HealthyWay Inc.
健康之路股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2587)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue	**517,852**	611,485
Gross profit	**161,734**	183,661
Gross profit margin	**31.2%**	30.0%
Profit/(loss) for the period	**7,040**	(57,275)

The board of directors (the "**Board**") of HealthyWay Inc. (the "**Company**") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

for the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**517,852**	611,485
Cost of sales		**(356,118)**	(427,824)
Gross profit		**161,734**	183,661
Other net income		**1,161**	455
Selling expenses		**(87,249)**	(98,576)
Administrative expenses		**(26,256)**	(29,097)
Research and development costs		**(37,386)**	(53,968)
Profit from operations		**12,004**	2,475
Finance cost		**(1,358)**	(2,321)
Share of profits less losses of associates		**(148)**	(315)
Changes in carrying amount of the redemption liabilities		**–**	(62,989)
Profit/(loss) before taxation		**10,498**	(63,150)
Income tax	*4*	**(3,458)**	5,875
Profit/(loss) for the period		**7,040**	(57,275)
Attributable to:			
Equity shareholders of the Company		**7,066**	(55,818)
Non-controlling interests		**(26)**	(1,457)
Profit/(loss) for the period		**7,040**	(57,275)
Earnings/(loss) per share	*5*		
Basic and diluted *(RMB)*		**0.01**	(0.08)

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Profit/(loss) for the period		**7,040**	(57,275)
Other comprehensive income for the period			
Item that is or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas entities		**1,338**	470
Total comprehensive income for the period		**8,378**	(56,805)
Attributable to:			
Equity shareholders of the Company		**8,404**	(55,348)
Non-controlling interests		**(26)**	(1,457)
Total comprehensive income for the period		**8,378**	(56,805)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
at 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		**6,663**	8,660
Intangible assets		**99,020**	81,272
Goodwill		**8,605**	8,605
Interests in associates		**3,060**	3,208
Deferred tax assets		**22,797**	20,300
		140,145	122,045
Current assets			
Inventories		**9,390**	7,096
Contract assets		**62**	111
Other financial assets		**–**	5,549
Trade and other receivables	6	**158,102**	144,208
Prepayments		**14,959**	27,450
Restricted deposits		**138**	10,138
Cash and cash equivalents		**231,425**	260,229
		414,076	454,781

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2025 – unaudited (continued)
(Expressed in Renminbi)

	Note	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Current liabilities			
Trade and other payables	7	**177,508**	208,562
Contract liabilities		**56,002**	58,015
Loans and borrowings		**54,416**	55,502
Lease liabilities		**2,415**	3,267
Current taxation		**20,227**	15,063
		310,568	340,409
Net current assets		**103,508**	114,372
Non-current liabilities			
Loans and borrowings		**301**	905
Lease liabilities		**3,186**	3,724
		3,487	4,629
NET ASSETS		**240,166**	231,788
CAPITAL AND RESERVES	8		
Share capital		**96**	96
Reserves		**235,073**	226,669
Total equity attributable to equity shareholders of the Company		**235,169**	226,765
Non-controlling interests		**4,997**	5,023
TOTAL EQUITY		**240,166**	231,788

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 29 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are providing corporate and digital marketing services and health and medical services.

(i) ***Disaggregation of revenue***

Disaggregation of revenue from contracts with customers by products at major service line and the timing of revenue recognition is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Revenue recognised at a point in time		
– corporate and digital marketing services	**372,946**	443,844
– health and medical services	**89,435**	111,234
– others	**155**	117
	462,536	555,195
Revenue recognised over time		
– corporate and digital marketing services	**40,113**	44,695
– health and medical services	**15,203**	11,595
	55,316	56,290
Total	**517,852**	611,485

(b) Segment reporting

The Group manages its businesses by service lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented three separate segments as follows:

– Provision of corporate and digital marketing services ("**Corporate and digital marketing services**") which mainly consists of content services, information technology services and digital marketing services;

– Provision of health and medical services ("**Health and medical services**") which mainly consists of (i) medical support services; and (ii) value-based medical services; and

– Others.

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results based on the revenue and gross profit of each segment.

No geographical segment analysis is presented as substantially all assets, liabilities, revenue and gross profit of the Group are attributable to the operations in Chinese Mainland.

(i) ***Reportable segment revenue and gross profit***

	Corporate and digital marketing services	Health and medical services	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025				
Revenue	**413,059**	**104,638**	**155**	**517,852**
Cost of sales	**(280,010)**	**(76,079)**	**(29)**	**(356,118)**
Reportable segment gross profit	**133,049**	**28,559**	**126**	**161,734**
Six months ended 30 June 2024				
Revenue	488,539	122,829	117	611,485
Cost of sales	(340,375)	(87,428)	(21)	(427,824)
Reportable segment gross profit	148,164	35,401	96	183,661

Substantially all of the Group's revenue were arising from Chinese Mainland. The Group does not allocate any specific assets or expenditure for property, plant and equipment to the operating segments as the Group's senior executive management does not use the information to measure the performance of the reportable segments.

(ii) ***Reconciliations of reportable segment profit or loss***

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Reportable segment gross profit	**161,734**	183,661
Other net income	**1,161**	455
Selling expenses	**(87,249)**	(98,576)
Administrative expenses	**(26,256)**	(29,097)
Research and development costs	**(37,386)**	(53,968)
Finance costs	**(1,358)**	(2,321)
Share of profits less losses of associates	**(148)**	(315)
Changes in carrying amount of the redemption liabilities	**–**	(62,989)
Consolidated profit/(loss) before taxation	**10,498**	(63,150)

4 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current tax		
Provision for the period	**5,955**	1,243
Deferred tax		
Origination and reversal of temporary differences	**(2,497)**	(7,118)
	3,458	(5,875)

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Island, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Island.

(ii) The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30 June 2024: 16.5%). No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

(iii) The Group's Chinese Mainland subsidiaries are subject to Corporate Income Tax ("**CIT**") at a statutory rate of 25% on their respective taxable income for the six months ended 30 June 2025 and 2024 except for certain subsidiaries mentioned in Notes (iv) and (v) below.

(iv) In accordance with the relevant PRC Corporate Income Tax Laws, regulations and implementation guidance notes, Fujian Health Road Information Technology Co., Ltd. ("**Fujian Health Road**") ("福建健康之路信息技術有限公司") was granted the Advanced and New Technology Enterprise Status for a valid period of 3 years from 2023 to 2025 which entitles Fujian Health Road to a reduced income tax rate at 15% during the valid period.

According to the relevant tax rules in the PRC, qualified research and development costs are allowed for bonus deduction for income tax purpose, as a result, an additional 100% of the qualified research and development costs could be deemed as deductible expenses for the six months ended 30 June 2025 and 2024.

(v) According to the PRC Corporate Income Tax Law and its implementation regulations, certain subsidiaries were qualified as "Small Low-profit Enterprise". These subsidiaries enjoyed a reduced corporate income tax rate of 20%.

5 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB7,066,000 (six months ended 30 June 2024: loss attributable ordinary equity shareholders of the Company of RMB55,818,000) and the weighted average of 877,705,000 ordinary shares (six months ended 30 June 2024: 714,598,000 shares after adjusting for the share subdivision in 2024) in issue during the interim period.

(b) Diluted earnings/(loss) per share

For the six months ended 30 June 2025, diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares.

For the six months ended 30 June 2024, the preferred shares were not included in the calculation of diluted loss per share because their effect would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share.

6 TRADE AND OTHER RECEIVABLES

As of the end of the Reporting Period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the date of billing and net of loss allowance, is as follows:

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Within 1 month	**85,642**	105,781
More than 1 month but within 1 year	**38,691**	11,482
More than 1 year but within 2 years	**804**	2,261
More than 2 years but within 3 years	**420**	247
Trade receivables, net of loss allowance	**125,557**	119,771
Amounts due from related parties	**1,052**	1,000
Deposits	**3,457**	3,997
Other receivables	**28,036**	19,440
Trade receivable, net of loss allowance	**158,102**	144,208

7 TRADE AND OTHER PAYABLES

As of the end of the Reporting Period, the ageing analysis of trade creditors (which are included in trade and other payables), based on invoice date is as follows:

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Within 1 year	**112,920**	121,545
More than 1 year but within 2 years	**315**	109
More than 2 years but within 3 years	**64**	103
More than 3 years	**159**	144
Trade creditors	**113,458**	121,901
Amounts due to shareholders	**4,659**	4,714
Salaries and bonus payables	**20,045**	25,006
Receipts in advance	**13,424**	15,751
Other payables	**25,922**	41,190
	177,508	208,562

8 CAPITAL, RESERVES AND DIVIDENDS

Dividends

The directors do not recommend the payment of an interim dividend in respect of the interim period (six months ended 30 June 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

We operate a digital health and medical service platform in China. Since 2001, we have been providing health and medical services on digital platforms to individual users. In 2015, we expanded our services to corporations and institutions by providing corporate and digital marketing services.

For the six months ended 30 June 2025, we continued to maintain our market presence and expanded our customer base. The number of registered individual users on our platform increased from 205.5 million as of 31 December 2024 to 211.8 million as of 30 June 2025. The number of our registered physicians increased from 889 thousand as of 31 December 2024 to 905 thousand as of 30 June 2025. Further, the number of hospitals connected to our platform increased from 11,762 as of 31 December 2024 to 12,161 as of 30 June 2025.

In particular, our corporate services have maintained steady performance. The revenue of our wellness content services is primarily driven by the number of page view of such wellness content. For the six months ended 30 June 2025, such wellness content had page views of 0.25 billion as compared to 0.4 billion for the six months ended 30 June 2024. We also provided precision content services to 16 pharmaceutical companies and 6 other entities as compared to 9 and nil, respectively, for the six months ended 30 June 2024, and RWS support services to 48 pharmaceutical companies and 6 other entities for the six months ended 30 June 2025 as compared to 30 and nine, respectively, for the six months ended 30 June 2024. In addition, we delivered 212 real world study reports for the six months ended 30 June 2025 as compared to 312 for the six months ended 30 June 2024.

However, our digital marketing services have been affected by the economic downtown. The number of paying corporate and institutional customers of our corporate and digital marketing services decreased to 353 as of 30 June 2025 as compared to 570 as of 31 December 2024.

Our medical support services, in particular pharmaceutical sales business, are also facing some challenges. For the six months ended 30 June 2025, we provided health membership schemes to (i) 5.9 million individual customers as compared to 6.5 million for the six months ended 30 June 2024, including both individual customers who directly purchased health membership schemes from us and individual customers who obtained health membership schemes via our corporate customers; and (ii) 133 corporate customers as compared to 164 for the six months ended 30 June 2024. For the six months ended 30 June 2025, the number of online medical consultations arranged on our platform was 1.4 million as compared to 1.8 million for the six months ended 30 June 2024.

Financial Review

Revenue

Set out below is a breakdown of our revenue by services, in both absolute amounts and as a percentage of our total revenue.

	Six months ended 30 June			
	2025		2024	
	RMB'000	*%*	*RMB'000*	*%*
Health and medical services				
Medical support services				
Health membership schemes	**70,236**	**13.6**	54,256	8.9
Other medical support services	**4,845**	**0.9**	2,949	0.5
Value-based medical services				
Healthcare service packages	**119**	**0.0**	12,262	2.0
Pharmaceutical sales business	**29,438**	**5.7**	53,362	8.7
Subtotal	**104,638**	**20.2**	122,829	20.1
Corporate and digital marketing services				
Corporate services				
Content services	**250,665**	**48.4**	308,600	50.5
Information technology services	**122,647**	**23.7**	129,319	21.1
Digital marketing services	**39,747**	**7.7**	50,620	8.3
Subtotal	**413,059**	**79.8**	488,539	79.9
Others	**155**	**0.0**	117	0.0
Total	**517,852**	**100.0**	611,485	100.0

Our revenue decreased by 15.3% from RMB611.5 million for the six months ended 30 June 2024 to RMB517.9 million for the six months ended 30 June 2025, primarily due to (i) the decrease in revenue from our content services from RMB308.6 million for the six months ended 30 June 2024 to RMB250.7 million primarily because some of our customers have transitioned to direct marketing as part of their revised marketing strategies, thereby reducing their reliance on our real-world study ("**RWS**") support services; further, competition in the generic drug sector has intensified, prompting a shift in resources toward commercialization and as a result, some of our customers have reduced their RWS budgets, (ii) the decrease in revenue from our value-based medical services from RMB65.6 million for the six months ended 30 June 2024 to RMB29.6 million primarily because certain sales agency agreements for our pharmaceutical wholesale business have expired in 2025 and we are in the process of negotiating for new sales agency agreements, and because of the decrease in revenue generated from healthcare service packages from RMB12.3 million for the six months ended 30 June 2024 to RMB0.1 million as a result of the Company's proactive adjustment of the service structure and shifting of priorities to other business segments, and (iii) the decrease in revenue from our digital marketing services from RMB50.6 million for the six months ended 30 June 2024 to RMB39.7 million primarily due to economic downturn and as a result, some of our customers chose to reduce their spending on advertising and marketing.

Cost of Sales

Our total cost of sales decreased by 16.8% from RMB427.8 million for the six months ended 30 June 2024 to RMB356.1 million for the six months ended 30 June 2025, primarily due to the decrease in cost of sales for (i) our corporate and digital marketing services to RMB280.0 million for the six months ended 30 June 2025 from RMB340.4 million for the six months ended 30 June 2024, and (ii) our health and medical services to RMB76.1 million for the six months ended 30 June 2025 from RMB87.4 million for the six months ended 30 June 2024, which is in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

Our gross profit decreased from RMB183.7 million for the six months ended 30 June 2024 to RMB161.7 million and our gross profit margin for the six months ended 30 June 2025 was 31.2% as compared to 30.0% for the six months ended 30 June 2024. Our gross profit margins were primarily affected by our business mix, pricing policies, and cost structures.

The gross profit of health and medical services decreased from RMB35.4 million to RMB28.6 million, and the gross profit of corporate and digital marketing services decreased from RMB148.2 million for the six months ended 30 June 2024 to RMB133.0 million for the six months ended 30 June 2025, primarily due to the decrease in revenue for the reasons set out above.

Other Net Income

Our other net income increased to RMB1.2 million for the six months ended 30 June 2025 from RMB0.5 million for the six months ended 30 June 2024, primarily due to the increase in interest income and government grants, partially offset by the increase in foreign exchange loss.

Selling Expenses

Our selling expenses decreased by 11.6% from RMB98.6 million for the six months ended 30 June 2024 to RMB87.2 million for the six months ended 30 June 2025, primarily due to the decrease in the expenses for marketing campaigns specifically related to our healthcare service packages, and the decrease in expenses for promotion of health membership schemes to corporate customers.

Administrative Expenses

Our administrative expenses decreased by 9.6% from RMB29.1 million for the six months ended 30 June 2024 to RMB26.3 million for the six months ended 30 June 2025, primarily due to the decrease in office expenses and third-party service expenses, and partially offset by the increase in staff costs.

Research and Development Costs

Our research and development costs decreased by 30.7% from RMB54.0 million for the six months ended 30 June 2024 to RMB37.4 million for the six months ended 30 June 2025, primarily due to the completion of several products, such as the AI disease prediction platform, in the second half of 2024, and as a result, technical service fees have decreased.

Finance Costs

Our finance costs decreased by 39.1% from RMB2.3 million for the six months ended 30 June 2024 to RMB1.4 million for the six months ended 30 June 2025, primarily because we have repaid some of our bank loans and borrowings in the first half of 2025.

Changes in Carrying Amount of the Redemption Liabilities

Changes in carrying amount of redemption liabilities represent the amount of changes in our obligations arising from the preferential rights granted to the investors, which was to redeem our shares for cash upon the occurrence of events beyond the control of both the investors and us. We did not record any changes in carrying amount of redemption liabilities for the six months ended 30 June 2025 as compared with an amount of RMB63.0 million for the six months ended 30 June 2024 because such preferential rights were terminated upon listing of our shares ("**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the relevant redemption liabilities have been re-classified to equity.

Profit before Taxation

As a result of the foregoing, we recorded a profit before taxation of RMB10.5 million for the six months ended 30 June 2025 as compared with a loss before taxation of RMB63.2 million for the six months ended 30 June 2024.

Income Tax

For the six months ended 30 June 2025, our income tax expense was RMB3.5 million, while we recorded income tax credit of RMB5.9 million for the six months ended 30 June 2024, primarily due to the shift from a loss before taxation for the six months ended 30 June 2024 to a profit before taxation during the Reporting Period, as well as the reversal of certain deferred income tax assets.

Net Profit

As a result of the foregoing, we recorded a net profit of RMB7.0 million for the six months ended 30 June 2025 as compared with a net loss of RMB57.3 million for the six months ended 30 June 2024.

Discussion of Selected Items in the Consolidated Balance Sheet

Current Assets and Liabilities

Our net current assets decreased by 9.5% from RMB114.4 million as of 31 December 2024 to RMB103.5 million as of 30 June 2025, primarily due to reductions in cash and cash equivalents, prepayments and other financial assets, partially offset by a decline in trade and other payables.

Inventories

Our inventories primarily include medicines and health products. Our inventories increased from RMB7.1 million as of 31 December 2024 to RMB9.4 million as of 30 June 2025, primarily because certain revenue from our content services has yet to be recognized, resulting in the capitalization of related contract fulfillment costs as inventory.

Trade and Other Receivables

Our trade and other receivables increased from RMB144.2 million as of 31 December 2024 to RMB158.1 million as of 30 June 2025, primarily due to extension of payment terms granted to certain customers.

Prepayments

Our prepayments decreased from RMB27.5 million as of 31 December 2024 to RMB15.0 million as of 30 June 2025, primarily due to decrease in prepayment to suppliers following the Company's strategic negotiation on payment terms.

Trade and Other Payables

Our trade and other payables primarily include trade creditors, salaries and bonus payables, receipts in advance, amounts due to shareholders, and other payables. Our trade and other payables decreased to RMB177.5 million as of 30 June 2025 from RMB208.6 million as of 31 December 2024, which was generally in line with the decrease in cost of sales. As of the date of this announcement, the amounts due to shareholders as of 30 June 2025 have been fully settled.

Contract Liabilities

Our contract liabilities remained relatively stable at RMB56.0 million as of 30 June 2025 as compared to RMB58.0 million as of 31 December 2024.

Loans and Borrowings

Our current loans and borrowings decreased to RMB54.4 million as of 30 June 2025 from RMB55.5 million as of 31 December 2024 as we repaid certain of our outstanding loans and borrowings.

Contingent liabilities

We did not have any material contingent liabilities as of 30 June 2025 and as of 31 December 2024.

Non-Current Assets/Liabilities

Our total net assets of RMB231.8 million as of 31 December 2024 increased to RMB240.2 million as of 30 June 2025.

Our property, plant and equipment decreased from RMB8.7 million as of 31 December 2024 to RMB6.7 million as of 30 June 2025, primarily due to depreciation.

Our intangible assets increased from RMB81.3 million as of 31 December 2024 to RMB99.0 million as of 30 June 2025, primarily because we had recognized our R&D results as intangible assets during the Reporting Period.

Our goodwill remained stable at RMB8.6 million as of 31 December 2024 and 30 June 2025.

Liquidity and Financial Resources

Set out below is a summary of our cash flows.

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Net cash generated from operating activities	**34,670**	13,030
Net cash (used in)/generated from investing activities	**(52,344)**	(18,578)
Net cash (used in)/generated from financing activities	**(11,130)**	(13,409)
Net increase/(decrease) in cash and cash equivalents	**(28,804)**	(18,957)
Cash and cash equivalents at 1 January	**260,229**	168,693
Cash and cash equivalents at 30 June	**231,425**	149,736

As of 30 June 2025, our cash and cash equivalents amounted to RMB231.4 million, as compared to RMB260.2 million as of 31 December 2024. Our net cash outflow in investing activities was primarily attributable to RMB50.7 million in expenditures associated with the recognition of our R&D results as intangible assets during the Reporting Period. Our net cash outflow in financing activities was primarily attributable to repayments of bank loans of RMB24.9 million and payment of listing expenses of RMB6.4 million for the six months ended 30 June 2025.

As of 30 June 2025, our total bank loans and borrowings amounted to RMB54.7 million as compared to RMB56.4 million as of 31 December 2024, among which RMB54.4 million will be repaid within one year and RMB0.3 million will be repaid within two years. All loans and borrowings were denominated in RMB, carrying interest at rates ranging from 3.35% to 14.65% per annum (30 June 2024: 3.80% to 11.70%).

Outlook

Looking forward, we expect to improve our financial performance and profitability through further monetizing our pharmaceutical sales business, content services, and information technology services. We plan to enhance the synergies created by our business segments by deepening our connections with more physicians, and integrating their medical services onto our platform. By strengthening connections with and growing our physician base, we could better position ourselves in the pharmaceutical sales business.

In addition, the market of RWS support services has been growing rapidly in China in the past years. By further expanding our cooperation with more physicians, we could broaden our access to a more extensive range of real-world clinical data covering more diseases and medical conditions. Leveraging such capabilities, we expect to generate more valuable insights for pharmaceutical companies for the study of their drugs in real-world setting.

Overall, while the market conditions remain challenging, we remain cautiously optimistic about our business outlook.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, there was no material event after the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to ensuring the Company adhere to a good standard of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted and applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has complied with all the applicable code provisions as set out in CG Code, except for code deviation mentioned in the sub-section of "Chairman and Chief Executive Officer" below.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the role of chairman and chief executive officer should be separated and should not be performed by the same individual.

Currently, Mr. Zhang Wanneng ("**Mr. Zhang**") serves as chairman of the Board and chief executive officer. Mr. Zhang is the founder of the Group and has been operating and managing the Group since incorporation. With extensive experience in the digital healthcare industry, Mr. Zhang is responsible for the overall management, decision-making and strategy planning of the Group and is instrumental to the Group's growth and business expansion since establishment.

Since Mr. Zhang is the key reason for the Group's development and he will not undermine the Group's interests in any way under any circumstances, the Board considers that vesting the roles of chairman and chief executive officer in the same person, Mr. Zhang, would not create any potential harm to the interest of the Group and it is, on the contrary, beneficial to the management of the Group.

In addition, the operation of the senior management and the Board, which comprise experienced individuals, effectively checks and balances the power and authority of Mr. Zhang, as both the chairman and chief executive officer of the Group. The Board currently comprises two executive directors (including Mr. Zhang), one non-executive director and three independent non-executive directors and therefore has a fairly strong independence element in its composition.

The Company is committed to achieving high standard of corporate governance with a view to safeguarding the interests of our Shareholders. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

REVIEW OF THE INTERIM RESULTS

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 have not been audited but have been reviewed by the Company's external auditor and by the Audit Committee of the Board, which consists of two independent non-executive directors and one non-executive director, namely Mr. Xu Jing, Ms. Deng Xiaolan and Mr. Zhang Xiangming, with Mr. Xu Jing as the chairman of the Audit Committee.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2025 (2024: nil).

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.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.jkzlkj.cn. The interim report of the Company for the six months ended 30 June 2025 will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

By order of the Board
HealthyWay Inc.
Zhang Wanneng
Chairman of the Board, executive director and chief executive officer

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Zhang Wanneng and Mr. Chen Jing as executive directors; Mr. Zhang Xiangming as non-executive director; and Mr. Xu Jing, Dr. Lu Tao and Ms. Deng Xiaolan as independent non-executive directors.