Xikang Cloud Hospital Holdings Inc.
熙康雲醫院控股有限公司

(formerly known as Neusoft Xikang Holdings Inc.東軟熙康控股有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 9686)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS

	Year ended December 31,		
	2025	2024	Change
	RMB million	*RMB million*	*RMB million*
Revenue	**464.1**	501.5	(37.4)
Gross profit	**126.7**	147.5	(20.8)
Gross margin	**27.3%**	29.4%	(2.1%)
Loss for the year	**(38.6)**	(83.8)	45.2
Add: Share-based compensation expenses	**19.6**	8.5	11.1
Adjusted net loss for the year (non-HKFRS measure)	**(19.0)**	**(75.3)**	56.3

The board (the "**Board**") of directors (the "**Director(s)**") of Xikang Cloud Hospital Holdings Inc. (the "**Company**" or "**we**", "**us**" or "**our**") is pleased to announce the consolidated annual results of the Company, its subsidiaries and the consolidated affiliated entities controlled under the contractual arrangements (together, the "**Group**") for the year ended December 31, 2025 (the "**Reporting Period**"), as well as the comparative data for the same period in 2024. The above annual results have been prepared in accordance with Hong Kong Accounting Standards and have been reviewed by the audit committee (the "**Audit Committee**") of the Company and independent auditor.

During the Reporting Period, the Company focused on its core business and continued the optimization of business structure. We recorded a total revenue of RMB464.1 million (2024: RMB501.5 million), representing a year-over-year decrease of 7.4% as compared to 2024. During the Reporting Period, we insisted on strengthening receivable management and actively pursued amounts overdue with reversal of impairment loss on trade receivables. Also, our nursing services gradually demonstrated economies of scale, effectively improving organizational effectiveness and resource allocation efficiency with reduced investment in fees, and enhancing operational efficiency through information technology, digitization and AI empowerment, which resulted in reducing our net loss by 53.9% to RMB38.6 million (2024: RMB83.8 million).

CHIEF EXECUTIVE OFFICER'S STATEMENT

2025 witnessed accelerated implementation of structural transformation in China's healthcare industry, moreover, brought Xikang Cloud Hospital from "scale expansion" to "quality enhancement" and "value realization" as a pivotal year. With the increasing trend of the ageing population and declining birth rates, home-based medical care services have evolved from "optional services" to universal "essential public needs". The powerful resonance in supply and demand, coupled with dual empowerment from policies and technologies, is propelling the home medical and nursing market into a golden period of development and ushering in a broader future.

During the year, we have stuck to the core vision of "empowering every family with fair, precise, friendly medical, nursing, and home care services", with the steadfast focus on the strategic direction of "Medical and Nursing Services Delivered to Home". We have precisely positioned amid industry transformation while iterating breakthroughs in response to evolving demands with scaled deployment, technological innovation and ecosystem synergy as the infrastructure, engine and support, respectively. Such steps have not only solidified our leading position in the sector but also achieved simultaneous optimization of business quality, operational efficiency, and financial performance, while tangible operating results have validated the elemental competitiveness and clear profit outlook of the Company.

Strategic Focus and Leading models

In 2025, leveraging the "City-Specific Cloud Hospital Platform" firmly, our key capabilities, including government collaboration, standardized replication, AI empowerment and ecosystem collaboration have been strengthened. Through deep integration of government resources and establishment of the rapidly replicable standardized operating system, in addition to fully embracing AI technologies, we have successfully built a three-pronged main barrier of "government's endorsement + scale effect + intelligent operations", which further cemented our key position in the home medical and nursing sector. In terms of project expansion, our proven platform operation experience and strong reputation for government collaboration have contributed to our success in securing municipal platforms among cities including Changzhou and Xuzhou, paving the way for accessible home-based medical care services across more regions; for model innovation, we have introduced the government voucher linkage mechanism, which precisely aligned professional medical care services with public welfare policies by deep collaboration with local governments, accelerating the implementation of inclusive healthcare.

Restructuring Value and Ramp-up Growth

In 2025, we have reshaped our growth logic with the help of strategic focus, continuing to concentrate resources on primary fields to steer our corporate development with precision. We fully unleashed the potential of the platforms, which are accelerating the transformation of their vast health data repository from a "cost center" into a "value engine". Our refined data analysis and application assisted in continuous enhancement in service precision and operating efficiency, with significant improvements in our financial quality. In the year of 2025, our net losses achieved a substantial narrowing while operating net cash flow maintained positive, leading to the more robust foundation for high-quality development. From the rapid expansion of our cloud hospital service network to the deep accumulation of data assets and the continuous unlocking of user value, we have established the growth drivers with a positive cycle of "scale-efficiency-value", guiding Xikang Cloud Hospital into a new phase of development.

Ecological Integration and Win-win Coexistence

We are redefining our role within the industry chain – upgrading from a "medical service provider" to a "health value integrator". In 2025, committed to our open and mutually beneficial philosophy, we have gone all out for building the comprehensive ecosystem incorporating "Medical Care + Nursing + Health Management + Derivative Services". In virtue of resource sharing and complementary strengths, we conducted deep collaboration with industry chain partners, including pharmaceutical enterprises, medical device suppliers, and insurance providers, so as to successfully incubate diverse new business models including "nursing + testing," "nursing + insurance," and "nursing + equipment leasing". Apart from continuously exploring our profit margin spots, we have initiated a sustainable business ecosystem benefiting all stakeholders, enabling users to gain more comprehensive and higher-quality health services, partners to achieve business growth and cost optimization, and us to obtain diversified revenue through ecosystem services and data empowerment, realizing mutual benefits for all parties within the ecosystem.

Staying True to Original Aspiration and Foremost in the Future

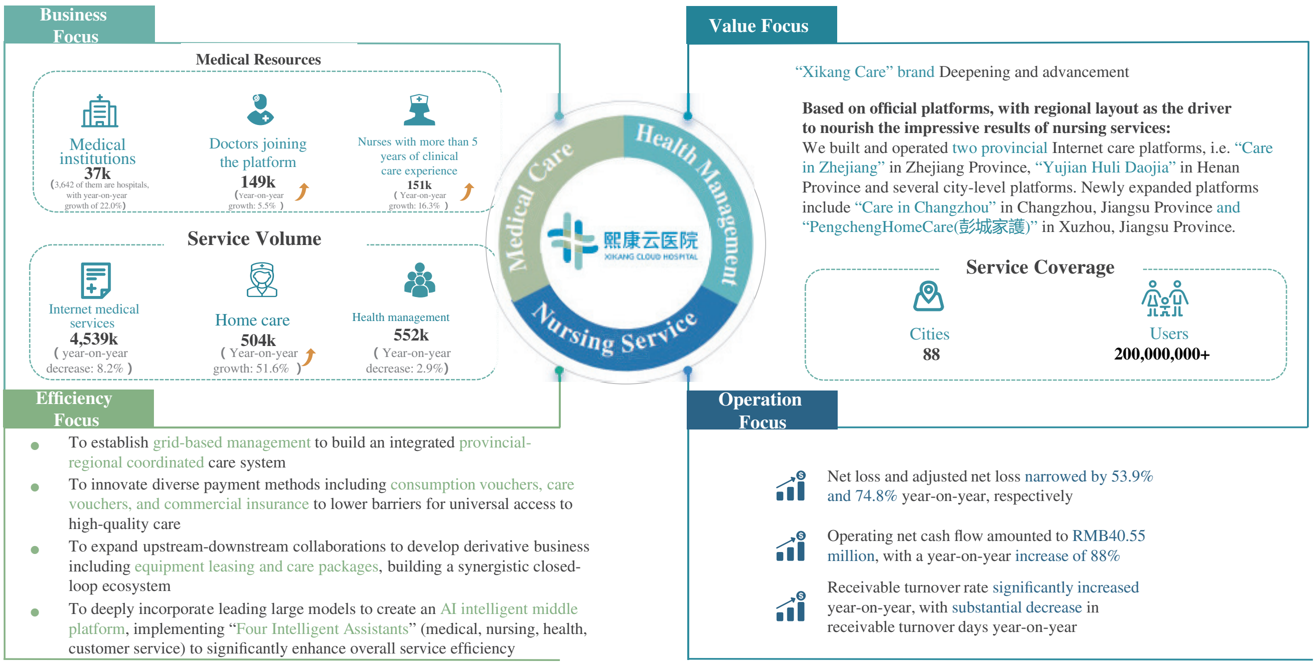
Over the past year, we have achieved steady growth in our own operations and moreover, the service rules have been reshaped for the home medical and nursing market by standardized service delivery and the promotion of innovative models. As a result, professional and safe medical care services have transcended the spatiotemporal constraints, reaching numerous households and becoming a solid cornerstone supporting public livelihoods.

Looking ahead, a grand blueprint for industry advancement is going to be collectively charted in view of profound iteration in demographic structure, technology-driven innovation, sustained policy incentives, and evolving service philosophies. Due to the highlighted industrial value, leading enterprises are strategically expanding into the home care field, representing validation for market potential and elevating expectations for industry leading participants. As one of the pioneers in the industry, we remain dedicated to our original mission when living up to the responsibilities called by the times to build competitive barriers with differentiated business models, fortify our development foundation with robust operational services, and seize the opportunities with the clear growth path.

We have always forged ahead practically for lasting stability. We will continue to pioneer in advancing medical healthcare accessibility by delivering reliable results to benefit society and providing our investors with long-term and stable returns, along with commitment to foster the enhancement of universal health and constructing Healthy China.

ZONG Wenhong
Chief Executive Officer and Chief Medical Officer
March 20, 2026

COMPREHENSIVE REVIEW OF THE RESULTS IN THE YEAR OF 2025



I. BUSINESS REVIEW

At present, China is facing a structural challenge as deeply aging population and low birth rates running in parallel. On the one hand, aging population has generated huge and rigid demand for home care services and chronic disease management. On the other hand, the low birth rate has made families more reliant on professional care services for maternity, infants and children. This trend has led to a significant imbalance between traditional offline medical services in terms of time, space and supply, and has also generated enormous market potential for out-of-hospital extended services such as in-home nursing services. Meanwhile, China is aggressively promoting the application of "AI + Healthcare" and the construction of a hierarchical diagnosis and treatment system, explicitly encouraging the optimization of resource allocation through the Internet, AI and other technologies. This has created a great development opportunity for online medical platforms to undertake primary-level services and extend out-of-hospital scenarios.

With the dual drive as rigid social demand and policy guidance, professional in-home nursing care services are increasingly becoming the important force supporting families and unlocking social vitality. We have always adhered to taking city as the entrance. **With the support of local governments, we rapidly, massively and cost-effectively access city's medical resources, enabling doctors and nurses to provide more professional and convenient medical and care services for city residents.**

Through our combined strategy of "**replicable platform model, distinctive nursing services, in-depth integration of AI and big data applications, and open industrial ecosystem**", we systematically promote the digital and intelligent transformation and upgrading of regional medical service models. We continuously optimize the precise matching between urban medical resources and medical demand, build a more efficient regional digital medical service ecosystem, and extend our professional medical and nursing services to every household in the city, and ensure that medical and nursing services in home settings are equally professional, safe and reliable as those provided in hospitals to achieve seamless connection.

Unique "City-specific Cloud Hospital Platform" Business Model

We take government cooperation as our core focus to ensure **the credibility of our platform**. Through in-depth linkage with regional healthcare service systems, we quickly integrate the regional medical resource network, achieving efficient integration and full connectivity of regional medical resources, and forming the **credibility barrier** for our "City-specific Cloud Hospital Platform".

We integrate medical service resources in batches on a city-by-city basis, **forming our standardized replication model**. Through our city expansion strategy that combines "regional platform to institutional promotion" and "institutional model to regional platform", we efficiently and massively integrate core resources such as medical institutions, doctors and nurses to drive their intensive settlement on our platform, and rapidly build a localized cloud hospital platform. Relying on a full-scenario service system (Medical Care + Nursing Service+ Health Management) and a standardized operation model, we achieve large-scale replication and expansion. With the established large-scale service network, we build a sustainable **market penetration barrier**.

We take AI technology as the core engine to drive the **construction of a new intelligent medical service ecosystem**. Leveraging a multi-modal AI technology system, we build a digital medical and health closed loop of "intelligent matching – precise service – quality control – continuous optimization". Through the continuous technological iteration and scenario expansion, we promote data-driven intelligent decision-making and business process optimization, comprehensively improving the quality and efficiency of medical and nursing care and health management services. We also continuously build **a brand effect barrier** by accelerating our city expansion.

Platform Service Scaling: Building a National Standardized Service Network

As China's leading operator of "Internet + Nursing Services", we have consistently positioned "at-home medical and care services" as our core strategic focus, to accelerate the development and expansion of city-specific cloud hospital platforms within the smart healthcare ecosystem. Drawing on the proven experience of successfully operating China's first city-specific cloud hospital platform in Ningbo, we have established a full-chain digital medical service system covering medical treatment, nursing, and health management. The decade-proven "Ningbo Model" is highly replicable, providing a standardized implementation pathway for our national business expansion. By continuously deepening the application of AI technology and the development of smart healthcare systems, combined with in-depth market penetration in key regions including East China, North China, and South China, we have achieved rapid growth of city-specific cloud hospital platform network, with significantly enhanced platform coverage and service efficiency. As of December 31, 2025, the number of medical institutions connected to our city-specific cloud hospital platform network was over 37,000, of which the number of hospitals was 3,642 (December 31, 2024: 2,986), representing an increase of 22.0% as compared to the previous year. There were 149,000 doctors joining our platforms (December 31, 2024: 142,000), representing an increase of 5.5% compared to the previous year. There were 151,000 nurses (with over 5 years of clinical experience) joining our platforms (December 31, 2024: 130,000), representing an increase of 16.3% as compared to the previous year.

In 2025, the brand influence of "Xikang Nursing" continued to expand. By leveraging the first-mover advantage in "Internet + Nursing Services" and a validated standardized operation system, we have formed a synergistic development pattern of "provincial benchmark demonstration + municipal rapid replication". During the Reporting Period, we further strengthened cooperation with various provincial and municipal governments across China. While deeply operating two provincial-level "Internet + Nursing Services" benchmarks in Zhejiang Province and Henan Province, we newly expanded platforms such as "Chang Xiang Huli" in Changzhou City and "Peng Cheng Jia Hu" in Xuzhou City, steadily expanding our nursing service footprint. Meanwhile, supported by an intelligent AI dispatching system, intelligent and precise resource allocation, and a full-process AI monitoring and quality control system, we have achieved improvements in both operational efficiency and service quality, enabling our core business to maintain a leading position in high-speed growth. In 2025, the volume of home care services we provided exceeded 504,000 (December 31, 2024: 332,000), representing an increase of 51.6% as compared to the previous year. The volume of online nursing consultations we provided exceeded 386,000 (December 31, 2024: 324,000), representing an increase of 19.1% as compared to the previous year.

Platform Data Valorization: Digital Cornerstone Empowering Ecological Development

As an innovative business production system, "the city-specific cloud hospital platform" network generates massive and diverse healthcare data continuously around the clock and across all scenarios with the explosive growth of business scale. These data include follow-up visit and treatment data for common and chronic diseases from the internet medical system, continuous care and rehabilitation data from the internet nursing system, as well as long-term vital sign monitoring data collected by the physical examination system. These highly valuable data, featuring strong connectivity and wide business coverage, are integrated and interoperable with in-hospital clinical data, forming an accurate digital portrait covering the entire life cycle of patients. This lays a solid data foundation for the transformation of the entire medical system from "treatment-oriented" to "health-oriented" and endows the platform with unique asset attributes.

Based on that, we operate massive, multi-dimensional and high-quality data as core assets. The continuously connected healthcare service resources and the constantly generated and integrated medical and health data resources on the platform serve as the "new nuclear energy" driving the industrial ecosystem, providing broad development space for the aggregation of industrial ecological resources and the innovation of application scenarios.

Platform Industrial Ecosystemization: Generating Value from Medical and Nursing Services to Health Ecosystem

Our platform is not only a livelihood service platform but also an industrial ecosystem platform. Centered closely on "at-home medical and nursing services", driven by technologies such as AI and big data, and based on the in-depth integration of the three core businesses as "Medical Care + Nursing Service + Health Management", we accelerate the integration of ecological service resources, continuously innovate to meet users' all-round healthcare needs, and build a one-stop, full-chain service industrial ecosystem relying on the cloud hospital platform, to constantly enhance the market competitiveness of our unique cloud hospital platform model. Through the deep integration of technological innovation and specialized operation, we continue to empower medical institutions and healthcare professionals and improve service efficiency. Through data-driven intelligent matching systems, we efficiently allocate medical and nursing resources, shorten response times and optimize user experience. Through precise user portrait analysis and demand insights, we continuously improve healthcare service quality for users and industrial chain partners, comprehensively promoting the precise extension of the medical model from hospitals to out-of-hospital and home settings, and upgrading from basic needs to specialized and personalized services, and deeply building a full-scenario covered collaborative service system of "prevention-treatment-rehabilitation".

During the Reporting Period, based on the refined demands in specialized fields and the interest appeals of multiple parties, we actively explored incremental markets, taking the elderly, women and children, patients with chronic diseases, and post-operative patients as core service targets. We continuously optimized specialized medical and nursing solutions for obstetrics and gynecology, pediatrics, traditional Chinese medicine, rehabilitation, neurology, and other departments in home care scenarios. By expanding service boundaries and refined operation, we built a service system covering home care services, rehabilitation services, medical equipment rental, at-home rapid testing, specialized service packages, and other formats. Through value sharing with industrial ecological partners such as pharmaceutical companies, equipment suppliers, and insurance companies, we jointly built a full-cycle, multi-level service matrix of "healthcare services + derivative products", empowering the platform's one-stop service capabilities and precisely responding to users' diversified health needs. Driven by heartful and professional service, we build an ecological closed loop of collaborative growth, promoting the upgrading of medical and nursing services from one-way diagnosis and treatment to lifelong health partners. While enhancing commercial value, we create more comprehensive healthcare value to society.

Strategic Focus Delivers Results: Structural Optimization Continuously Improves Financial Quality

During the Reporting Period, based on the cloud hospital platform model and the core business focus strategy, we deeply integrated AI technology into core business scenarios and concentrated resources on strategic business innovation and urban network expansion. By divesting non-core loss-making businesses, disposing of offline inefficient assets, and combining the service product matrix with intelligent operation, the Company has achieved a significant improvement in business value and optimized operational efficiency. The adjusted net loss has narrowed substantially, and operating net cash flow has continued to improve, forming a sustainable development closed loop with multi-dimensional linkage of "scale growth-efficiency improvement-quality optimization-value growth", laying a solid foundation for national large-scale replication and sustainable development.

The following table sets forth the revenue from each business segment for the periods indicated:

	Years ended December 31,			
	2025		2024	
	Amount	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)			
Medical Service *(Note 1)*	**145,594**	**31.4%**	216,670	43.2%
Nursing Service *(Note 2)*	**79,719**	**17.2%**	56,151	11.2%
Health Management Service *(Note 3)*	**238,825**	**51.4%**	228,675	45.6%
Total	**464,138**	**100.0%**	501,496	100.0%

Notes:

1 Revenue generated from our medical services segment decreased by 32.8% to RMB145.6 million for the year ended December 31, 2025 from RMB216.7 million for the year ended December 31, 2024, mainly attributable to the fewer project opportunities resulting from our implementation of structural optimizations for certain low-profit business units to maximize the utilization of existing resources to enhance resource efficiency along with intensifying market competition.

2 Revenue generated from our nursing services segment increased by 42.0% to RMB79.7 million for the year ended December 31, 2025 from RMB56.2 million for the year ended December 31, 2024, mainly attributable to the gradual demonstration of economies of scale of nursing services benefiting from our realization of rapid replication by market promotion and professional operation apart from enhancing operational efficiency through information technology, digitization and AI empowerment.

3 Revenue generated from our health management services segment increased by 4.4% to RMB238.8 million for the year ended December 31, 2025 from RMB228.7 million for the year ended December 31, 2024, mainly attributable to the increase in health management products.

Development of Three Major Business Segments

Xikang Cloud Hospital has been focusing on residents' healthcare needs, continuously promoting the innovation of service scenarios and contents of "Medical Care + Nursing Service + Health Management", and continuously leads the development of at-home medical and care industry in China. Relying on the city-specific cloud hospital platform, we have built a service ecosystem covering the entire life cycle: **The Medical Services Segment** digitally empowers medical institutions and practicing physicians to deliver online medical services featuring integration of online and offline services, continuity between in-hospital and out-of-hospital care, and equal emphasis on treatment and rehabilitation. **The Nursing Service Segment** extends care services to out-of-hospital scenarios through a professional and standardized system, providing safe, reliable home care services and online nursing consultation services of the same quality as those provided in hospitals. **The Health Management Segment** offers full-cycle health management services to individual and institutional users through self-operated medical institutions. Based on the deeply integrated mechanism of the three closely connected and highly efficient business segments,' we systematically integrate ecological service resources, continuously innovate to meet users' comprehensive healthcare needs, strengthen the unique competitiveness of our platform model, and further consolidate our leading position in the market.

We consistently uphold digital and intelligent innovation, driven by AI and large model technologies as core engines and guided by user needs. Through in-depth technological integration and innovative scenario applications, we have built an AI intelligent middle platform and launched an intelligent assistant matrix covering the full spectrum of healthcare services, including "AI Doctor Assistant", "AI Nurse Assistant", "AI Health Assistant", and "AI Customer Service Assistant". This has achieved instant service response, intelligent resource allocation, improved efficiency for medical and nursing staff, and optimized user experience. We have realized the full-chain intelligence from demand identification to service delivery, significantly enhanced the overall service efficiency of the cloud hospital platform, and promoted the upgrading of healthcare service scenarios toward precision and humanization.

During the Reporting Period, we continued to focus on "at-home medical and care services". While consolidating our existing leading market position, we strategically expanded into emerging regions, developed cooperation across the upstream and downstream industrial chains, and explored new business growth drivers. Through efficient collaboration and integration of the three major business scenarios of medical treatment, nursing, and health management, we comprehensively improved resource integration efficiency and achieved cross-regional synergy. We have built an integrated business linkage system of "medical treatment + pharmacy + nursing + testing".

Medical Services

We strictly adhere to the seriousness of medical services and put patients at the center, continuously innovating and meeting patients' service needs from hospital to home, offline to online, and treatment to rehabilitation, by deeply integrating medical service ecosystem resources within city and aligning with national healthcare consumption trends, to provide users with high-quality, efficient, safe and reliable home medical services of the same quality as in-hospital services through our city-specific cloud hospital platform. During the Reporting Period, we further refined the specialized operation of internet healthcare, continuously expanded medical service scenarios and enriched medical resources to provide cooperative medical institutions with integrated home medical service solutions, including online diagnosis and treatment, home monitoring, self-service test ordering, in-home sampling, and intelligent report interpretation. This has comprehensively improved the service supply capacity of our partner medical institutions and has formed an increasingly mature city-level medical service operation network.

With the rapid development of AI technology in achieving precision and intelligence in assisted medical services, we continue to upgrade our technological infrastructure based on large models and big data, providing a digital and intelligent healthcare service system for both doctors and patients. For doctors, we offer "AI Doctor Assistant" and "AI-assisted medical record generation" embedded in all aspects of the medical service chain, helping doctors improve diagnosis and treatment efficiency, and supporting medical institutions in optimizing the quality and efficiency of internet-based medical services. For patients, we provide tools including "AI triage", "AI pre-consultation", and "AI interpretation of examination and test reports". Leveraging large models and data analysis technologies, we conduct in-depth analysis of patient data, medical knowledge, and clinical guidelines. Through 24/7 real-time online response, we accurately match patients with high-quality medical resource connections and medical service provision.

During the Reporting Period, we continued to promote structural adjustment and optimization, resulting in periodic fluctuations in the volume of medical service business, with total internet medical service volume as 4,539,000 (December 31, 2024: 4,944,000), representing a decrease of 8.2% compared to the previous year. Among that, the volume of our online consultation services was 2,273,000 (December 31, 2024: 2,460,000) representing a decrease of 7.6% compared to the previous year. The volume of e-prescription services was 773,000 (December 31, 2024: 785,000), representing a decrease of 1.6% compared to the previous year. The volume of our remote medical services was 884,000 (December 31, 2024: 1,184,000), representing a decrease of 25.3% compared to the previous year. The volume of examination and test-booking services was 609,000 (December 31, 2024: 515,000), representing an increase of 18.4% compared to the previous year, resulting from our at-home testing one-stop service solution integrating "online test ordering + on-site sampling + report interpretation", enabling users to access professional and rapid testing without leaving home. This has not only deepened business synergy but also improved resource utilization efficiency.

During the Reporting Period, the revenue generated from our Medical Services amounted to RMB145.6 million (December 31, 2024: RMB216.7 million), representing a decrease of 32.8% compared to previous year.

Nursing Services

As an innovative leader in China's home medical care industry, under the background of strict entry and strong regulation in the industry, we have always adhered to the fundamental principles of professionalism, safety and reliability, and followed the core strategy of "official platforms and regional layout". Through the "city-specific cloud hospital platform" model, we efficiently integrate medical resources and promote the rapid launch of at-home medical and care services in multiple regions. Since pioneering the innovative pilot of home care services in Ningbo in 2016, we have built a mature, complete and standardized operation and service system through long-term practice and experience accumulation, realizing large-scale development from regional pilots to cross-provincial linkage. At present, our business covers East China, Central China, South China, Southwest China, Northeast China and other regions in China.

Horizontal Expansion: Establishing Industry Benchmarks and Promoting Regional Synergistic Development

We are committed to promoting the standardized and regulated development of home care services. By establishing unified management systems, service models, operation mechanisms and training systems among cities, we ensure that residents in all business-covered areas can enjoy high-quality and homogeneous home care services. With the "Zhe Li Huli" platform as the core, we have innovatively explored a provincial grid management model, covering 672 medical institutions across the province. We have broken down information barriers between platforms, hospitals and primary medical institutions, achieved seamless connection of resources and services, and built an integrated provincial-linked nursing system, which effectively promotes the optimal allocation and efficient utilization of medical resources across the province. Meanwhile, we actively implement the "Horizontal Integration" strategy to promote the in-depth integration of nursing services with various industries. By deepening cooperation with the government, finance, insurance, pharmaceutical companies, testing institutions and other stakeholders, we continuously expand home care service scenarios, innovatively launch various payment models such as nursing consumption coupons and commercial insurance payment, and actively explore new business formats such as "nursing + testing" and "nursing + insurance", further broadening business boundaries and achieving resource sharing and complementary advantages.

Relying on mature technical capabilities, an extensive customer base and a professional operation system, we have successfully created a leading "government-enterprise-hospital" tripartite cooperation model in the industry. At present, we have fully undertaken the construction and operation of a number of provincial and municipal official regional-level "Internet + Nursing Services" platforms, and built a home care service network covering Zhejiang, Henan, Chongqing, Liaoning, Guangxi, Anhui, Jiangsu and other provinces and cities, with the covered population continuously growing to more than 200 million. During the Reporting Period, we continued to deepen the operation of "Zhe Li Huli" in Zhejiang Province, "Yujian Huli Daojia" in Henan Province, "Sheng Qing Huli" in Shenyang City, Liaoning Province, "Nan'ning Yunyiyuan Jujia Huli" in Nan'ning City, Guangxi Zhuang Autonomous Region, "Yu Yue Yun Huli" in Jiulongpo District, Chongqing City, and "Xuan Hui Huli" in Xuancheng City, Anhui Province. We also newly expanded platforms such as "Chang Xiang Huli" in Changzhou City and "Peng Cheng Jia Hu" in Xuzhou City, Jiangsu Province, forming a cross-regional and multi-level service layout.

In the future, we will continue to implement the differentiated path of "government cooperation, regional layout and market-oriented operation", balance business innovation and ecological integration, and by continuously optimizing the service system, expanding service coverage and enriching business forms, lead the large-scale, standardized and high-quality development of home care services.

Vertical Development: AI Empowers Professional Operations and Elevates Multi-Dimensional Value

So far we have established a highly replicable and adaptable standardized operation system. Through standardized process design and intelligent technical support, we have deepened our professional operation capabilities. Relying on AI and big data technologies, we have built a refined operation model to achieve intensive development of existing markets and rapid replication in new markets. Besides, we have strengthened data operation, dynamically optimized service resource allocation through user behavior analysis and demand forecasting, increased user reach and promoted user conversion, realized "public domain traffic acquisition + private domain conversion", and continuously expanded the base of paying nursing users. As of December 31, 2025, the volume of home care services we provided exceeded 504,000 (December 31, 2024: 332,000), representing an increase of 51.6% as compared to the previous year.

Centered on user needs and based on the construction of a standardized management system, we have fully upgraded our home care services platform. By deeply integrating technologies such as natural language processing and multi-modal interaction, we have successfully launched "Xiao Xi Assistant", an AI nursing agent, forming a service closed loop covering intelligent prediction, precise matching and dynamic optimization. We have launched the "Route Planning Assistant", which optimizes the algorithm model by accessing multi-source real-time big data and AI paths to help nurses intelligently plan the optimal service routes. We have built a three-in-one intelligent customer service system of "AI Customer Service + WeChat Work + Customer Service Representatives", achieving instant response and seamless interaction from user consultation to problem resolution, significantly improving service efficiency and user experience simultaneously, and further enhancing user satisfaction.

In terms of service depth, we have built a professional service system covering the entire medical life cycle. As of December 31, 2025, we have provided more than 240 refined in-home nursing services in 13 major categories (December 31, 2024: over 200 items). These services range from newborn care and infant growth monitoring, to PICC catheter maintenance and specialized wound/stoma care, from post-operative rehabilitation guidance and home-based chronic disease management, to traditional rehabilitation services such as TCM massage and cupping, as well as hospice care programs including pain management and psychological support. Our professional capabilities run through users' health journey from the beginning to the end of life, truly realizing full-cycle health protection "from cradle to heaven", and we are committed to providing users with "One-stop Home Medical and Nursing Solutions".

In terms of service forms, we have focused more on in-depth innovation in specialized nursing, strengthened ecological network linkage and accelerated value transformation with specialized services as the pivot, and fully tapped the potential value of high-value users, forming a multi-level service and product matrix. During the Reporting Period, medical equipment rental has emerged as a new growth engine for nursing derivative services. Through expanding ecological partners and exploring demand scenarios for home care services, we have built a professional rental medical equipment matrix covering maternity and infant care, wound care, catheter care and other fields, creating an integrated service model of "professional medical nursing services + professional medical equipment rental". For the maternity and infant group with increasingly prominent home care needs, we have broken the restrictions of traditional service scenarios and innovatively launched the "Mobile Postpartum Care Service Package", which precisely bridges the gap between hospital wards and home recuperation for postpartum women, freeing professional postpartum care services from the constraints of space and environment.

During the Reporting Period, the revenue generated from our Nursing Services amounted to RMB79.7 million (December 31, 2024: RMB56.2 million), representing an increase of 42.0% as compared to the previous year.

Health Management Services

We always take user health as our mission and are committed to building a user-centric, technology-driven integrated health service system of "Prevention-Screening-Management" with deep integration of online and offline services, providing comprehensive and integrated health management solutions for institutional and individual clients. During the Reporting Period, relying on the layout of 9 medical institutions in key cities across the country, we cooperated with ecological partners to create full-process health protection featuring "in-depth testing + private health butler" for customers.

With efficient business synergy, extensive resource integration and strong brand recognition, we deeply explore and respond to health management needs in different scenarios. Taking standardized physical examination services as the unified entrance and combining cutting-edge technologies such as genetic testing and functional medicine testing, we provide one-stop services covering early disease screening, precise diagnosis, treatment and intervention. On the basis of consolidating and strengthening service synergy, we continue to refine our distinctive "1+N" health management model ("1" represents basic physical examination services to ensure service quality and reliable data, "N" represents value-added services flexibly combined according to customers' needs), and constantly explore paths for business innovation and breakthroughs. During the Reporting Period, we further enhanced ecological synergy and cooperated with a number of professional third-party testing institutions to jointly promote the "precision testing + precision nutrition" O2O health management solution based on genetic testing and big data analysis, which significantly improved the scientificity and personalization of service content.

We continue to deepen the application of multi-modal health data analysis and AI technology. Relying on the AI intelligent middle platform, we have upgraded core functions including intelligent interpretation of physical examination reports and structured health record management, and innovatively launched digital tools such as the "AI Medical Assistant Xiaokang" intelligent analysis system and the visualized "Full Body Health Map". These have realized full-process intelligent tracking of health assessment, personalized intervention programs and effect tracking, built a health management service system with higher technological content and more agile response, comprehensively improved the accuracy and intelligence of health management, and created a high-quality health management experience for users. In 2025, the volume of our health management services was 552 thousand, representing a decrease of 2.9% as compared to the previous year (December 31, 2024: 569 thousand).

During the Reporting Period, the revenue generated from our Health Management Services amounted to RMB238.8 million (December 31, 2024: RMB228.7 million), representing an increase of 4.4% as compared to the previous year.

II. BUSINESS PROSPECTS

The internet healthcare industry is undergoing a profound transformation centered on structural changes. Five major trends are intertwined to jointly reshape the industry ecosystem: The first one, the demographic change of population is fostering a new paradigm of home-based medical care. With accelerating global population aging and smaller family structures, the urgent demand of the elderly for convenient and professional care is driving home medical care to become a basic package. Second, technological innovation is forging new pathways for AI and full-course disease management. AI is evolving into the core hub of health management, enabling end-to-end data connectivity spanning risk prediction in prevention, precise diagnosis in screening, treatment plan optimization, and dynamic adjustment during rehabilitation. Third, advancing the Healthy China initiative requires strong emphasis on primary healthcare, improving the grassroots medical service network, promoting the downward flow of high-quality medical resources, and effectively solving the "last-mile" problem. Fourth, policy dividends are unlocking new industrial drivers. National institutional innovation and resource allocation continue to empower the sector, with special policies for the silver economy highlighting priority areas such as home-based elderly care and smart healthcare. Fifth, the shift in service philosophy is leading a new revolution in health governance, as medical services move from passive disease treatment to proactive health management. As the pioneer of the city-specific cloud hospital platform model in China and a leader in the digital transformation of serious medical care, we will consistently achieve efficient large-scale replication through our "standard city development model", fully empower scenario innovation via "in-depth AI application", and build a sustainable business system with a "diversified high-value ecosystem". These efforts will jointly drive our high-quality growth and accelerate the healthcare industry towards precision, personalization, and proactivity.

In terms of large-scale replication and expansion, we will further consolidate and release the pioneer advantage of "Internet + Nursing Services". Relying on our proven standardized operation system, we will focus on economically developed regions and highly populated provinces including the Yangtze River Delta, Pearl River Delta, and Beijing-Tianjin-Hebei region, rapidly promoting the national layout of our service network and continuously expanding our leading market position. By deepening the strategic integration of the city-specific cloud hospital platform into the smart healthcare ecosystem, we will deliver professional, safe, and diversified medical and nursing services to more households across the country, while optimizing the efficient matching between platform resources and user demand. We will build a multi-scenario and multi-format home medical and nursing service system, accelerate the conversion of resources into market efficiency based on our large-scale service network, amplify scale effects, and achieve coordinated growth of social and commercial value.

In terms of the in-depth application of AI, we will focus on promoting the deep integration of AI and big data technologies to fully upgrade our "at-home medical and nursing services" system. Centered on multi-modal AI, we will realize real-time data collection, analysis, and feedback, and build an intelligent management closed loop covering "prevention-treatment-rehabilitation". Through full-process data accumulation, we will develop a dynamically self-optimizing intelligent data platform, break the spatial and temporal boundaries of traditional medical services, extend service scenarios precisely from hospitals to homes, and upgrade services toward specialization and personalization. Driven by technology and empowered by data, we will achieve service precision, streamlined business processes, and continuous product innovation, supporting the efficient and sustainable development of our core business.

In terms of the diversified high-value ecosystem, we will leverage our large user base and data assets accumulated on the platform to deepen the composite profit model of "service + product + ecosystem" and realize the strategic upgrading from "medical service provider" to "health value integrator". By deeply integrating into the healthcare and elderly care ecosystem, we will promote efficient cross-sectoral resource synergy and enrich the connotation of "online and at-home" healthcare services. By building a one-stop healthcare service platform, we will expand value-added services such as testing reagents, rehabilitation equipment, and health insurance to enhance user lifetime value. Through the positive cycle of "services generate data → data empowers services" we will provide self-driven core momentum for the long-term ecological development of the city-specific cloud hospital platform and achieve the fusion of data value into industrial value. Based on the city-specific cloud hospital platform and its accumulated "Medical Care + Nursing Service + Health Management" resources, we will deeply integrate governments, medical institutions, commercial insurers, pharmaceutical and device supply chains, and health management service providers to build a win-win ecosystem of "Medical Care + Payment + Supply Chain + Data".

We have reshaped the service supply system through the city-specific cloud hospital platform and upheld the bottom line of safety and quality with professional service capabilities. Amid industry transformation, policy guidance, and long-term user trust, we have taken a difficult yet correct path toward inclusive healthcare. We firmly believe that with large-scale layout as the path, technological innovation as the engine, and ecological synergy as the support, we will surely fulfill our mission of "making fair, precise, and friendly healthcare and home care services accessible to every family", so that warm and high-quality home medical and nursing services become reliable health protection for countless Chinese families.

III. FINANCIAL REVIEW

Revenue from Contracts with Customers

Our revenue decreased by 7.4% to RMB464.1 million for the year ended December 31, 2025 from RMB501.5 million for the year ended December 31, 2024, mainly attributable to the decrease in revenue from medical services.

Medical Services

Revenue generated from our medical services segment decreased by 32.8% to RMB145.6 million for the year ended December 31, 2025 from RMB216.7 million for the year ended December 31, 2024, mainly due to the fewer project opportunities resulting from our implementation of structural optimizations for certain low-profit business units to maximize the utilization of existing resources to enhance resource efficiency along with intensifying market competition.

Nursing Services

Revenue generated from our nursing services segment increased by 42.0% to RMB79.7 million for the year ended December 31, 2025 from RMB56.2 million for the year ended December 31, 2024, mainly attributable to our rapid replication achieved through marketing and professional operation which gradually demonstrated economies of scale of nursing services, as well as enhancement of operational efficiency through information technology, digitization and AI empowerment.

Health Management Services

Revenue generated from our health management services segment increased by 4.4% to RMB238.8 million for the year ended December 31, 2025 from RMB228.7 million for the year ended December 31, 2024, mainly attributable to the increase in health management products.

Cost of Sales and Services

Our cost of sales and services decreased by 4.7% to RMB337.4 million for the year ended December 31, 2025 from RMB354.0 million for the year ended December 31, 2024, mainly attributable to the decrease in revenue.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit decreased by 14.1% to RMB126.7 million for the year ended December 31, 2025 from RMB147.5 million for the year ended December 31, 2024.

During the Reporting Period, the gross margins of medical services, nursing services and health management services, amounted to 15.0%, 19.4% and 37.5% (2024: 23.4%, 25.3% and 36.2%) respectively. Our gross margin decreased to 27.3% for the year ended December 31, 2025 from 29.4% for the year ended December 31, 2024, mainly attributable to the decrease in the Company's overall gross profit margin led by the decline in the gross profit margin of the medical services segment as compared to the same period last year.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 11.2% to RMB58.8 million for the year ended December 31, 2025 from RMB66.2 million for the year ended December 31, 2024, mainly attributable to the continuous strengthening of production control and the constant improvement of resource allocation efficiency.

Research and Development Expenses

Our research and development expenses decreased by 22.2% to RMB32.7 million for the year ended December 31, 2025 from RMB42.0 million for the year ended December 31, 2024, mainly attributable to the continuous optimization of organizational effectiveness, resulting in a decrease in manpower and related expenses.

Administrative Expenses

Our administrative expenses increased by 12.7% to RMB93.8 million for the year ended December 31, 2025 from RMB83.2 million for the year ended December 31, 2024, mainly attributable to the increase in share-based compensation expenses.

Other Income

Our other income decreased by 62.2% to RMB6.1 million for the year ended December 31, 2025 from RMB16.1 million for the year ended December 31, 2024, mainly attributable to (i) decreased returns from investment in wealth management products; and (ii) decreased government grants.

Other Gains, Net

Our net other gains increased by 206.4% to RMB14.4 million for the year ended December 31, 2025 from RMB4.7 million for the year ended December 31, 2024, mainly attributable to (i) increase in revenue from disposal of subsidiaries and associates; and (ii) increase in foreign exchange gains.

Finance Income and Finance Costs

Our finance costs after deducting net finance income increased by 19.7% to RMB7.3 million for the year ended December 31, 2025 from RMB6.1 million for the year ended December 31, 2024, mainly attributable to a decrease in interest income

Share of Losses of Associates

Our share of losses of associates decreased by 74.0% to RMB4.5 million for the year ended December 31, 2025 from RMB17.4 million for the year ended December 31, 2024, mainly attributable to a decrease in losses of associates.

Income Tax Credit/(Expense)

We recorded an income tax expense of RMB6.1 million for the year ended December 31, 2025, compared to an income tax credit of RMB0.1 million for the same period in 2024, mainly attributable to a decrease in deferred income tax credit.

Loss for the Year

As a result of the foregoing, our loss for the Reporting Period decreased by 53.9% to RMB38.6 million for the year ended December 31, 2025 from RMB83.8 million for the year ended December 31, 2024.

Adjusted Net Loss (Non-HKFRS Measure)

To supplement our consolidated statements of profit or loss which are presented in accordance with HKFRS, we use adjusted net loss for the Reporting Period (non-HKFRS measure) as a non-HKFRS measure, which are not required by, or presented in accordance with, HKFRS. We believe that the presentation of such non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful information to potential investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of share-based compensation expenses. The use of the non-HKFRS measure has limitations as an analytical tool, and investors should not consider it in isolation from, or as a substitute for or superior to, the analysis of our results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS measure may be defined differently from similar terms used by other companies.

The following table reconciles our adjusted net loss for the period (non-HKFRS measure) to the most directly comparable financial measure in accordance with HKFRS for the periods indicated:

	Year ended December 31,	
	2025	2024
	(RMB in thousands)	
Loss for the year	**(38,552)**	(83,845)
Add: Share-based compensation expenses	**19,549**	8,579
Adjusted net loss for the year (non-HKFRS measure)	**(19,003)**	(75,266)

The non-HKFRS measure, adjusted net loss for the year, used by us has been adjusted for share-based compensation expenses. In particular, the share-based compensation expenses are a non-cash expense arising from granting share-based awards to selected employees.

Our adjusted net loss (non-HKFRS measure) decreased by 74.8% from RMB75.3 million for the year ended December 31, 2024 to RMB19.0 million for the year ended December 31, 2025. For the year ended December 31, 2025, the decrease in our adjusted net loss (non-HKFRS measure) was mainly because (i) the Group insisted on strengthening receivable management and actively pursued amounts overdue, with reversal of impairment loss on trade receivables during the Reporting Period; and (ii) the Group effectively improved organizational effectiveness and resource allocation efficiency, and enhanced operational efficiency through information technology, digitization and AI empowerment, which resulted in a decrease in selling and distribution expenses and research and development expenses.

Contingent Liabilities

As of December 31, 2025, we were not involved in any material legal, arbitration or administrative proceedings that were expected to materially and adversely affect our financial condition or results of operations, although there can be no assurance that this will not be the case in the future.

As of December 31, 2025, we did not have any significant contingent liabilities (as of December 31, 2024: nil).

Capital Expenditures

During the Reporting Period, we incurred capital expenditures of RMB5.5 million mainly for purchases of property, plant and equipment (for the year ended December 31, 2024: RMB13.4 million).

Pledge of Assets

As of December 31, 2025, the Group did not pledge any assets (as of December 31, 2024: nil).

Future Plans for Material Investments or Capital Assets

Save as disclosed under the section headed "Proceeds from the Global Offering" herein, as of December 31, 2025, the Group did not have any other plans for material investments or capital assets.

Liquidity and Capital Resources

Historically, we have funded our working capital primarily from bank borrowings and equity financing. As of December 31, 2025, we had cash and cash equivalents of RMB545.5 million (as of December 31, 2024: RMB760.9 million). We expect to use a portion of the proceeds from the Global Offering (within the meaning of the Prospectus of the Company dated September 18, 2023) to fund our working capital requirements. We currently do not have any plans for material additional external financing.

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,	
	2025	2024
	(RMB'000)	
Cash generated from operations	**30,409**	9,058
Interest received	**14,551**	19,941
Income taxes paid	**(4,412)**	(7,435)
Net cash generated from operating activities	**40,548**	21,564
Net cash (used in)/generated from investing activities	**(155,668)**	110,452
Net cash used in financing activities	**(91,010)**	(56,562)
Net (decrease)/increase in cash and cash equivalents	**(206,130)**	75,454
Cash and cash equivalents at the beginning of the period	**760,857**	676,794
Effects of exchange rate changes on cash and cash equivalents	**(9,189)**	8,609
Cash and cash equivalents at the end of the period	**545,538**	760,857

Net Cash Generated from Operating Activities

Our cash flows from operating activities reflect: (i) cash generated from operations; and (ii) other cash items (such as interest received and income tax paid).

For the year ended December 31, 2025, we had net cash generated from operating activities of RMB40.5 million, which represents our cash generated from operations of RMB30.4 million and other cash items of RMB10.1 million.

Net Cash Used in Investing Activities

For the year ended December 31, 2025, we had net cash used in investing activities of RMB155.7 million, which was mainly attributable to subscription amount for our wealth management products of RMB426.9 million, partially offset by the redemption amount for our wealth management products of RMB249.9 million.

Net Cash Used in Financing Activities

For the year ended December 31, 2025, we had net cash used in financing activities of RMB91.0 million, which was mainly attributable to (i) repayments of borrowings of RMB529.9 million, partially offset by the proceeds from bank borrowings of RMB482.9 million; (ii) payments of lease liabilities of RMB22.2 million and (iii) payments for interests of RMB19.8 million.

Borrowings

As of December 31, 2025, the aggregate principal balance of our borrowings was RMB462.9 million (as of December 31, 2024: RMB509.9 million). As of December 31, 2025, RMB0.9 million of our banking facilities remained unutilized (as of December 31, 2024: RMB0.1 million).

As of December 31, 2025, all of our borrowings were bank loans. The maturity dates of our outstanding borrowings fall on or before October, 2026.

Significant Investments Held

During the Reporting Period, the significant investments held by the Company are as follows:

		As at December 31, 2025				**Year ended December 31, 2025**	
Name of the investee company	**Principal business**	**Investment cost** *(RMB'000)*	**Shareholding percentage**	**Carrying amount** *(RMB'000)*	**Percentage of total assets of the Group**	**Dividend distributed** *(RMB'000)*	**Investment loss in associates** *(RMB'000)*
Neusoft Management Consulting (Shanghai) Co., Ltd.	Business consulting service, including, among others, medical devices	96,436	49.00%	76,727	6.72%	–	(758)

Note:

The Group's investments in associates set out above were made before the listing and held during the Reporting Period. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. All associates are unlisted companies, and there is no quoted price or fair value available.

Neusoft Management Consulting (Shanghai) Co., Ltd. mainly holds a property, which is used by the Group to provide health management services. Accordingly, the Directors believe that investments in Neusoft Management Consulting (Shanghai) Co., Ltd. could bring synergistic effects to our Group, which is conducive to our future development.

For the year ended December 31, 2025, the Group subscribed for wealth management products issued by Shenwan Hongyuan Financial Products Company Limited with its idle Proceeds from the Global Offering as part of the Group's cash management to improve the efficiency of capital utilization, increase capital income, and achieve the preservation and appreciation of the Proceeds while maintaining security and flexibility. As at December 31, 2025, the investment costs of wealth management products held by the Group amounted to US$20.1 million, with a fair value of US$20.5 million, and the fair value as a percentage of the Group's total assets as at December 31, 2025 was 12.6%, and the unrealised gain or loss was US$0.4 million during the Reporting Period.

Save as disclosed above, during the Reporting Period, the Company did not hold any other significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as at December 31, 2025), and no situations of subscribing for such wealth management products with a single financial institution that required disclosure in accordance with Chapter 14, Chapter 14A or paragraph 32(4) of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Capital Commitments

As of December 31, 2025, we did not have any material capital commitments.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

On May 20, 2025, (i) Xikang Health Technology Co., Ltd. ("**Xikang Health Technology**"), a wholly-owned subsidiary of the Company, Neutech Group Limited ("**Neutech**"), and Dalian Xikang Yunshe Kang Travel Investment Management Co., Ltd. ("**Dalian Yunshe**") entered into the equity transfer agreement, pursuant to which, Xikang Health Technology disposed of the registered capital of Dalian Yunshe of RMB32,757,364 held by Xikang Health Technology, representing approximately 4.23% of total share capital of Dalian Yunshe, for a consideration of RMB30 million; and (ii) Neutech and Dalian Yunshe entered into the capital increase agreement, pursuant to which, the registered capital of Dalian Yunshe will be increased by RMB49,136,047. Following the completion of the equity transfer and capital increase arrangement, through Xikang Health Technology, the Company holds the registered capital of Dalian Yunshe of RMB58,982,636, representing approximately 7.15% of the total share capital of Dalian Yunshe.

For the details, please refer to the Company's announcement dated May 20, 2025.

Save as disclosed above, our Company did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

RISK MANAGEMENT

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currencies of our Company and the subsidiaries operating in the PRC are US dollar and Renminbi. We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures and try to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

We operate mainly in the PRC with most of the transactions settled in Renminbi. Our management considers that our business is not exposed to any significant foreign exchange risk as we have no significant financial assets or liabilities denominated in currencies other than the respective functional currencies of our entities. As of December 31, 2025, our Company did not hold any financial instruments for hedging purposes.

Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities which are considered as borrowings and total lease liabilities less cash and cash equivalents. As at December 31, 2025, the gearing ratio was not applicable as the Group recorded net cash position.

Cash Flow and Fair Value Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates and we have no significant interest-bearing assets except for the investments in wealth management products.

PURCHASE, SALE OR REDEMPTION OF OUR LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares). As of the end of the Reporting Period, the Company did not hold any treasury shares.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2025, the Company had 763 full-time employees, all of whom are based in China. The following table sets forth the breakdown of the Company's employees by function as of December 31, 2025:

Function	Number of Employees	% of Total
Management and administration	137	18.0%
Sales and marketing and operational support	175	22.9%
Research and development	131	17.2%
Health management	320	41.9%
Total	**763**	**100.00%**

For the year ended December 31, 2025, the compensation and benefits expenses of the Company paid to its employees were RMB149.7 million (2024: RMB166.1 million). As of December 31, 2025, among all of the Company's 763 employees, 422 employees had bachelor's degrees or above, accounting for 55.3% of the Company's total employees.

The Company is committed to establishing competitive and fair remuneration. In order to effectively motivate the Company's employees, the Company continually refines its remuneration and incentive policies through market research. The Company conducts performance evaluations for employees semi-annually to provide feedback on their performance. Compensation for employees typically consists of basic salary and a performance-based bonus. We also adopted multiple share option schemes to enhance the enthusiasm, sense of responsibility and sense of mission of our employees, and thereby aligning the interests of our employees with the interests of our Company.

We provide social insurance plans and housing provident funds in accordance with applicable PRC laws and regulations to our employees. We pay great attention to our employees' welfare, and continually improve our welfare system. We offer employees additional benefits such as annual leave, stipends, supplementary medical insurance, health examinations and medical insurance for family members, among other things.

The Group provides employees with adequate job training to equip them with practical knowledge and skills. The Company also conducts introductory training for new staff.

As of the date of this results announcement, the Company did not have any strikes, protests or other material labor conflicts that materially impair the Company's business and image.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, after the Reporting Period and up to the date of this results announcement, there has been no significant event which had materially affected the Group's business operations and finances.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as the basis for the Company's corporate governance practices. The Company is committed to implementing the best corporate governance practices.

The Company has complied with the code provisions under the CG Code during the Reporting Period.

PROCEEDS FROM THE GLOBAL OFFERING

On September 28, 2023, the Shares of our Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), with a total of 133,805,500 Shares issued at an offer price of HK$4.76. The net proceeds from the Global Offering (the "**Proceeds**"), after deducting the underwriting commissions and other offering expenses payable by us in connection with the Global Offering, were approximately HK$554.5 million (the over-allotment option was not exercised), which will be used in accordance with the use of Proceeds as disclosed in the Prospectus as follows:

- approximately 30% of the net Proceeds, for expansion of city-specific cloud hospital platforms to enlarge our medical networks and user base;

- approximately 25% of the net Proceeds, for enriching our offerings across the industry value chain to provide more professional and diversified healthcare services;

- approximately 25% of the net Proceeds, for research and development on technology infrastructure and data capabilities;

- approximately 10% of the net Proceeds, for potential mergers and acquisitions opportunities;

- approximately 10% of the net Proceeds, for working capital and other general corporate purposes.

As of December 31, 2025, the Group's use of the net Proceeds is set out in the table below:

Purpose of use	% of use of Proceeds	Net Proceeds *(HK$ million)*	Unutilized Amount as at January 1, 2025 *(HK$ million)*	Utilized amount during the Reporting Period *(HK$ million)*	Unutilized Amount as at December 31, 2025 *(HK$ million)*	Expected timetable For utilization
Expansion of city-specific cloud hospital platforms to enlarge our medical networks and user base	30%	166.3	150.1	49.3	100.8	By December 31, 2028
Enriching our offerings across the industry value chain to provide more professional and diversified healthcare services	25%	138.6	128.5	33.1	95.4	By December 31, 2028
Research and development on technology infrastructure and data capabilities	25%	138.6	117.7	40.8	76.9	By December 31, 2028
Potential mergers and acquisitions opportunities	10%	55.5	55.5	–	55.5	By December 31, 2028
Working capital and other general corporate purposes	10%	55.5	44.7	14.9	29.8	By December 31, 2028

In order to improve the fund utilization efficiency, reasonably utilize the temporarily idle Proceeds, realize value preservation and appreciation of the Proceeds, and protect the interest of shareholders of the Company, the Board resolved on June 13, 2024 and June 13, 2025, respectively, that, without prejudice to the normal operating activities of the Company, the Proceeds that are expected to remain idle for more than one year are intended to be used in proper purchases of wealth management products that feature high security, sound liquidity, and can be redeemed at any time, and the amount shall be no more than US$40 million (the equivalent of approximately HK$312.4 million and HK$314.0 million calculated based on the exchange rates published by the People's Bank of China as at the dates of relevant Board meeting), for cash management purpose. Such amounts can be utilized on a rolling basis within 12 months from the relevant dates of the Board's resolution, respectively. The return from cash management is accounted to the Company, which will not affect in substance the normal use of the Proceeds in accordance with the intended purposes as disclosed in the Prospectus and the normal operations of the Company. The Board believes that cash management is in the interest of the Company and its shareholders as a whole.

On March 13, 2026 the Company subscribed for wealth management product in an amount of US$15,409,726 from Shenwan Hongyuan Financial Products Company Limited. For details, please refer to the announcement dated March 13, 2026 of the Company.

In the event that the subscription for wealth management products based on the amounts above may constitute a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A of the Listing Rules in the future, the Company has complied with and will continue to comply with the relevant requirements under the Listing Rules.

FINAL DIVIDEND

The Board has resolved not to recommend the distribution of a final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: nil).

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") to the Listing Rules as its code of conduct for securities transactions by Directors.

Having made specific enquiries to all of the Directors, all Directors confirmed that they have fully complied with all relevant requirements set out in the Model Code during the Reporting Period.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this results announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement, and consequently no assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee (the "**Audit Committee**") of our Company comprises three independent non-executive Directors, namely Dr. CHEN Yan, Dr. QI Guoxian and Dr. YIN Guisheng. Dr. CHEN Yan is the chairwoman of the Audit Committee. The Audit Committee has reviewed the annual results of our Company for the year ended December 31, 2025, and the accounting principles and practices adopted by our Company, and has discussed relevant internal control, risk management and financial reporting with the management. The Audit Committee believes that the Company's consolidated annual results for the year ended December 31, 2025 are in compliance with relevant accounting standards, laws and regulations.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**2025**	2024
		RMB'000	*RMB'000*
REVENUE	*4*	**464,138**	501,496
Cost of sales		**(337,389)**	(353,998)
Gross profit		**126,749**	147,498
Selling and distribution expenses		**(58,814)**	(66,209)
Research and development expenses		**(32,692)**	(42,010)
Administrative expenses		**(93,763)**	(83,233)
Reversal of impairment losses/(impairment losses) on financial and contract assets, net		**17,091**	(37,170)
Gain on recovery of accounts receivable written-off		**1,101**	–
Other income	*4*	**6,090**	16,100
Other expense		**(860)**	–
Other gains, net		**14,391**	4,652
Finance income	*6*	**15,300**	20,897
Finance costs	*6*	**(22,567)**	(27,018)
Share of losses of associates		**(4,527)**	(17,434)
LOSS BEFORE TAX	*5*	**(32,501)**	(83,927)
Income tax (expense)/credit	*7*	**(6,051)**	82
LOSS FOR THE YEAR		**(38,552)**	(83,845)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	Note	**2025** **RMB'000**	2024 RMB'000
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods			
Exchange differences:			
Exchange differences on translation of a foreign operation		**267**	(286)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		**267**	(286)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		**(9,925)**	–
Income tax effect		**1,489**	–
		(8,436)	–
Exchange differences:			
Exchange differences on translation of the Company's financial statements into presentation currency		**(14,791)**	9,941
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		**(23,227)**	9,941
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX		**(22,960)**	9,655
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(61,512)**	(74,190)
Loss attributable to:			
Owners of the parent		**(38,926)**	(83,053)
Non-controlling interests		**374**	(792)
		(38,552)	(83,845)
Total comprehensive loss attributable to:			
Owners of the parent		**(61,886)**	(73,398)
Non-controlling interests		**374**	(792)
		(61,512)	(74,190)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted (RMB)		**(0.05)**	(0.10)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 December 2025** ***RMB'000***	31 December 2024 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**29,758**	31,684
Right-of-use assets		**48,330**	60,689
Intangible assets		**2,911**	2,532
Investments in associates		**85,443**	169,559
Equity investments designated at fair value through other comprehensive income		**44,093**	–
Long-term trade receivables	*9*	**3,669**	5,860
Prepayments		**770**	–
Other receivables		**3,844**	3,251
Deferred tax assets		**6,159**	6,950
Total non-current assets		**224,977**	280,525
CURRENT ASSETS			
Inventories		**17,242**	17,268
Assets recognised from costs to fulfil contracts		**7,753**	6,000
Trade receivables	*10*	**81,315**	101,974
Contract assets		**2,779**	6,217
Prepayments		**6,683**	7,557
Other receivables		**34,724**	35,309
Other current assets		**5,707**	7,873
Financial assets at fair value through profit or loss		**214,226**	36,842
Restricted deposits		**5**	12
Cash and cash equivalents		**545,538**	760,857
Total current assets		**915,972**	979,909
CURRENT LIABILITIES			
Trade payables	*11*	**186,034**	201,137
Contract liabilities		**29,060**	29,013
Other payables and accruals		**66,368**	63,923
Interest-bearing bank borrowings		**463,447**	510,305
Lease liabilities		**29,711**	24,326
Tax payables		**2,343**	2,660
Other current liabilities		**45**	66
Total current liabilities		**777,008**	831,430
NET CURRENT ASSETS		**138,964**	148,479
TOTAL ASSETS LESS CURRENT LIABILITIES		**363,941**	429,004

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	31 December 2025 *RMB'000*	31 December 2024 *RMB'000*
NON-CURRENT LIABILITIES		
Contract liabilities	**17,183**	14,145
Lease liabilities	**25,400**	39,839
Deferred income	**4,420**	4,420
Deferred tax liabilities	**3,534**	2,478
Total non-current liabilities	**50,537**	60,882
Net assets	**313,404**	368,122
EQUITY		
Equity attributable to owners of the parent		
Share capital	**1,125**	1,125
Share premium	**2,543,431**	2,543,431
Reserves	**348,104**	359,083
Accumulated losses	**(2,579,256)**	(2,540,330)
	313,404	363,309
Non-controlling interests	**–**	4,813
Total equity	**313,404**	368,122

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Xikang Cloud Hospital Holdings Inc. (the "Company") was incorporated in the Cayman Islands on 12 May 2011 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company, an investment holding company, and its subsidiaries (together, the "Group") are principally engaged in provision of the following services: (i) medical services; (ii) nursing services; and (iii) health management services in the People's Republic of China (the "PRC").

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and considered it not to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts referencing Nature-dependent electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments*: *Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) medical services;

(b) nursing services; and

(c) health management services.

The directors of the Company, who are the chief operating decision makers ("CODM"), monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment revenue and gross profit of each operating segment. The selling and distribution expenses, administrative expenses, research and development expenses, impairment losses on financial and contract assets, net, other income, other expense, other gains, net, finance income, finance costs, share of losses of associates and income tax credit/(expense) are not allocated to individual operating segments.

Revenue from external customers reported to CODM is measured as segment revenue, which is derived from the customers in each segment. Cost of sales primarily comprises cost for purchasing of hardware and software, cost of development services, salary and compensation expenses.

The segment information provided to CODM is measured in a manner consistent with that applied in these financial statements. There was no information on separate segment assets and segment liabilities provided to CODM, as CODM does not use such information to allocate resources to or evaluate the performance of the operating segments.

Year ended 31 December 2025	**Medical services** *RMB'000*	**Nursing services** *RMB'000*	**Health management services** *RMB'000*	**Total** *RMB'000*
Segment information				
Sales to external customers	**145,594**	**79,719**	**238,825**	**464,138**
Cost of sales	**(123,790)**	**(64,225)**	**(149,374)**	**(337,389)**
Segment gross profit	**21,804**	**15,494**	**89,451**	**126,749**
Reconciliation:				
Selling and distribution expenses				**(58,814)**
Research and development expenses				**(32,692)**
Administrative expenses				**(93,763)**
Reversal of impairment losses on financial and contract assets, net				**17,091**
Gain on recovery of accounts receivable written-off				**1,101**
Other income				**6,090**
Other expenses				**(860)**
Other gains, net				**14,391**
Finance income				**15,300**
Finance costs				**(22,567)**
Share of losses of associates				**(4,527)**
Loss before tax				**(32,501)**

Year ended 31 December 2024	Medical services *RMB'000*	Nursing services *RMB'000*	Health management services *RMB'000*	Total *RMB'000*
Segment information				
Sales to external customers	216,670	56,151	228,675	501,496
Cost of sales	(166,060)	(41,936)	(146,002)	(353,998)
Segment gross profit	50,610	14,215	82,673	147,498
Reconciliation:				
Selling and distribution expenses				(66,209)
Research and development expenses				(42,010)
Administrative expenses				(83,233)
Impairment losses on financial and contract assets, net				(37,170)
Other income				16,100
Other gains, net				4,652
Finance income				20,897
Finance costs				(27,018)
Share of losses of associates				(17,434)
Loss before tax				(83,927)

Geographical information

(a) Revenue from external customers

	2025 ***RMB'000***	2024 *RMB'000*
Chinese mainland	**464,138**	501,088
Other regions	**–**	408
Total revenue	**464,138**	501,496

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

(b) Non-current assets

As at 31 December 2025 and 2024, all of the non-current assets of the Group were located in Chinese mainland.

Information about a major customer

No revenue from the Group's sales to a single customer accounted for 10% or more of the Group's revenue during the years ended 31 December 2025 and 2024.

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**464,138**	501,496

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2025

Segments	**Medical services**	**Nursing services**	**Health management services**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Geographical markets				
Chinese mainland	**145,594**	**79,719**	**238,825**	**464,138**
Timing of revenue recognition				
Recognised at a point in time	**140,399**	**79,223**	**238,554**	**458,176**
Recognised over time	**5,195**	**496**	**271**	**5,962**
Total	**145,594**	**79,719**	**238,825**	**464,138**

For the year ended 31 December 2024

Segments	Medical services	Nursing services	Health management services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Geographical markets				
Chinese mainland	216,262	56,151	228,675	501,088
Other regions	408	–	–	408
Total	216,670	56,151	228,675	501,496
Timing of revenue recognition				
Recognised at a point in time	201,503	55,096	228,371	484,970
Recognised over time	15,167	1,055	304	16,526
Total	216,670	56,151	228,675	501,496

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Medical services	**3,124**	5,214
Nursing services	**129**	442
Health management services	**19,724**	20,082
Total	**22,977**	25,738

(b) Performance obligations

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

Medical services

The performance obligation is satisfied over time or at the point in time as services are rendered and payment in advance is normally required, except for customers of cloud hospital platform services, where a certain percentage of payment in advance is typically required and the remaining payment is generally due within one year from the date of billing.

Nursing services

The performance obligation is satisfied over time or at the point in time as services are rendered and payment in advance is normally required.

Health management services

The performance obligation is satisfied over time or at the point in time as services are rendered. For individual customers of comprehensive health management services, payment in advance is normally required and for enterprises customers of comprehensive health management services, payment is generally due within 90 days from the date of billing. For customers of smart healthcare products, a certain percentage of payment in advance is typically required and the remaining payment is generally due within one year from the date of billing, except for some selected customers where payments are due in one to ten years.

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

	2025	2024
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Medical services	**65,165**	63,357
Nursing services	**4,530**	1,222
Health management services	**81,747**	80,239
Total	**151,442**	144,818

Management expects that RMB57,832,000 (2024: RMB44,245,000) of the transaction price allocated to the unsatisfied contracts as at 31 December 2025 will be recognised as revenue within one year. The remaining RMB93,610,000 (2024: RMB100,573,000) will be recognised over one year.

An analysis of other income is as follows:

	2025	2024
	RMB'000	*RMB'000*
Government grants*	**4,423**	8,872
Investment return on wealth management products	**1,558**	7,000
Value added tax ("VAT") refund and VAT reduction	**4**	126
Refund of service fee for withholding individual income tax	**105**	102
Total	**6,090**	16,100

* Government grants mainly include one-time incentives for listed companies and project-based subsidies to support regional development, encourage innovation, and promote digital transformation.

5. LOSS BEFORE TAX

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

	2025 *RMB'000*	2024 *RMB'000*
Cost of sales of hardware, software, raw materials and others	**258,812**	272,330
Depreciation of property, plant and equipment	**8,867**	8,313
Depreciation of right-of-use assets	**21,477**	19,460
Amortisation of software	**492**	522
Amortisation of patents	**118**	118
Lease payments not included in the measurement of lease liabilities	**446**	751
Auditor's remuneration	**1,879**	1,784
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	**115,097**	128,825
Share-based compensation expenses	**19,549**	8,579
Social security costs and housing benefits*	**27,013**	29,521
Other employee benefits**	**7,545**	7,715
Total	**169,204**	174,640
Foreign exchange differences, net***	**(1,762)**	(42)
(Reversal of impairment of)/impairment of financial and contract assets, net:		
Impairment of long-term trade receivables, net	**3,351**	769
(Reversal of impairment of)/impairment of trade receivables, net	**(19,964)**	35,819
(Reversal of impairment of)/impairment of other receivables, net	**(62)**	312
(Reversal of impairment of)/impairment of contract assets, net	**(416)**	270
Total	**(17,091)**	37,170
Impairment/(reversal of impairment loss) loss on inventories****	**214**	(370)
Gain on bargain purchase***	**(1,622)**	(1,202)
Gain on partial disposal of equity interest in an associate***	**(4,459)**	–
Gain on disposal of a subsidiary***	**(3,827)**	–
Gain on recovery of accounts receivable written-off	**(1,101)**	–
Fair value gains on financial assets at fair value through profit or loss, net***	**(3,233)**	(3,604)
Loss on disposal of property, plant and equipment, net***	**560**	934
Gain on partial or full termination of the lease, net***	**(103)**	(376)
Service fee for purchase of wealth management products*****	**860**	–

* The social security costs and housing benefits include RMB13,132,000 (2024: RMB15,419,000) relating to pension scheme contributions. There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

** The other employee benefits include RMB6,479,000 (2024: RMB6,098,000) relating to termination benefits.

*** These items are included in "Other gains, net" in the consolidated statement of profit or loss and other comprehensive income.

**** This item is included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

***** This item is included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

6. FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	2025	2024
	RMB'000	*RMB'000*
Finance income		
Interest income	**15,300**	20,897
Finance costs		
Interest on bank borrowings	**(19,844)**	(23,362)
Interest on lease liabilities	**(2,723)**	(3,656)
	(22,567)	(27,018)

7. INCOME TAX

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

Cayman Islands

The Company is incorporated as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to Cayman Islands income tax.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax. The first HKD2,000,000 (2024: HKD2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the years ended 31 December 2025 and 2024.

Chinese mainland

The income tax provision of the Group in respect of its operations in the Chinese mainland was subject to statutory tax rate of 25% on the assessable profits during the years ended 31 December 2025 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

Xikang Healthcare Technology Co., Ltd. was qualified as a "High and New Technology Enterprise" ("HNTE") under the relevant PRC laws and regulations on 26 December 2025 and 15 November 2022, respectively. Accordingly, the entity was entitled to a preferential income tax rate of 15% during the years ended 31 December 2025 and 2024. This status is subject to a reapplication of HNTE status of Xikang Healthcare Technology Co., Ltd every three years.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits for that year.

The income tax expense/(credit) of the Group is analysed as follows:

	2025	2024
	RMB'000	*RMB'000*
Current – Chinese mainland		
Charge for the year	**3,834**	4,380
Underprovision in prior years	**261**	16
Deferred	**1,956**	(4,478)
Total tax charge/(credit)	**6,051**	(82)

A reconciliation of the tax (credit)/expense applicable to loss before tax at the statutory tax rate for the jurisdiction in which the operations of the Group are substantially based to the tax (credit)/expense at the effective tax rate is as follows:

	2025	2024
	RMB'000	*RMB'000*
Loss before tax	**(32,501)**	(83,927)
Tax at the statutory tax rate	**(10,309)**	(25,378)
Income not subject to tax	**(2,072)**	(300)
Expenses not deductible for tax	**1,219**	4,708
Super deduction of research and development expenses	**(2,591)**	(3,568)
Tax losses and temporary differences recognised from previous periods	**(686)**	(4,846)
Tax losses and temporary differences not recognised	**21,347**	34,460
Tax losses utilised from previous periods	**(1,118)**	(5,174)
Adjustments in respect of current tax of previous periods	**261**	16
Tax charge/(credit) at the Group's effective rate	**6,051**	(82)

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 841,876,805 (2024: 841,876,805) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of basic and diluted loss per share is based on:

	2025	2024
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(38,926)**	(83,053)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculation	**841,876,805**	841,876,805

9. LONG-TERM TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Long-term trade receivables	**15,031**	18,169
Less: Impairment	**(8,006)**	(4,655)
	7,025	13,514
Less: long-term trade receivables due within one year	**(3,356)**	(7,654)
Net carrying amount	**3,669**	5,860

The Group signed contracts with medical institutions, governments and enterprises in relation to the sales of smart healthcare products. According to the payment terms in the contracts, the total consideration of the sales of smart healthcare products will be collected within 13 months to 10 years.

An ageing analysis of the long-term trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	**–**	6,202
4 months to 1 year	**3,000**	–
1 to 2 years (excluding 1 year)	**4,210**	370
2 to 3 years (excluding 2 years)	**333**	5,082
3 to 4 years (excluding 3 years)	**1,905**	6,515
4 to 5 years (excluding 4 years)	**5,583**	–
	15,031	18,169
Less: Impairment	**(8,006)**	(4,655)
	7,025	13,514
Less: long-term trade receivables due within one year	**(3,356)**	(7,654)
Net carrying amount	**3,669**	5,860

10. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**189,761**	230,982
Less: Impairment	**(108,446)**	(129,008)
Net carrying amount	**81,315**	101,974

The credit terms given to trade customers are determined on an individual basis. The normal credit period of trade receivables related to comprehensive health management services (included in health management services) is mainly within 90 days, while the normal credit period of trade receivables related to medical services, nursing services and health management services (excluding comprehensive health management services) are mainly within one year. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's related parties of RMB5,284,000 (2024: RMB5,970,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**39,295**	58,592
4 months to 1 year	**25,520**	29,035
1 to 2 years (excluding 1 year)	**23,679**	40,945
2 to 3 years (excluding 2 years)	**28,732**	45,768
3 to 4 years (excluding 3 years)	**22,090**	15,666
4 to 5 years (excluding 4 years)	**12,889**	5,162
Over 5 years	**37,556**	35,814
	189,761	230,982
Less: Impairment	**(108,446)**	(129,008)
Total	**81,315**	101,974

11. 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:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**68,165**	99,535
4 to 6 months	**23,638**	11,185
7 months to 1 year	**29,934**	16,987
1 to 2 years (excluding 1 year)	**18,818**	34,656
2 to 3 years (excluding 2 years)	**17,469**	26,528
3 to 4 years (excluding 3 years)	**18,294**	10,823
4 to 5 years (excluding 4 years)	**8,498**	916
over 5 years	**1,218**	507
Total	**186,034**	201,137

The trade payables are non-interest-bearing and are normally settled on 180-day terms.

12. DIVIDENDS

No dividend has been paid or declared by the Company during the years ended 31 December 2025 and 2024.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at https://www.xikang.com/. The annual report of the Company for the year ended December 31, 2025 will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

By Order of the Board
Xikang Cloud Hospital Holdings Inc.
Dr. LIU Jiren
Chairman and Non-Executive Director

China, March 20, 2026

As at the date of this announcement, the Board of the Company comprises Ms. ZONG Wenhong as an executive Director; Dr. LIU Jiren, Mr. XU Hongli, Dr. WANG Nan and Mr. PU Chengchuan as non-executive Directors; and Dr. CHEN Yan, Dr. QI Guoxian and Dr. YIN Guisheng as independent non-executive Directors.