558	1,523
Financial assets at fair value through profit or loss	<i>11</i>	39,921	47,934
Due from related parties		142	177
Time deposits	<i>12</i>	578,062	448,006
Cash and cash equivalents	<i>12</i>	51,424	63,715
		<hr/>	<hr/>
Total current assets		778,292	668,099
CURRENT LIABILITIES			
Trade payables	<i>13</i>	15,827	16,618
Other payables and accruals	<i>14</i>	111,488	63,713
Lease liabilities		4,063	4,678
Due to related parties		72	82
Tax payable		4,361	7,254
		<hr/>	<hr/>
Total current liabilities		135,811	92,345
		<hr/>	<hr/>
NET CURRENT ASSETS		642,481	575,754
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		689,890	718,551
		<hr/>	<hr/>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)
30 June 2025

		30 June	31 December
		2025	2024
		(Unaudited)	(Audited)
	<i>Note</i>	RMB'000	RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		689,890	718,551
NON-CURRENT LIABILITIES			
Lease liabilities		5,371	7,102
Deferred tax liabilities		2,648	2,642
Total non-current liabilities		8,019	9,744
Net assets		681,871	708,807
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>15</i>	30,384	30,384
Treasury shares	<i>15</i>	(208,982)	(207,535)
Reserves		862,598	887,854
		684,000	710,703
Non-controlling interests		(2,129)	(1,896)
Total equity		681,871	708,807

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 4 March 2019. The registered address of the Company is at the office of Ogier Global (Cayman) Limited, of 89 Nexus Way, Grand Cayman, KY1-9009, Cayman Islands.

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

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

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

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

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<i>Revenue from contracts with customers</i>	147,925	159,531
	147,925	159,531
Revenue from contracts with customers		
(a) Disaggregated revenue information		
	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Type of goods or services by product categories		
Data Insight Solutions	84,743	84,012
Data-driven Publications and Events	32,730	38,812
SaaS products	30,452	36,707
	147,925	159,531
Total	147,925	159,531
Type of goods or services by application scenarios		
Smart Decision Cloud	71,708	68,233
Smart Retail Cloud	48,456	56,437
Smart Medical Cloud	17,207	17,967
Smart Health Management Cloud	10,554	16,894
	147,925	159,531
Total	147,925	159,531
Geographical markets		
Mainland China	146,892	159,003
Overseas	1,033	528
	147,925	159,531
Total	147,925	159,531
Timing of revenue recognition		
Services transferred at a point in time	75,949	79,935
Services transferred over time	71,976	79,596
	147,925	159,531
Total	147,925	159,531

(b) **Performance obligations**

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

Data Insight Solutions

The performance obligation for delivery of customised research reports is generally satisfied at the point of time when the individual research report is delivered and accepted by the customers and payment is generally due within 120 days from the date of billing. The performance obligation for provision of individual marketing solution is satisfied over time as services are rendered and payment in advance is normally required.

Data-driven Publications and Events

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

SaaS products

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

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income		
Bank interest income	11,840	13,450
Government grants*	680	7,578
Investment income from financial assets at fair value through profit or loss	616	119
Others	9	5
Total other income	13,145	21,152
Gains		
Foreign exchange gains, net	–	2,291
Gains on lease modifications	–	11
Total gains	–	2,302
Total other income and gains	13,145	23,454

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

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of services provided	65,823	70,743
Depreciation of property, plant and equipment	1,551	1,277
Depreciation of right-of-use assets	2,335	2,326
Amortisation of other intangible assets	390	364
Research and development costs	33,030	28,881
Lease payments not included in the measurement of lease liabilities	157	66
Bank interest income	(11,840)	(13,450)
Government grants	(680)	(7,578)
Investment income from financial assets at fair value through profit or loss	(616)	(119)
Fair value losses on financial assets at fair value through profit	1,251	575
Gains on lease modifications	–	(11)
Foreign exchange losses/(gains), net	1,741	(2,291)
Losses on disposal of items of property, plant and equipment	1	9
Impairment of trade receivables, net	1,016	5,725
	<u>1,016</u>	<u>5,725</u>

7. INCOME TAX

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

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

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

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

Guangzhou Zhongkang Digital Technology Co., Ltd. ("Guangzhou Zhongkang Digital") was accredited as a high and new technology enterprise ("HNTE") in 2022, and the certifications were valid for three years. For the six months ended 30 June 2025, Guangzhou Zhongkang Digital was entitled to a preferential PRC Corporate Income tax rate of 15% (30 June 2024: 15%).

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

The major components of the income tax expense of the Group during the period are analysed as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current - Mainland China charge for the period	1,933	254
Deferred tax	(289)	(58)
	<u>1,644</u>	<u>196</u>

8. DIVIDENDS

On 28 March 2025, a final dividend for the year ended 31 December 2024 of HK\$7.25 cents per ordinary share, amounting to approximately RMB50,000,000, has been approved by the shareholders at the annual general meeting for the Company.

The board of directors did not declare the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent.

The Group had no potentially dilutive ordinary shares outstanding during the period.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	24,744	41,675

	Number of shares	
	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding used in the basic and diluted earnings per share calculation	407,727,793	417,249,077

10. TRADE AND NOTES RECEIVABLES

	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Trade receivables	122,904	123,476
Notes receivable	3,878	3,887
Impairment	(33,801)	(32,863)
Total	92,981	94,500

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

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 6 months	65,110	71,307
6 to 12 months	15,331	10,026
1 to 2 years	7,047	7,173
2 to 3 years	1,615	2,107
	<hr/>	<hr/>
Total	89,103	90,613
	<hr/> <hr/>	<hr/> <hr/>

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
At beginning of period/year	32,863	23,530
Impairment losses, net	1,016	9,333
Amount written off as uncollectible	(78)	–
	<hr/>	<hr/>
At end of period/year	33,801	32,863
	<hr/> <hr/>	<hr/> <hr/>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Unlisted investments, at fair value	39,871	47,884
Unlisted equity investments, at fair value	50	50
	<hr/>	<hr/>
Total	39,921	47,934
	<hr/> <hr/>	<hr/> <hr/>

The above unlisted investments which represented certain financial products issued by commercial banks in Mainland China with a maturity period within one year, and private funds issued by portfolio company in Mainland China, could be redeemed at any time. The fair values of the financial assets approximate to their costs plus expected interest. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

12. CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Cash and bank balances	46,685	61,904
Time deposits	593,235	555,540
	<hr/>	<hr/>
Subtotal	639,920	617,444
Less:		
Current portion:		
Non-pledged time deposits with original maturity of over three months when required	(578,062)	(448,006)
Non-current portion:		
Non-pledged time deposits with original maturity of over three months when required	(10,434)	(105,723)
	<hr/>	<hr/>
Cash and cash equivalents	<u>51,424</u>	<u>63,715</u>
Denominated in:		
RMB	45,496	29,326
US\$	5,780	34,256
SG\$	87	24
HK\$	61	109
	<hr/>	<hr/>
Cash and cash equivalents	<u>51,424</u>	<u>63,715</u>

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods from one month to three years and earn interest at the fixed time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 3 months	13,742	13,910
4 to 6 months	158	1,311
7 to 12 months	1,202	219
Over 12 months	725	1,178
	<hr/>	<hr/>
Total	<u>15,827</u>	<u>16,618</u>

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

14. OTHER PAYABLES AND ACCRUALS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Payroll payables	10,289	26,249
Contract liabilities	41,442	25,766
Tax payables other than income tax	7,003	5,759
Dividend payable	50,000	–
Other payables	2,754	5,939
	<u>111,488</u>	<u>63,713</u>

Contract liabilities include short-term advances received before the services are rendered.

15. SHARE CAPITAL AND TREASURY SHARES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Authorised: 2,000,000,000 (2024: 2,000,000,000) ordinary shares of US\$0.01 each US\$'000	<u>20,000</u>	<u>20,000</u>
Issued and fully paid: 451,770,000 (2024: 451,770,000) ordinary shares of US\$0.01 each US\$'000 RMB'000	<u>4,518</u> <u>30,384</u>	4,518 <u>30,384</u>

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

	<i>Notes</i>	Number of shares in issue	Share capital RMB'000	Treasury shares RMB'000
At 1 January 2024		451,770,000	30,384	(179,098)
Shares repurchased	(a)	<u>–</u>	<u>–</u>	<u>(28,437)</u>
At 31 December 2024 and 1 January 2025		451,770,000	30,384	(207,535)
Shares repurchased	(b)	<u>–</u>	<u>–</u>	<u>(1,447)</u>
At 30 June 2025		<u>451,770,000</u>	<u>30,384</u>	<u>(208,982)</u>

Notes:

- (a) In 2024, the Company purchased 6,869,500 of its shares on the Stock Exchange at a total consideration of approximately HK\$31,362,000 (equivalent to approximately RMB28,437,000) for a share award scheme.
- (b) In 2025, the Company purchased 407,500 of its shares on the Stock Exchange at a total consideration of approximately HK\$1,597,000 (equivalent to approximately RMB1,447,000) for a share award scheme.

DEFINITIONS

“AI”	artificial intelligence
“AI-MDT”	artificial intelligence multi-disciplinary treatment
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement only and except where the context requires otherwise, references in this results announcement to “China” or “PRC” do not include Hong Kong, the Macau Special Administrative Region and Taiwan
“CHIS”	Chinese Health Industry Intelligence Information System, one of the Group’s SaaS products that provides customers with industry information inquiry, retail data inquiry, drug database and other functions
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“CPEO”	Health Industry Ecological Conference, China’s health industry forward-looking ecological conference
“CPIE”	Pharmaceutical Innovation Ecosystems Conference, forward-looking ecological conference on pharmaceutical innovation in China
“Company”	Sinohealth Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on 4 March 2019 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 7 July 2021

“CRO”	Contract Research Organization, an academic or commercial scientific institution that provides specialized services in the research and development process of basic medicine and clinical medicine for pharmaceutical enterprises, medical institutions, small and medium-sized medical device R&D enterprises and other institutions through contract
“CMO (Contract Manufacturing Organization)”	institutions that accept commissions from pharmaceutical companies for customized production of active pharmaceutical ingredients, intermediates, dosage forms, etc., undertaking production tasks during both new drug development and commercialization phases
“Director(s)”	the director(s) of the Company
“DTP”	the Direct-to-Patient pharmacy model, where patients obtain prescriptions from hospitals and directly purchase medications from pharmacies with professional guidance and services
“DaaS”	Data as a Service, a service-based model that delivers data as a value-added service to clients, integrating into their business operations, also a specialized subset of Software as a Service (SaaS)
“Eligible Participant”	any individual being an Employee Participant, Related Entity Participant or Service Provider, provided such person is not a connected person of the Group
“FY2024”	financial year ended 31 December 2024
“Global Offering”	the Hong Kong public offering and international offering of the Shares
“Group” or “We”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lingxi”	one of our SaaS products that provides medical device manufacturers with data insights primarily based on consumer portrait analytics
“Linghe”	a marketing decision system enabling client-intelligent decisions through analytical models, omnichannel data, and consumer behavioral data
“Lingsu”	one of the products in our Smart Decision Cloud business segment, which is a digital marketing empowerment system that helps customers efficiently formulate deployment strategies, improve deployment efficiency, track marketing effects in real time and collect feed-back on decision-making

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MASC”	Health Traffic Conference, our conference platform focused on traffic research and value interaction
“MDT”	multi-disciplinary treatment
“Nomination Committee”	the nomination committee of the Board
“Pharmacy Connect”	one of our SaaS products that delivers data insights primarily based on pharmacy information analytics
“PHCF”	Pharma & Healthcare Conference and Fair, our event held for healthcare industry players
“Prospectus”	the prospectus of the Company dated 28 June 2022 in connection with the Global Offering
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	six months ended 30 June 2025
“RMB”	Renminbi, the lawful currency of China
“SaaS”	software as a service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted in the cloud
“Share Option Scheme”	the share option scheme adopted by the Company on 27 April 2022
“Share Award Scheme”	the share award scheme adopted by the Company on 5 December 2022
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“SIC”	one of SaaS products of the Group’s Smart Retail Cloud business segment that provides pharmacies with comprehensive services such as operation management, membership management, category management, smart marketing, chronic disease management and pharmaceutical services.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“To B”	sell products and services directly to pharmaceutical and medical equipment enterprises, pharmaceutical retail enterprises
“To C”	sell products and services directly to consumers
“To R”	sell products and services directly to relevant organizations in the field of biomedical research and development
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percent

By order of the Board
Sinohealth Holdings Limited
Wu Yushu
Chairman

Hong Kong, 29 August 2025

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