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Sipai Health Technology Co., Ltd. 思派健康科技有限公司

(A company incorporated in the Cayman Islands with limited liability)
(Stock Code: 0314)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS	2025	2024	change (% or percentage point)
	RMB'000	RMB'000	
Total Revenue	2,070,984	4,565,434	-54.6
Commercial Insurance Services Business	141,579	192,958	-26.6
– Corporate Insurance	90,711	68,718	32.0
– Hui Min Insurance	50,868	124,240	-59.1
Physician Research Assistance Business	462,272	397,610	16.3
Specialty Pharmacy Business	1,467,133	3,974,866	-63.1
Total Gross Profit	311,325	386,433	-19.4
Commercial Insurance Services Business	92,214	122,271	-24.6
Physician Research Assistance Business	131,558	121,519	8.3
Specialty Pharmacy Business	87,553	142,643	-38.6
Gross Margin	15.0%	8.5%	6.5
Operating Loss¹	(93,619)	(238,146)	-60.7

FINANCIAL HIGHLIGHTS

	2025 RMB'000	2024 RMB'000	change (%)
Normalized Net Loss²	(47,571)	(127,076)	-62.6
IFRS Net Loss	(126,778)	(361,832)	-65.0
Cash and Selected Financial Assets³	931,750	1,191,944	-21.8
Operating Cash Flow	6,355	(59,447)	N/A

Notes:

1. The operating loss is calculated as IFRS gross profit deducting selling and marketing expenses, administrative expenses and research and development expenses.
2. The normalized net loss is calculated as IFRS net loss deducting non-recurring and non-operational items that we believe do not reflect the ongoing operating performance. For the year of 2025, such items mainly include (i) share-based payment compensation; (ii) restructuring cost; (iii) loss on disposal of subsidiaries; (iv) impairment loss of goodwill; (v) impact from refunding in relation to national basic medical insurance scheme; and (vi) non-recurring government grant. For detailed elaboration and reconciliation, please refer to the subsection headed “Normalized Net Loss” on pages 14 to 15 of this annual results announcement.
3. Cash and selected financial assets include cash and cash equivalents, time deposits over three months, pledged deposits, and wealth management products which are presented in financial assets at fair value through profit or loss (“FVTPL”) in financial statement.

The Board is pleased to announce the audited consolidated results of the Group for the Reporting Period. The content of this annual results announcement has been prepared in accordance with applicable disclosure requirements under the Listing Rules in relation to preliminary announcements of annual results which is prepared in accordance with the IFRS issued by the IASB, and audited by Ernst & Young, the auditor of the Company. Such annual results have also been reviewed and confirmed by the Board and the Audit Committee. Unless otherwise stated, the financial data of the Company are presented in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Strategy Overview

In recent years, China's healthcare industry has undergone profound transformation. The acceleration of population aging has propelled growing demand for healthcare and pharmaceutical services. Against such backdrop, commercial health insurance has emerged as a critical pillar in the process of implementing the "Healthy China" strategy, helping alleviate the public burden of healthcare expenditures while fostering innovation in the pharmaceutical industry. As the nation continues to refine its multi-tiered healthcare security system, greater importance has been posed on the role of commercial health insurance. Since 2025, both national and local authorities have introduced a series of significant supportive policies, the key ones being as follows:

- In September 2025, the National Financial Regulatory Administration issued the *Guiding Opinions on Promoting the High-Quality Development of Health Insurance*, setting forth a framework for the coordinated development of group and individual health insurance and calling for the establishment of a full-lifecycle health security system;
- In December 2025, the National Healthcare Security Administration together with a few other departments unveiled the inaugural edition of the *Commercial Insurance Innovative Drug List*. The list was enacted to facilitate the integration of commercial insurance mechanisms into the payment framework for innovative drugs and medical devices, thereby introducing a supplementary healthcare payment option for the premium medical services while complementing the basic coverage provided by national medical insurance scheme;
- In March 2026, the Government Work Report further emphasized accelerating the development of the commercial health insurance system to promote the high-quality development of innovative drugs and medical devices. This marked the first time commercial health insurance was elevated to a dual strategic level that serves both public welfare and industrial development; and
- At the local level, core regions such as Shanghai, Beijing, and Guangdong have successively introduced policies to foster the coordinated development of commercial insurance and basic medical insurance, continuously unleashing momentum for industry growth.

Propelled by both policy tailwinds and market demand, corporate group health insurance, with its advantages in risk pooling and service efficiency, has emerged as a key enabler of employee benefits upgrade and health management solutions with its market footprint continue to expand. The corporate commercial health insurance brokerage and enterprise healthcare management (hereinafter referred to as "**CorpHealth**") service segment that the Group focuses on is entering a golden era defined by policy support, demand surge, and professional standard advancement.

Against this backdrop, following a prudent assessment of industry trends and its own core strengths, the Group established in the 2025 financial year a strategic decision to center on core businesses and proactive transformation. This further sharpened its development strategy anchored in enterprise health insurance brokerage business. Leveraging its accumulated expertise in resource management in the medical sector, digital technology platform and nationwide healthcare service network, the Group continues to refine its business structure and is steadily advancing an integrated enterprise healthcare service platform – with commercial healthcare insurance services at its core, supported by healthcare service resources and healthcare management capabilities.

Guided by the above strategic direction, during the Reporting Period, the Group continued to integrate internal resources with the aim to prioritize core business development and optimized its overall business layout:

On the one hand, the Group strengthened its core insurance brokerage capabilities, achieving both scale expansion and service quality improvement while continuously optimizing its product design system and data-driven service capabilities. Drawing on its nationwide pharmaceutical and healthcare service resource network, the Group further enhanced its ability to integrate healthcare services, delivering end-to-end, high-quality healthcare support to corporate health insurance members, and thereby effectively strengthened customer experience and brand loyalty.

On the other hand, based on a comprehensive assessment of business development prospects and profitability, the Group continued to optimize the structure of its Specialty Pharmacy Business and Hui Min Insurance business during the Reporting Period, enabling rational resource allocation and steady improvement in gross margin and operational efficiency. At the same time, the Group drove the transformation and upgrading of the Specialty Pharmacy Business to build a nationwide high-quality pharmaceutical service network. Through this network, the Group provided professional and accessible specialty drug services for its commercial health insurance business while expanding into high-quality, high-demand general drug and innovative drug service scenarios, thereby further enhancing the pharmaceutical service ecosystem.

Through its deep focus on the enterprise health insurance brokerage business and commitment to serving corporate clients, the Group has precisely identified and addressed the increasingly complex and comprehensive risk management needs of enterprises. Leveraging its established high-quality client base, professional service capabilities and industry resource advantages, the Group actively expanded into diversified corporate insurance brokerage services such as property insurance, life sciences insurance and reinsurance, thereby further enriching its service portfolio.

Looking ahead, the Group will position enterprise health insurance as its core development cornerstone, while drawing on the experience from the growth of leading global insurance brokerage groups to steadily enhance its diversified corporate risk management service capabilities, with the goal of becoming a leading comprehensive corporate risk management expert in China.

Business Overview and Operational Highlights

During the Reporting Period, the Group remained steadfast in executing its strategic upgrade, continuously optimizing its business structure, solidifying its core position in commercial insurance brokerage and enterprise health insurance services, advancing the integration of healthcare resources and pharmaceutical supply networks, and enhancing its integrated “insurance, wellness, healthcare, and pharmaceutical” service system. Leveraging its expertise in healthcare resource management, digital technology platform, and data- and AI-driven operational capabilities, the Group effectively connects patients, doctors, healthcare institutions, pharmaceutical companies and payers, building a healthcare service ecosystem that enables collaborative value creation.

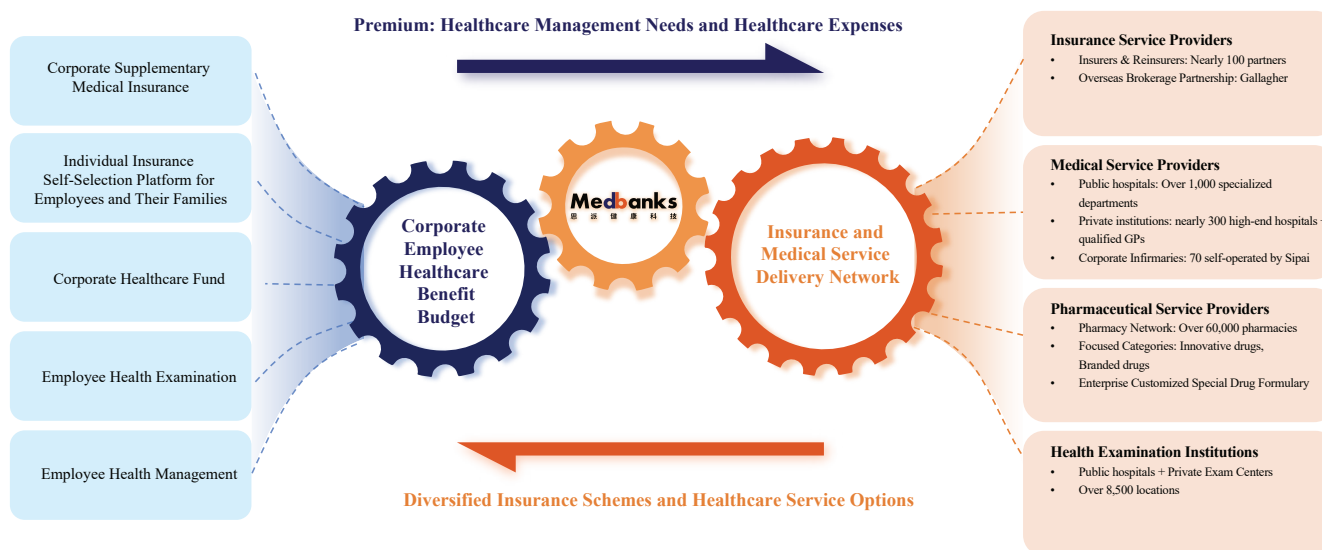
The Group currently operates three principal businesses, namely Commercial Insurance Services Business, Physician Research Assistance Business and the Specialty Pharmacy Business. The core capabilities and service networks of these segments are mutually reinforcing and developing in synergy. Key operational achievements during the Reporting Period are as follows:

I. Building an integrated CorpHealth service platform with the ‘dual-drivers’ model connecting the demand and delivery networks

The Group’s core offering is our integrated “health insurance + healthcare management” one-stop service model designed to provide China’s corporate employees and their families with comprehensive healthcare protection solutions. Such model also supports the development of a market-oriented, multi-tiered healthcare payment system and service network. Within this framework, our Commercial Insurance Service Business – centered on insurance brokerage – specializes in commercial health insurance sector, offering corporate clients one-stop healthcare protection solutions that span corporate group health insurance, corporate healthcare fund, and a broad range of CorpHealth management services.

Compared with traditional health insurance service providers, the Group’s key advantages lie in embedding healthcare service capabilities and data empowerment capabilities into the full cycle of insurance solution design and implementation, forming an integrated “insurance, wellness, healthcare and pharmaceutical” service model. This enables corporate employers, employees and their families to benefit from more comprehensive and flexible healthcare payment options, alongside high-quality health management and medical services. Leveraging its accumulated medical data and actuarial modeling capabilities, the Group customizes optimal integrated insurance and healthcare solutions for corporate clients, delivering end-to-end closed-loop services spanning solution design, health management, medical service coordination, and claims support.

By achieving full coverage across both the demand-side network of corporate healthcare and the service delivery network, the Group has significantly enhanced resource matching efficiency, captured economies of scale, and set in motion a flywheel effect that drives sustainable business growth.



(I) Corporate insurance services: rapid growth in scale and continuous expansion of service portfolio

In 2025, the Group advanced its strategy along three core pillars: Enterprise Clients, Globalization, and Product Innovation. To Address the health insurance and comprehensive risk management needs of enterprise clients, we established an integrated “consultation-solution-implementation-service” model and continuously enhanced service depth and delivery efficiency. By integrating domestic and international market resources and partner networks, we expanded our global footprint, providing professional cross-border risk solutions for Chinese enterprises operating overseas. Driven by product innovation, we further strengthened our capabilities in solution design, risk pricing, and operational management.

As of December 31, 2025, the premiums under management for the Group’s corporate insurance services reached RMB1.09 billion, representing a year-on-year increase of 47.8%. The number of corporate clients grew to 619 (a year-on-year increase of approximately 30.0%), while total member count surpassed 2.04 million (a year-on-year increase of approximately 79.2%). As the scale of corporate clients expanded and client needs grew increasingly complex, the clients’ reliance on the Group’s professional brokerage services deepened with a premium renewal rate of 101.5% during the Reporting Period. Furthermore, over 100 corporate clients have adopted the Group’s proprietary Digital Benefits Platform, underscoring market recognition of our digital service capabilities.

In terms of partnerships, the Group has established deep collaborations with nearly 100 leading domestic insurers in life, health, and property insurances. On the international front, in June 2025, we signed a five-year strategic cooperation agreement with Arthur J. Gallagher & Co. (“**Gallagher**”), a globally renowned insurance broker, to jointly develop customized insurance solutions and cross-border services. Concurrently, the Group continues to expand its reinsurance capabilities to further reinforce our cross-border risk management expertise.

(II) *Medical service and pharmaceutical supply network: nationwide presence established with enhanced health management capabilities*

The Group continues to integrate medical service resources and pharmaceutical supply capabilities to build a nationwide network that provides robust support for our Enterprise health insurance and CorpHealth businesses. Leveraging this network, the Group delivers multi-tiered health services to its insured members, including preventive care, licensed drugs list development, general practitioner consultations, specialist referrals, telemedicine, and overseas medical resource coordination, all of which are comprehensively elevating the health management standards for corporate employees.

1. Medical services: offline network expansion and service capability enhancement

The Group continues to expand its nationwide network of corporate infirmaries and high-quality commercial medical institutions. As of December 31, 2025, the Group operated 70 corporate infirmaries (up from 39 at the end of 2024) that primarily address common and chronic disease management for employees, with nearly 200,000 patient visits in 2025 (compared to approximately 120,000 in 2024). The Group also partnered with 91 high-quality commercial medical institutions covering nearly 300 service outlets. The Group completed 6,625 referrals to such institutions in 2025. Additionally, partnership with over 8,500 health examination providers-including both public hospitals and premium chains-ensures comprehensive coverage for health examination services.

2. Pharmaceutical services: omnichannel supply network and professional expertise

As of December 31, 2025, the Group has partnered with over 60,000 pharmacies. Together with its 22 self-operated specialty pharmacies, the Group has formed a “self-operated + partnership” omnichannel pharmaceutical supply network. This network is dedicated to providing enterprise clients and employees with high-quality access to innovative and branded drugs, supported by professional pharmaceutical care management that ensures both accessibility and service excellence.

II. Physician Research Assistance Business: achieving steadfast growth while empowering life sciences insurance business expansion

The Physician Research Assistance Business provides professional support to pharmaceutical companies at various clinical stages, while also offering the hospital and expert resource network for the commercial health insurance business.

During the Reporting Period, the Group's Physician Research Assistance Business maintained steady growth. As of December 31, 2025, the Company had cumulatively completed 1,153 projects, with 852 projects in progress. In 2025 alone, the Group facilitated the market launch of 16 new drugs in China, two in the U.S., and one in the EU. The Group's professional expertise has earned high recognition from physicians and leading pharmaceutical companies worldwide. Our client portfolio includes all top ten listed innovative pharmaceutical companies in China, achieving a 100% retention rate among our top ten clients during the period.

Leveraging its leading position in clinical trials, the Group is actively pursuing opportunities in the life sciences insurance sector. By delivering specialized risk management and support designed to the clinical trial needs of pharmaceutical enterprises, we extend our presence along the pharmaceutical value chain through strong synergy created with our core insurance brokerage business.

III. Significant profitability improvement through effective business structure optimization and efficiency enhancement initiatives

During the Reporting Period, the Group continued to upgrade, restructure, and optimize its Specialty Pharmacy Business and Hui Min Insurance business. Combined with digital transformation initiatives, end-to-end process re-engineering and efficiency enhancement efforts, the Group achieved optimized resource allocation and effective cost control. These efforts resulted in a marked improvement in overall profitability and operational efficiency, leading to significant narrowing in losses. In 2025, the Group's overall gross profit margin reached 15.0%, up 6.5 percentage points from 8.5% in the same period of 2024. The normalized net loss narrowed significantly by 62.6% to RMB47.57 million (from RMB127 million in the same period of 2024). This positive trend in operating performance lays a solid foundation for achieving future profitability targets.

IV. Comprehensive technology and AI empowerment: fortifying the digital foundation for future development

Technology and R&D capabilities are core to our business. We have developed our technology and digital infrastructure to enhance our operations and services. By leveraging our expertise and statistics accumulated from daily operations, our technology and digital infrastructures effectively support our Commercial Insurance Services Business, Physician Research Assistance Business and Specialty Pharmacy Business, as well as build contacts among various business segments to provide holistic insights into the dynamics of the healthcare industry across products, providers and payers.

We dedicate significant time, attention, and resources to improving our technology and digital infrastructure. Therefore, we can strengthen our data processing and analysis capabilities, and develop new solutions that complement existing ones, aiming to explore better ways to serve our members, patients, doctors, pharmaceutical companies, and insurance companies. Our R&D personnel primarily consists of data engineers, data scientists, software engineers, technology infrastructure architects, health management specialists and actuaries.

In the realm of AI, we are actively exploring the application of AI tools in R&D and technology. Currently, we have gained access to the DeepSeek R1 671B large model through Tencent Cloud's LLM knowledge engine. This marks a significant milestone in our efforts to apply AI in commercial health insurance and the healthcare sector, positioning us as a leader in the innovative transformation of industry service models.

Business Outlook

Building on the strategic execution and operational achievements of fiscal year 2025, the Group will align closely with national strategies for the healthcare and insurance sectors. Leveraging our accumulated expertise, resource networks, and ecosystem synergies in commercial health insurance, and with the medium-to-long-term goal of benchmarking against the world's top three insurance brokers, we will firmly advance our level of globalization, professional expertise, and business diversification. By deepening organizational upgrades and strategic expansion, we aim to build comprehensive risk management capabilities covering the entire corporate lifecycle and will strive to become China's leading expert in comprehensive corporate risk management with a global vision.

In the first quarter 2026, the Group completed core organizational upgrades and business layout optimizations with the establishment of three new business units within its Commercial Insurance Business: the Reinsurance Business Unit, the Large Commercial Risk Business Unit, and the Life Sciences Insurance Business Unit. Together, these units form a three-dimensional solution matrix that expands our professional service boundaries. The Reinsurance Business Unit focuses on risk control for Chinese enterprises going global, while proactively exploring opportunities in national strategic sectors such as the low-altitude economy and catastrophe insurance. The Large Commercial Risk Business Unit delivers precise and comprehensive risk solutions for large-scale enterprises, with the aim to strengthen loyalty of key accounts through enhanced service capabilities. The Life Sciences Insurance Business Unit covers full-cycle risk control for pharmaceutical clinical trials, aiming to create synergy with our Physician Research Assistance Business to consolidate our position in the pharmaceutical value chain. The establishment of these departments enables the Group to offer a service portfolio covering the entire enterprise lifecycle, the end-to-end drug R&D process, and a comprehensive range of enterprise risk scenarios, thereby enhancing professional depth and service resilience within the commercial insurance ecosystem.

While accelerating organic growth, the Group also identifies mergers and acquisitions (M&A) and strategic partnerships as key development drivers. We will actively explore industry M&A, talent acquisition, and ecosystem collaborations to refine our business footprint and enhance profitability. On March 18, 2026, the Group entered into a strategic acquisition agreement with Jianyi Information Technology, a leading domestic medical insurance technology and CorpHealth service provider. This acquisition will enable the Group to achieve full coverage of CorpHealth service capabilities, accelerate its path to profitability, and drive the growth in both business scale and earnings.

Furthermore, the Group will deepen the integration of AI technology across the entire business chain. Through the industry insights and data models derived from real-world scenarios, we will drive AI adoption in areas such as product innovation and precision risk control in order to transform technological advantages into core competitiveness. We will also accelerate the process of globalization by benchmarking the organizational structure, development pathways, and service capabilities against global leaders. We are making efforts to enhance cross-border risk management capabilities so as to provide professional solutions for Chinese enterprises operating globally.

The Group has always been laying its development aligned with national strategies. The 2026 Government Work Report mentioned insurance development on multiple occasions, and for the first time, explicitly included commercial health insurance, representing a significant industry opportunity. Looking ahead, the Group will build a “Four-Wheel Growth Strategy” driven by organic growth as the foundation, talent as the source, AI as the guide, and M&A as the engine. We will solidify our core advantages in commercial health insurance while expanding into diversified businesses such as property and reinsurance services, at the same time enhancing operational resilience and sustainability. Guided by the philosophy of “upholding legacy while pursuing innovation”, with customer needs at the core, professional capabilities as the pillar, and technological innovation as the driver, the Group will steadily progress forward to becoming a leading global insurance brokerage group, and to continuously create greater value for corporate clients, the insurance industry as well as the pharmaceutical industry, and our investors.

FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this annual results announcement.

Revenue

During the Reporting Period, the Group's revenue was primarily generated from the Commercial Insurance Services Business, Physician Research Assistance Business, and the Specialty Pharmacy Business. The following table sets forth a breakdown of revenue by segments and year-on-year growth:

Revenue	2025 RMB'000	2024 RMB'000	Year-on-year Change RMB'000	Year-on-year Change %
Commercial Insurance Services Business	141,579	192,958	(51,379)	-26.6
– Corporate Insurance Services	90,711	68,718	21,993	32.0
– Hui Min Insurance	50,868	124,240	(73,372)	-59.1
Physician Research Assistance Business	462,272	397,610	64,662	16.3
Specialty Pharmacy Business	1,467,133	3,974,866	(2,507,733)	-63.1
Total	<u>2,070,984</u>	<u>4,565,434</u>	<u>(2,494,450)</u>	<u>-54.6</u>

Commercial Insurance Services Business

Revenue generated from Corporate Insurance Services segment under the Commercial Insurance Services business surged by approximately 32.0% to approximately RMB90.7 million in 2025, mainly attributable to the vigorous growth in the number of customers and members insured thanks to our competitive edge in healthcare management capabilities and successful implementation of business development plans. Meanwhile, revenue generated from Commercial Insurance Services business decreased by approximately 26.6% from approximately RMB193.0 million in 2024 to approximately RMB141.6 million in 2025, which was mainly due to the restructuring of the Hui Min Insurance business segment.

Physician Research Assistance Business

Revenue generated from Physician Research Assistance business increased by approximately 16.3% from approximately RMB397.6 million in 2024 to approximately RMB462.3 million in 2025, mainly due to the growing market demand.

Specialty Pharmacy Business

Revenue generated from the Specialty Pharmacy Business decreased by approximately 63.1% from approximately RMB3,974.9 million in 2024 to approximately RMB1,467.1 million in 2025, which was mainly attributable to the strategic restructuring of the Specialty Pharmacy Business.

Cost of Sales

	2025	2024	Year-on-year	Year-on-year
	RMB'000	RMB'000	Change	Change
			RMB'000	%
Commercial Insurance Services Business	49,365	70,687	(21,322)	-30.2
Physician Research Assistance Business	330,714	276,091	54,623	19.8
Specialty Pharmacy Business	1,379,580	3,832,223	(2,452,643)	-64.0
Total	1,759,659	4,179,001	(2,419,342)	-57.9

Cost of sales decreased by approximately 57.9% from approximately RMB4,179.0 million in 2024 to approximately RMB1,759.7 million in 2025, which aligned with the decrease of revenue, due to the strategic restructuring of the Specialty Pharmacy Business and Hui Min Insurance business segment.

Gross Profit and Gross Margin

	2025		2024	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	RMB'000	%	RMB'000	%
Commercial Insurance Services Business	92,214	65.1	122,271	63.4
Physician Research Assistance Business	131,558	28.5	121,519	30.6
Specialty Pharmacy Business	87,553	6.0	142,643	3.6
Total	311,325	15.0	386,433	8.5

During the Reporting Period, the Group's total gross profit was approximately RMB311.3 million, gross margin showed a significant increase from approximately 8.5% in 2024 to approximately 15.0% in 2025, mainly due to the increase in gross margin from Commercial Insurance Services Business which was strong at approximately 65.1%.

Other Income and Gains

Other income and gains consist primarily of government grants, interest income, gains on financial assets at FVTPL.

Other income and gains decreased by approximately 26.2% from approximately RMB37.5 million in 2024 to approximately RMB27.7 million in 2025, which was primarily due to decrease in government grants, interest income and gains on financial assets at FVTPL.

Selling and Marketing Expenses

Selling and marketing expenses consist primarily of staff costs, marketing and promotion fees, depreciation and amortization expenses, travel and business related expense and others.

Selling and marketing expenses decreased by approximately 53.7% from approximately RMB278.4 million in 2024 to approximately RMB128.8 million in 2025, mainly resulting from the efficiency improvement initiatives related to Commercial Insurance Services Business and the strategic restructuring of the Specialty Pharmacy Business and Hui Min Insurance business segment.

Administrative Expenses

Administrative expenses consist primarily of staff costs, consulting and service fees, travel and business related expense, depreciation and amortization expenses and others.

Administrative expenses decreased by approximately 17.9% from approximately RMB324.0 million in 2024 to approximately RMB265.9 million in 2025, mainly resulting from the improvement of the administrative efficiency through organizational optimization and digitalization.

Research and Development Expenses

Research and development expenses primarily consist of staff costs and others. Research and development expenses decreased by approximately 54.2% from approximately RMB22.3 million in 2024 to approximately RMB10.2 million in 2025, mainly due to the corresponding reduction in research and development expenditure due to the strategic restructuring of Specialty Pharmacy Business and Hui Min Insurance business segment.

Restructuring Cost

Restructuring cost of approximately RMB17.9 million arose primarily from the strategic transformation of Specialty Pharmacy Business and Hui Min Insurance business segment, including (1) employee optimization severance cost of approximately RMB15.9 million, of which approximately RMB11.4 million for the Specialty Pharmacy Business and approximately RMB4.5 million for the Hui Min Insurance business segment; and (2) losses on other assets of approximately RMB2.1 million, including disposal of property, plant and equipment, termination of lease etc.

Other expenses

Other expenses decreased by approximately RMB66.0 million to approximately RMB33.2 million in 2025, primarily due to (1) decrease in impairment losses on goodwill from previous pharmacy acquisition; (2) decrease in impairment losses of other intangible assets which were mainly licenses acquired through previous pharmacy acquisition; and (3) decrease in the provision, which pertains to an administrative investigation in connection with national basic health insurance schemes that occurred in 2024.

Income Tax

During the Reporting Period, we had income tax credit of approximately RMB1.4 million as compared to expense of approximately RMB1.2 million in 2024. For details of income tax calculation, please refer to “Note 8 – Income Tax” of the condensed consolidated financial statements.

Normalized Net Loss

To supplement the Group’s consolidated financial statements, which are presented in accordance with IFRSs, we also use normalized net loss, in conjunction with non-IFRS measure, as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. While the Company is going through a strategic shift in business focus, we believe normalized net loss better reflects the Company’s ongoing operational results and facilitates comparisons of company to company by eliminating potential impacts of non-recurring items and non-operational items. Our presentation of the normalized net loss should not be construed as an implication that our future results will be unaffected by unusual or nonrecurring items.

We believe normalized net loss provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as it helps our management. However, our presentation of normalized net loss may not be comparable to similarly titled measures presented by other companies. The use of normalized net loss has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRSs.

The following table sets forth the reconciliations of our non-IFRS financial measures and normalized net loss for the period presented to the nearest measures prepared in accordance with IFRS, which is loss for the period indicated:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Normalized net loss:		
Loss for the year	(126,778)	(361,832)
<i>Add</i>		
Share-based payment compensation	43,963	67,624
Including: Selling and marketing expenses	141	4,405
Administrative expenses	43,568	62,492
Research and development expenses	254	727
Restructuring cost	17,926	22,295
Adjusted loss (non-IFRS measure) for the year	(64,889)	(271,913)
<i>Add/(deduct)</i>		
Government grants	(1,291)	(2,943)
Loss on disposal of subsidiaries	12,177	–
Impairment losses on goodwill	4,793	34,098
Impairment losses of other intangible assets	–	5,026
Individually assessed credit loss for receivables due from national social medical insurance fund	–	17,348
Impact from refunding and potential refunding in relation to national basic medical insurance scheme	1,639	46,923
Provision for potential administrative penalty	–	44,385
Normalized net loss for the year	(47,571)	(127,076)

Capital Management

During the Reporting Period, we primarily funded working capital requirements through capital contributions from our Shareholders. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. Net cash flows generated from operating activities was approximately RMB6.36 million in 2025.

Liquidity, Financial Resources and Gearing Ratio

As of December 31, 2025, we recorded net current assets of approximately RMB572.3 million. As at December 31, 2025, the gearing ratio, calculated as total liabilities over total assets, was approximately 43.9%, as compared with approximately 47.0% as at December 31, 2024. As of December 31, 2025, the Company had no external bank or other borrowings.

As our business develops and expands, we expect to generate net cash from operating activities, through the sales revenue of our future commercialized products. Going forward, we foresee our liquidity requirements will be satisfied by using funds from a combination of cash on hand and cash generated from operating activities. As of December 31, 2025, we had cash and selected financial assets of approximately RMB931.8 million.

Significant Investments, Material Acquisitions and Disposals

Subscription of Wealth Management Product from JPMorgan Chase Bank, National Association (“JPM”)

On June 26, 2025, the Company entered into a subscription agreement with JPM, pursuant to which, the Company agreed to subscribe for wealth management product offered by JPM, with the principal amount of US\$30.0 million for treasury management purpose.

As of December 31, 2025, the Group held wealth management product from JPM with a fair value of approximately US\$30.7 million, which accounted for approximately 13.5% of the total assets of the Group. The fair value gain from such wealth management product during the Reporting Period was approximately US\$0.7 million. As of December 31, 2025, the aggregate outstanding principal amount of the wealth management product subscribed from JPM was US\$30 million.

For details of the above subscription of wealth management product, please refer to the announcement of the Company dated June 26, 2025.

Disposal of Equity Interest in Non-Wholly Owned Subsidiaries

On June 6, 2025, Sipai Wisdom Technology (Guangzhou) Co., Ltd. (思派智慧科技(廣州)有限公司) (“**Sipai Wisdom**”), a wholly-owned subsidiary of the Company (as seller) entered into the Equity Transfer Agreements with Shengyang Yijiachen Pharmaceutical Co., Ltd. (瀋陽億珈辰醫藥有限公司) (“**Shengyang Yijiachen**”) and Shenyang Hengruisheng Pharmaceutical Co., Ltd. (瀋陽恒瑞昇醫藥有限公司) (“**Shenyang Hengruisheng**”) (each as a purchaser), whereby Sipai Wisdom conditionally agreed to dispose its entire equity interest in the Target Companies at the aggregate Consideration of RMB5,899,786, each of the Target Companies are non-wholly owned subsidiaries of the Company.

For details of the above the disposal of equity interest in non-wholly owned subsidiaries, please refer to the announcements of the Company dated June 6, 2025 and June 18, 2025.

Save as disclosed by the Company in this announcement and other announcements, during the Reporting Period, there were no significant investments, and material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group.

Capital Expenditure

Principal capital expenditures relate primarily to the purchase of office equipment, softwares as well as leasehold improvements. The following table sets forth capital expenditures for the periods indicated:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Purchases of property, plant and equipment	5,864	8,464
Purchases of other intangible assets	364	2,240
	<hr/>	<hr/>
Total	6,228	10,704
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Currency Risk

During the Reporting Period, the Group mainly operated in China and a majority of its transactions were settled in Renminbi, the functional currency of the Company's primary subsidiaries. The Group is exposed to foreign currency risk as a result of certain cash and bank balances denominated in non-functional currency. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of Assets

The pledged deposits pledged by the Group for letters of credit and bills payable decreased from approximately RMB105.44 million as of December 31, 2024 to approximately RMB47.06 million as of December 31, 2025, mainly resulting from the decrease of bill deposit due to the restructuring of Specialty Pharmacy business.

Contingent Liabilities

The Group had no material contingent liabilities as at December 31, 2025.

Employees and Remuneration Policies

As of December 31, 2025, we had a total of 3,131 employees, a decrease of 116 employees as compared to December 31, 2024, primarily due to the restructuring of Specialty Pharmacy Business. For the rest of the Group other than the Specialty Pharmacy Business, the number of employees increased by 360, mainly due to the business expansion in our Physician Research Assistance Business and Health Insurance Services Business. Most of them are stationed in China. We recruit employees based on a number of factors, including work experience, educational background and the requirements of a relevant vacancy. We assess our employees based on their performance to determine their salary, promotion and career development.

We enter into standard employment agreements and confidentiality agreements or clauses with all of our employees. We also enter into non-compete agreements with senior management and core personnel. These agreements include a standard non-compete covenant that prohibits such employee from competing with us, directly or indirectly, during his or her employment and for a certain period after termination of his or her employment. We maintain a good working relationship with our employees, and we have not experienced any material labor disputes. We place great importance on employee trainings, and provide trainings including onboarding, professional skills and management capability training.

We are committed to establishing a competitive and fair remuneration. In order to effectively motivate our employees, we continually refine remuneration and incentive policies through market research. We conduct performance evaluation for our employees at least once a year to provide feedback on their performance. Compensation for employees typically consists of base salary and a performance-based bonus.

Future Investment Plans and Expected Funding

As of December 31, 2025, save as disclosed by the Company in this announcement and other announcements, we did not have other plans for material investments and capital assets.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On March 18, 2026, Bixun (Shanghai) Pharmaceutical Technology Co., Ltd., a wholly-owned subsidiary of the Group, entered into a share purchase agreement and share transfer agreement with Health Pie Limited and Hailin Management Consulting (Shanghai) Co., Ltd., respectively. Pursuant to the transaction documents, the Company agreed to acquire 100% of the equity interest in Jianyi Information Technology (Shanghai) Co., Ltd., a leading service platform of commercial health insurance technology and corporate employee healthcare, for an aggregate cash consideration of RMB390.0 million. Further details of the transaction are available in the Company's announcement dated March 18, 2026.

Repurchase of Shares

Subsequent to the Reporting Period, the Company repurchased a total of 11,084,600 Shares with an aggregate consideration of approximately HK\$29,682,224 on the Stock Exchange and held as treasury Shares. Particulars of the Shares repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price Paid per Share		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2026	5,832,600	2.89	2.39	16,116,186
February 2026	5,252,000	2.76	2.29	13,566,038
Total	11,084,600			29,682,224

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended December 31, 2025.

CLOSURE OF THE REGISTER OF MEMBERS

The Company will hold the AGM on Thursday, June 18, 2026. The register of members of the Company will be closed from Monday, June 15, 2026 to Thursday, June 18, 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, TRICOR INVESTOR SERVICES LIMITED, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, June 12, 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
REVENUE	4	2,070,984	4,565,434
Cost of sales		<u>(1,759,659)</u>	<u>(4,179,001)</u>
Gross profit		311,325	386,433
Other income and gains		27,720	37,541
Selling and marketing expenses		(128,830)	(278,350)
Administrative expenses		(265,919)	(323,967)
Research and development expenses		(10,195)	(22,262)
Impairment losses on financial assets and contract assets under expected credit loss (“ECL”) model, net		(9,662)	(35,299)
Other expenses	6	(33,180)	(99,186)
Restructuring costs	7	(17,926)	(22,295)
Finance costs		(1,429)	(3,069)
Share of profits and losses of an associate		<u>(60)</u>	<u>(187)</u>
LOSS BEFORE TAX	5	(128,156)	(360,641)
Income tax credit/(expense)	8	<u>1,378</u>	<u>(1,191)</u>
LOSS FOR THE YEAR		<u>(126,778)</u>	<u>(361,832)</u>
Attributable to:			
Owners of the parent		(124,267)	(323,736)
Non-controlling interests		<u>(2,511)</u>	<u>(38,096)</u>
Total		<u>(126,778)</u>	<u>(361,832)</u>

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
OTHER COMPREHENSIVE (LOSS)/INCOME			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		<u>(7,465)</u>	<u>1,624</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(7,465)</u>	<u>1,624</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(134,243)</u>	<u>(360,208)</u>
Attributable to:			
Owners of the parent		(131,732)	(322,112)
Non-controlling interests		<u>(2,511)</u>	<u>(38,096)</u>
		<u>(134,243)</u>	<u>(360,208)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	<i>10</i>		
Basic and diluted			
For loss for the year (RMB)		<u>(0.21)</u>	<u>(0.51)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2025

		December 31 2025	December 31 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		10,075	10,301
Other intangible assets		22,391	27,337
Prepayments, other receivables and other assets		5,394	7,413
Right-of-use assets		21,297	47,440
Investments in an associate		8,266	8,326
Goodwill		–	16,555
Deferred tax assets		234	1,059
Amounts due from a related party		6,000	–
Time deposits		50,889	106,471
Financial assets at fair value through profit or loss (“FVTPL”)		215,799	60,263
		<u>340,345</u>	<u>285,165</u>
Total non-current assets			
CURRENT ASSETS			
Inventories	11	67,149	193,525
Contract cost		–	164
Trade and bills receivables	12	155,161	276,048
Contract assets		206,347	180,116
Prepayments, other receivables and other assets		62,943	154,621
Amounts due from related parties		1,651	1,755
Financial assets at FVTPL		244,251	571,518
Time deposits		114,602	95,336
Pledged deposits		47,064	105,439
Cash held on behalf of clients		104,250	148,688
Cash and cash equivalents		259,145	252,917
		<u>1,262,563</u>	<u>1,980,127</u>
Total current assets			
CURRENT LIABILITIES			
Trade and bills payables	13	118,588	412,803
Other payables and accruals		337,832	413,713
Amounts due to related parties		46	126
Contract liabilities		223,789	188,746
Lease liabilities		9,967	19,730
Income tax payable		40	1,495
		<u>690,262</u>	<u>1,036,613</u>
Total current liabilities			

		December 31	December 31
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
NET CURRENT ASSETS		<u>572,301</u>	<u>943,514</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>912,646</u>	<u>1,228,679</u>
NON-CURRENT LIABILITIES			
Lease liabilities		12,611	25,762
Deferred tax liabilities		<u>26</u>	<u>1,331</u>
Total non-current liabilities		<u>12,637</u>	<u>27,093</u>
Net assets		<u>900,009</u>	<u>1,201,586</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>14</i>	519	518
Reserves		<u>935,795</u>	<u>1,225,359</u>
Non-controlling interests		<u>936,314</u>	<u>1,225,877</u>
		<u>(36,305)</u>	<u>(24,291)</u>
Total equity		<u>900,009</u>	<u>1,201,586</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. CORPORATE INFORMATION

SIPAI HEALTH TECHNOLOGY CO., LTD. (the “**Company**”) is a limited liability company incorporated in the Cayman Islands (In the following text, we will refer to the Cayman Islands as “**Cayman**”) under the laws of the Cayman Islands. The registered office of the Company is located at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

During the year, the Company and its subsidiaries (together, the “**Group**”) were principally engaged in (i) the business of specialty pharmacy (the “**Specialty Pharmacy Business**”, including specialty pharmacy network and the provision of pharmacist service), (ii) the business of physician research assistance (the “**Physician Research Assistance Business**”, including the provision of site management organisation services and services for image management in clinical trials) and (iii) the provision of commercial insurance services (the “**Commercial Insurance Services Business**”, formerly known as the “Health Insurance Services Business”, including health management services). The Group’s principal place of operations and geographical markets are in the People’s Republic of China (the “**PRC/Chinese Mainland**”).

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on December 23, 2022. The Company has no controlling shareholder.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) as issued by the International Accounting Standards Board (the “**IASB**”) 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, convertible redeemable preferred shares and contingent consideration payables which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) 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 December 31, 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 derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the foreign currency translation reserve; and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized 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 IAS 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 IAS 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 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 IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS 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.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>

¹ Effective for annual periods beginning on or after January 1, 2026

² Effective for annual/reporting periods beginning on or after January 1, 2027

³ No mandatory effective date yet determined but available for adoption

These issued but not yet effective IFRS Accounting Standards are not expected to have any significant impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

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

Specialty Pharmacy Business	Operation of specialty pharmacy stores and distribution of pharmaceutical products to pharmaceutical companies and other distributors.
Physician Research Assistance Business	Offering pharmaceutical companies and other clinical trial institutions site management organization services, including site feasibility, site initiation, patient recruitment, patient management, data entry and document management, on-site drug management and bio-sample management, site closure and others; and offering services for image management in clinical trials.
Commercial Insurance Services Business	Providing insurance brokerage services to insurance companies and health management services to insurance carriers and enterprise clients.

Management 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 gross profit. No analysis of segment assets and liabilities is presented as management does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

For the year ended December 31, 2025

	Specialty Pharmacy Business <i>RMB'000</i>	Physician Research Assistance Business <i>RMB'000</i>	Commercial Insurance Services Business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	1,467,133	462,272	141,579	2,070,984
Segment results	<u>87,553</u>	<u>131,558</u>	<u>92,214</u>	<u>311,325</u>

Reconciliation:

Other income and gains				27,720
Selling and marketing expenses				(128,830)
Administrative expenses				(265,919)
Research and development expenses				(10,195)
Impairment losses under ECL model				(9,662)
Other expenses				(33,180)
Restructuring cost				(17,926)
Finance costs				(1,429)
Share of profits and losses of an associate				<u>(60)</u>
Group's loss before tax				<u><u>(128,156)</u></u>

For the year ended December 31, 2024

	Specialty Pharmacy Business <i>RMB'000</i>	Physician Research Assistance Business <i>RMB'000</i>	Commercial Insurance Services Business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	3,974,866	397,610	192,958	4,565,434
Segment results	<u>142,643</u>	<u>121,519</u>	<u>122,271</u>	<u>386,433</u>

Reconciliation:

Other income and gains				37,541
Selling and marketing expenses				(278,350)
Administrative expenses				(323,967)
Research and development expenses				(22,262)
Impairment losses under ECL model				(35,299)
Other expenses				(99,186)
Restructuring cost				(22,295)
Finance costs				(3,069)
Share of profits and losses of an associate				<u>(187)</u>
Group's loss before tax				<u><u>(360,641)</u></u>

Geographical information

During the reporting period, almost all of the Group's revenues were derived from operations in the PRC and nearly all of the Group's non-current assets were located in the Chinese Mainland. No geographical information is presented in accordance with IFRS 8 Operating Segments.

Information about major customers

No further information about major customers is presented as there was no single customer from which over 10% or more of the Group's revenue was derived during the reporting period.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of business		
Specialty Pharmacy Business	1,467,133	3,974,866
Physician Research Assistance Business	462,272	397,610
Commercial Insurance Services Business	141,579	192,958
Total	<u>2,070,984</u>	<u>4,565,434</u>
Timing of revenue recognition		
Recognised at a point in time	1,597,112	4,157,479
Recognised over time	473,872	407,955
Total	<u><u>2,070,984</u></u>	<u><u>4,565,434</u></u>

The following table shows the amounts of revenue recognized during the reporting period that were included in the contract liabilities at the beginning of each Reporting Period and recognized from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities		
at the beginning of the reporting period:		
Specialty Pharmacy Business	2,053	5,900
Physician Research Assistance Business	85,652	103,393
Commercial Insurance Services Business	541	1,135
	<hr/>	<hr/>
Total	88,246	110,428
	<hr/> <hr/>	<hr/> <hr/>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<u>Other income</u>		
Government grants*	1,291	2,943
Interest income	8,291	15,821
	<hr/>	<hr/>
Total other income	9,582	18,764
	<hr/>	<hr/>
<u>Gains</u>		
Gains on financial assets at FVTPL	15,517	17,515
Gains on lease termination, net	591	923
Others	2,030	339
	<hr/>	<hr/>
Total gains	18,138	18,777
	<hr/>	<hr/>
Total other income and gains	27,720	37,541
	<hr/> <hr/>	<hr/> <hr/>

* Government grants related to income that are received or receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognized in profit or loss in the period upon actual receipt.

5. LOSS BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold	1,379,580	3,832,224
Cost of services provided	380,079	346,777
Depreciation of property, plant and equipment	3,795	7,270
Depreciation of right-of-use assets	17,408	31,376
Amortization of other intangible assets	5,681	10,129
Government grants	(1,291)	(2,943)
Interest income	(8,291)	(15,821)
Foreign exchange difference, net	3,556	–
Impairment losses under ECL model	9,662	35,299
Impairment losses on other intangible assets	–	5,026
Impairment losses on goodwill	4,793	34,098
Auditor's remuneration	2,880	3,140
Expense relating to short-term leases and leases of low-value assets	2,074	9,132
Gains on financial assets at FVTPL	(15,517)	(17,515)
Loss on disposal of property, plant and equipment	352	919
Loss on disposal of other intangible assets	–	23
Provision	–	44,385
Restructuring costs	17,926	22,295
	<u>1,802,687</u>	<u>4,345,814</u>
Staff cost (excluding directors' and chief executive's remuneration):		
– Wages and salaries	518,054	570,680
– Pension scheme contributions	39,609	40,104
– Share-based payment compensation	43,963	67,624
	<u>601,626</u>	<u>678,408</u>

* The depreciation of plant and equipment, depreciation of right-of-use assets and amortization of other intangible assets for each Reporting Period are set out in “Administrative expenses”, “Selling and marketing expenses” and “Research and development expenses” in the consolidated statement of profit or loss and other comprehensive income.

6. OTHER EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Impairment losses on goodwill	4,793	34,098
Impairment losses of other intangible assets	–	5,026
Impairment losses of inventories	1,128	908
Donations to not-for-profit organizations	4,286	3,104
Loss on disposal of property, plant and equipment	352	919
Foreign exchange differences, net	3,556	–
Loss on disposal of other intangible assets	–	23
Loss on disposal of subsidiaries	12,177	825
Provision (<i>note a</i>)	–	44,385
Others	6,888	9,898
	<u>33,180</u>	<u>99,186</u>
Total	<u>33,180</u>	<u>99,186</u>

Note a: The provision pertains to potential fine and penalty in connection with national basic health insurance schemes investigations by regulatory authorities in 2024.

7. RESTRUCTURING COST

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Employee-related expenses	15,866	10,480
Impairment losses on licenses	–	8,387
Other losses	2,060	3,428
	<u>17,926</u>	<u>22,295</u>
Total	<u>17,926</u>	<u>22,295</u>

The Company respectively initiated the restructuring process of the Specialty Pharmacy Business in 2024 and the Hui Min Insurance Business in 2025. The Group incurred a restructuring cost of RMB17,926,000 in 2025 (2024: RMB22,295,000), mainly including employee-related expenses and other losses from the disposal of properties and inventories.

8. 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 or operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains.

Hong Kong

On March 21, 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”), which introduces the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The two-tiered profits tax rates regime is applicable to the Group’s Hong Kong subsidiaries with estimated assessable profits for its annual reporting period ended on or after April 1, 2018.

Chinese Mainland

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries was 25% during the reporting period unless subject to tax concession set out below.

A reconciliation of the tax credit/expense applicable to loss before tax at the statutory tax rate to the tax credit/expense at the effective tax rate is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before tax	<u>(128,156)</u>	<u>(360,641)</u>
Tax at the applicable tax rate of 25%	(32,039)	(90,160)
Expenses not deductible for tax	2,106	35,936
Different tax rates enacted by local authority	11,540	36,785
(Over provision)/under provision in respect of prior years	(1,071)	441
Deductible temporary differences and tax losses not recognized or utilized	<u>18,086</u>	<u>18,189</u>
Tax (credit)/charge at the Group’s effective tax rate for the year	<u>(1,378)</u>	<u>1,191</u>

9. DIVIDEND

No dividend has been paid or declared by the Company during the year (2024: Nil).

10. 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 602,054,957 (2024: 639,031,558) outstanding during the year. The weighted average number of ordinary shares used in the calculation has excluded the treasury shares held in trust of the Company.

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

The calculation of basic loss per share is based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss attributable to ordinary equity holders of the parent (RMB'000)	<u>(124,267)</u>	<u>(323,736)</u>
Ordinary shares		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation	<u>602,054,957</u>	<u>639,031,558</u>
Loss per share (RMB per share)	<u>(0.21)</u>	<u>(0.51)</u>

11. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trading merchandise	68,274	194,473
<i>Less: provision for impairment</i>	<u>(1,125)</u>	<u>(948)</u>
Net carrying amount	<u>67,149</u>	<u>193,525</u>

Movements in provision for impairment of inventories are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	948	2,481
Provision for the year	1,128	908
Write-off for the year	<u>(951)</u>	<u>(2,441)</u>
At end of year	<u>1,125</u>	<u>948</u>

12. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bills receivable	465	14,729
Trade receivables	183,036	294,254
<i>Less: Allowance for credit losses</i>	<u>(28,340)</u>	<u>(32,935)</u>
Net carrying amount	<u><u>155,161</u></u>	<u><u>276,048</u></u>

The Group's trading terms with its customers are mainly on credit, except for individual customers, where payment in advance is normally required. The credit period is generally from one month to two months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables balances. The balances of trade and bills receivable are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each reporting period, based on the invoice date and net of allowance for expected credit losses, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 6 months	133,215	249,638
6 to 12 months	21,946	26,410
Over 12 months	<u>—</u>	<u>—</u>
Total	<u><u>155,161</u></u>	<u><u>276,048</u></u>

13. TRADE AND BILLS PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade and bills payables	<u><u>118,588</u></u>	<u><u>412,803</u></u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	67,196	216,625
1 to 3 months	27,904	98,870
3 to 6 months	11,437	64,077
Over 6 months	12,051	33,231
	<hr/>	<hr/>
Total	118,588	412,803
	<hr/> <hr/>	<hr/> <hr/>

Trade and bills payables are non-interest-bearing and are normally settled within three months.

14. SHARE CAPITAL AND TREASURY SHARES

The Company was incorporated in May 2015 with an authorised share capital of USD200,000 divided into 2,000,000,000 ordinary shares (“ordinary shares”) with a par value of USD0.0001 each.

Shares

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Issued and fully paid:		
765,526,114 (2024: 764,182,114) ordinary shares of USD0.0001 each	519	518
	<hr/> <hr/>	<hr/> <hr/>

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

	Number of shares in issue	Share capital <i>RMB'000</i>
At January 1, 2024	761,500,114	516
Exercise of share options (<i>note a</i>)	2,682,000	2
	<hr/>	<hr/>
At December 31, 2024 and January 1, 2025	764,182,114	518
Exercise of share options (<i>note a</i>)	1,344,000	1
	<hr/>	<hr/>
At December 31, 2025	765,526,114	519
	<hr/> <hr/>	<hr/> <hr/>

Note a:

In 2025, 1,344,000 (2024: 2,682,000) ordinary shares with a par value of USD0.0001 were issued upon exercise of share options at total consideration of RMB728,000 (2024: RMB1,455,000).

OTHER EVENTS

2023 Share Award Scheme

The Company adopted the 2023 Share Award Scheme (“**2023 Scheme**”) on August 30, 2023.

The purpose of the 2023 Scheme is to recognize the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Eligible participants under the 2023 Scheme include (i) directors and employees (including full-time employees and part-time employees) of the Company or any of its Subsidiaries (including persons who are granted awards under the 2023 Scheme as an inducement to enter into employment contracts with these companies); (ii) directors and employees of the holding companies, fellow Subsidiaries or associated companies of the Company; and (iii) persons who provide services to the Company and/or its Subsidiaries on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Company and/or its Subsidiaries, for the avoidance of doubt, such service provider may not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

Subject to any early termination by the Board, the 2023 Scheme shall continue in effect for a term of ten years from the Adoption Date, after which no further awards will be granted.

The Administrator shall not make any further award of awarded shares which will result in the aggregate number of the shares awarded exceeding 3% of the issued share capital of the Company as at the Adoption Date. On March 19, 2024, the maximum aggregate number of the shares awarded under the 2023 Scheme was increased from 3% of the issued share capital of the Company as at the Adoption Date to 5% of the issued share capital of the Company as at the Adoption Date. On October 21, 2024, the maximum aggregate number of the shares awarded under the 2023 Scheme was further increased from 5% of the issued share capital of the Company as at the Adoption Date to 8% of the issued share capital of the Company as at the Adoption Date. The maximum number of shares which may be awarded to a selected participant under the 2023 Scheme shall not exceed 1% of the issued share capital of the Company in any 12-month period.

During the period from October 31, 2023 to December 31, 2025, the trustee has purchased 60,820,600 Shares in aggregate on the market at the total consideration of approximately HK\$364,692,614 pursuant to the 2023 Scheme.

For details, please refer to the announcements of the Company dated August 30, 2023, November 2, 2023, November 29, 2023, January 22, 2024, March 19, 2024 and October 21, 2024. Unless otherwise stated, capitalized terms used above shall have the same meanings as defined in the announcement dated August 30, 2023.

Change of Hong Kong Branch Share Registrar and Transfer Office

The Board announced that with effect from August 1, 2025, the Hong Kong branch share registrar and transfer office of the Company had been changed to:

TRICOR INVESTOR SERVICES LIMITED

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Telephone: (852) 2980 1333

Fax: (852) 2810 8185

For details, please refer to the announcement of the Company dated July 18, 2025.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules on the Stock Exchange as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the Reporting Period, save for the deviations from the code provisions C.2.1 of Part 2 and M of Part 1 as explained below. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. According to the current structure of the Board, the positions of the Chairman and Chief Executive Officer of the Company are held by Mr. MA Xuguang.

The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of six Directors, and the Board believes there is sufficient check and balance on the Board, (ii) Mr. MA Xuguang and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and will make decisions of the Group accordingly, and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Group. Moreover, the overall strategic and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. Finally, as Mr. MA Xuguang is one of our co-founders, the Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

Code provision M of Part 1 of the CG Code provides that the issuer should have a policy on payment of dividends. As the Company intends to retain most, if not all, of the Company's available funds and any future earnings to fund the development and growth of the Company's business and has not yet adopted a dividend policy to declare or pay any dividends in the near future, the Board will review the Company's status periodically and consider adopting a dividend policy if and when appropriate.

A detailed Corporate Governance Report setting out the Group's framework of governance and explanations about how the provisions of the CG Code have been applied will be included in the Company's 2025 annual report to be published.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OR SALE OF TREASURY SHARES

During the Reporting Period, the Company repurchased a total of 16,034,000 Shares with an aggregate consideration of approximately HK\$68,644,889 on the Stock Exchange and held as treasury Shares. Particulars of the Shares repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price Paid per Share		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January	1,329,400	5.28	4.62	6,540,142
February	2,481,200	5.14	4.67	12,402,318
March	252,000	5.12	5.01	1,278,048
April	4,791,600	5.23	3.34	22,048,221
May	4,935,000	4.60	3.39	20,002,072
June	510,600	5.23	3.69	2,136,588
November	263,200	2.58	2.41	651,924
December	1,471,000	2.50	2.34	3,585,576
Total	16,034,000			68,644,889

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities or sold any treasury Shares (as defined under the Listing Rules). As of December 31, 2025, the Company holds 16,034,000 treasury Shares (as defined under the Listing Rules).

AUDIT COMMITTEE

The Audit Committee had, together with the Board and external auditor of the Company, reviewed the accounting standards and practices adopted by the Group and the annual results for the year ended December 31, 2025.

PUBLICATION OF THE ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.medbankshealthtech.com), and the 2025 annual report containing all the information required by the Listing Rules will be disseminated to the Shareholders electronically (or in hard copy upon request) and published on the respective websites of the Stock Exchange and the Company in due course.

DEFINITIONS AND GLOSSARY

In this annual results announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

“AGM”	the annual general meeting of the Company to be held on Thursday, June 18, 2026
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“CG Code”	the “Corporate Governance Code” as contained in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this annual results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“Company”	Sipai Health Technology Co., Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 19, 2015, and its shares were listed on the Main Board of the Stock Exchange on December 23, 2022
“Director(s)”	the director(s) of the Company or any one of them

“GP(s)”	the general practitioner who treat common medical conditions and refer patients to hospitals and other medical services for urgent and specialist treatment
“Group”, “our”, “we”, or “us”	the Company and all of its subsidiaries and its consolidated affiliated entities, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“IASB”	International Accounting Standards Board
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“Reporting Period”	for the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with nominal value of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“SMO”	site management organization, an organization that provides clinical trial related services to medical device companies having adequate infrastructure and staff to meet the requirements of the clinical trial protocol
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States Dollars, the lawful currency of the United States
“%”	per cent

By order of the Board
Sipai Health Technology Co., Ltd.
Ma Xuguang
Chairman of the Board and Executive Director

Hong Kong, March 30, 2026

As at the date of this announcement, the Board comprises Mr. Ma Xuguang and Mr. Li Ji as executive directors, Mr. Yao Leiwen as non-executive director, Mr. Fan Xin, Mr. He Haijian and Ms. Huang Bei as independent non-executive directors.