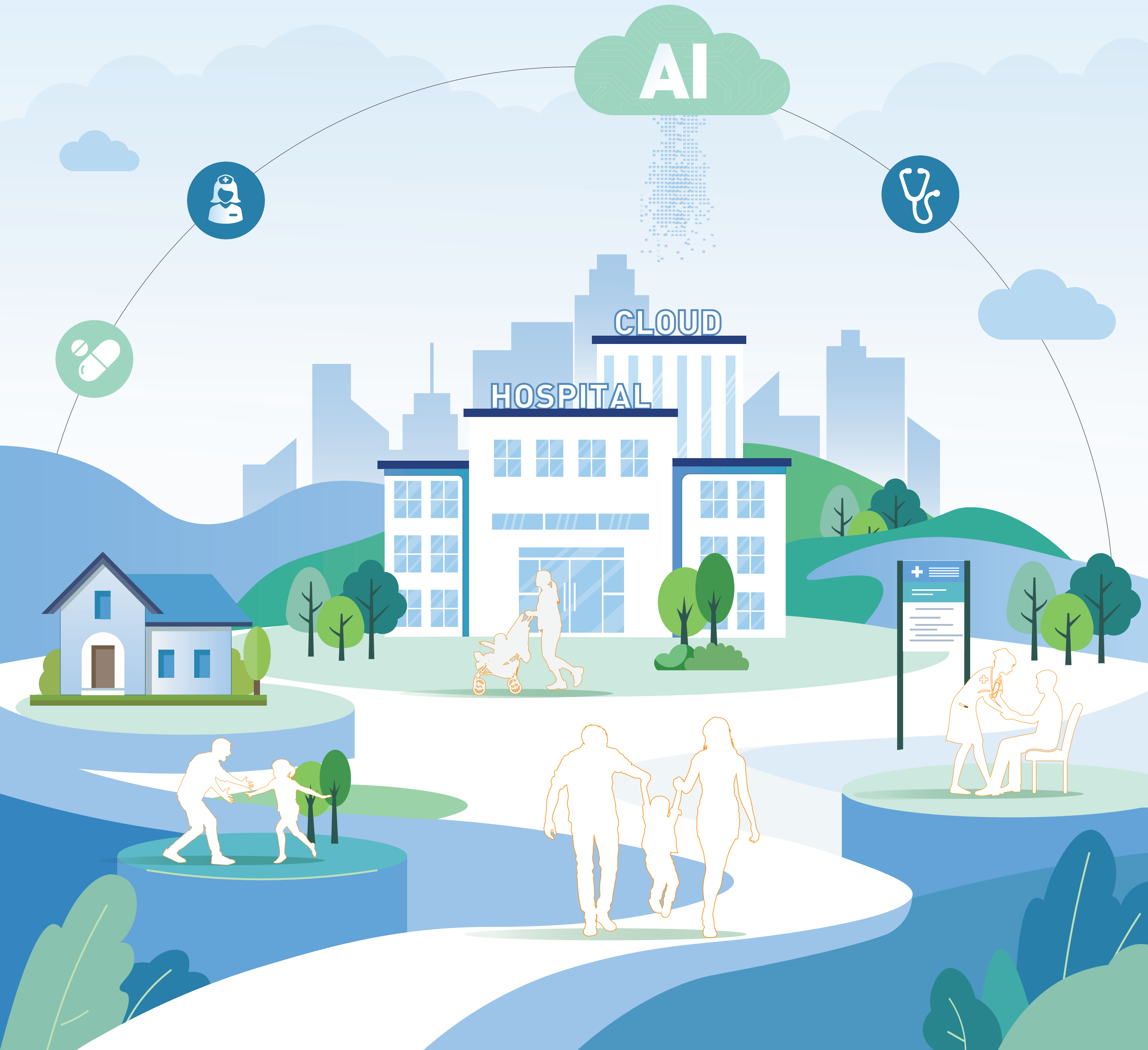
熙康云医院
XIKANG CLOUD HOSPITAL

熙康雲醫院控股有限公司
XIKANG CLOUD HOSPITAL HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

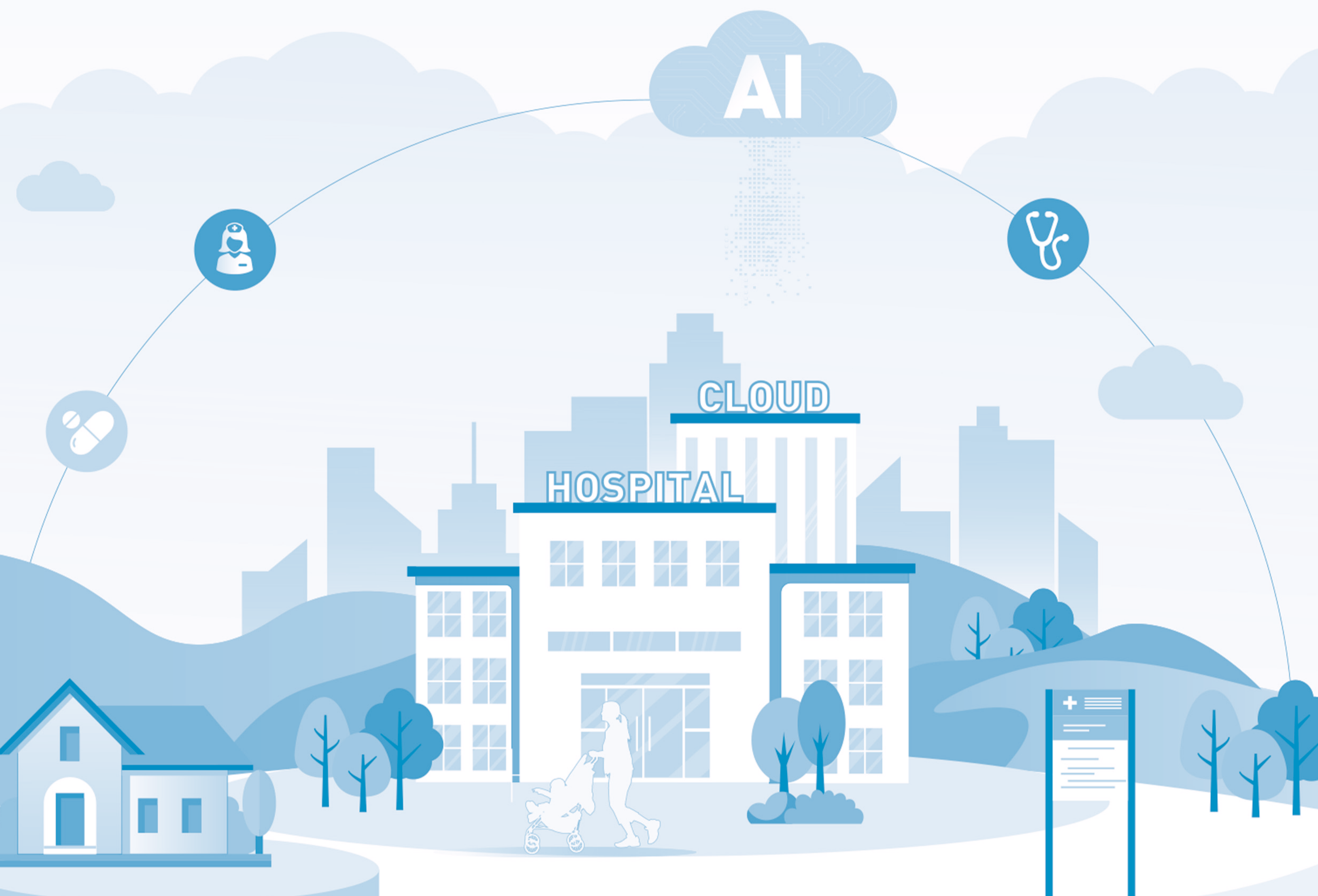
Stock Code: 9686

2026
INTERIM REPORT



Contents

Page



Company Information

BOARD OF DIRECTORS

Chairperson and Non-executive Director

Dr. Liu Jiren (劉積仁)

Executive Director

Ms. Zong Wenhong (宗文紅) *(Chief Executive Officer)*

Non-executive Directors

Mr. Xu Hongli (徐洪利)
Dr. Wang Nan (王楠)
Mr. Pu Chengchuan (蒲成川)

Independent Non-executive Directors

Dr. Chen Yan (陳艷)
Dr. Qi Guoxian (齊國先)
Dr. Yin Guisheng (印桂生)

AUDIT COMMITTEE

Dr. Chen Yan (陳艷) *(Chairperson)*
Dr. Qi Guoxian (齊國先)
Dr. Yin Guisheng (印桂生)

REMUNERATION COMMITTEE

Dr. Chen Yan (陳艷) *(Chairperson)*
Dr. Liu Jiren (劉積仁)
Dr. Qi Guoxian (齊國先)

NOMINATION COMMITTEE

Dr. Liu Jiren (劉積仁) *(Chairperson)*
Dr. Chen Yan (陳艷)
Dr. Yin Guisheng (印桂生)

STRATEGY COMMITTEE

Dr. Liu Jiren (劉積仁) *(Chairperson)*
Ms. Zong Wenhong (宗文紅)
Dr. Qi Guoxian (齊國先)
Dr. Yin Guisheng (印桂生)

JOINT COMPANY SECRETARIES

Ms. Zhao Shu (趙姝)
Mr. Wong Wai Chiu (黃偉超)

AUTHORIZED REPRESENTATIVES

Ms. Zong Wenhong (宗文紅)
Mr. Wong Wai Chiu (黃偉超)

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

1-1, 1-2, 1-3, 1-4, 1-5, 2-1,
No. 12 Huizheng Alley, Haishu District
Ningbo City, Zhejiang Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

AUDITOR

Ernst & Young

Certified Public Accountants and Registered Public Interest Entity Auditor

27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISORS TO THE COMPANY

As to Hong Kong law:

Clifford Chance

27/F Jardine House
One Connaught Place
Central
Hong Kong

As to PRC law:

Tian Yuan Law Firm

Suite 509, Tower A, Corporate Square
35 Financial Street
Xicheng District
Beijing
PRC

As to Cayman Islands law:

Maples and Calder (Hong Kong) LLP

26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial Bank Co., Ltd., Xi'an Road Branch

No. 594 and No. 586-1, Huanghe Road
Shahekou District
Dalian
Liaoning Province
PRC

China Merchants Bank Co., Ltd., Nanhu Technology Development Area Branch

No. 33, Caita Street, Heping District
Shenyang
Liaoning Province
PRC

COMPANY WEBSITE

https://www.xikang.com

STOCK CODE

09686

Financial Highlights

	For the six months ended June 30,		
	2026	2025	Change
	(RMB in thousands, except for percentages)		
	(Unaudited)	(Unaudited)	
Revenue	**182,869**	178,605	4,264
Gross profit	**42,964**	39,313	3,651
Gross margin	**23.5%**	22.0%	1.5%
Loss for the period	**(27,431)**	(49,975)	22,544
Add: Share-based compensation expenses	**5,584**	11,571	(5,987)
Adjusted net loss for the period (non-HKFRS measure)	**(21,847)**	(38,404)	16,557

Management Discussion and Analysis

I. BUSINESS REVIEW

2026 is the beginning year of the "15th Five-Year Plan". Successive release of the *15th Five-Year Plan for National Health* and the *15th Five-Year Plan for Consumption Expansion* by the government has elevated the innovation in medical and healthcare services as well as "AI-enabled Healthcare" to national-strategy status. This opens up a policy window for internet medical platforms to undertake tiered medical care tasks and expand off-hospital service scenarios. Explicit incentives for health consumption and the development of the silver economy are stipulated, with policy dividends continuing to materialize. Meanwhile, shifts in medical and healthcare service demands driven by profound demographic restructuring are gathering momentum. Rigid demand for home-based rehabilitation, nursing and chronic disease management spurred by population ageing keeps growing steadily. Amid declining fertility rates, households are increasingly reliant on specialized maternal and child health services. Multi-tiered and diversified health demands have become widely recognized across society.

Faced with epoch-making opportunities and industry shifts, we adhere to our distinctive business model as "city-specific cloud hospital platform". Guided by our mission of "delivering medical and nursing services to households", we anchor long-term value amid industry transformations. Taking individual cities as our market entry point and **supported by local governments, we gain access to municipal medical resources rapidly, in batches and with cost efficiency. This enables doctors and nurses to deliver more professional and convenient medical and nursing services to local residents.** We believe that by reconstructing the supply of medical and healthcare services through digitalization and intelligence, and boosting industry-wide efficiency via technological innovation, we can extend professional medical and nursing services to every household in cities. Seamless connection between in-hospital and off-hospital services will effectively support the development of China's tiered medical system and the downward penetration of high quality medical resources, thus achieving synergistic win-win outcomes for both social value and commercial value.

"City-specific Cloud Hospital Platform" business model laid the solid foundation for development

After over a decade of deeply operating, we have formed a strategical system as "regional layout + standardized replication + AI-empowerment + ecological cooperation" under government's leading, which builds high competition barriers, promotes precise matching between medical resources and residents' health needs, results in a more efficient regional digital medical service ecosystem.

The government-led regional layout builds the **foundation** of our platform credibility. We have deeply interacted with the local medical healthcare system, and integrated dispersed regional medical resources into a unified regional service network, to integrate the core resources such as medical institutions, doctors, and nurses efficiently and in batches. This constitutes the service guarantee of our city-specific cloud hospital platform.

The standardized replication is the **driver** of scale expansion. Through the dual wheel drive strategy of "provincial benchmark leading + city-level rapid replication", we systematize and modularize our successful experience, forming a standardized operation system that can be quickly deployed, and efficiently promote it on city units, and quickly build a localized cloud hospital platform and operation service loop in the new area.

AI technology **guarantees** the continuous improvement of our service effectiveness. We have deeply embedded multimodal AI technology into the entire service process, and built a digital closed loop of "intelligent matching – precise scheduling – full process quality control – continuous optimization" to achieve the synergistic improvement of service quality and operational efficiency.

Ecological cooperation is the **lever** to drive value growth. We rely on the platform's full scenario service capabilities to attract industrial chain partners such as insurance companies, pharmaceutical companies, and healthcare and eldercare service companies to jointly build a "healthcare service ecosystem", achieving efficient connection and innovation incubation of cross-industry resources.

Scale Expansion: Release the collaborative value of the network through standardized output

In the first half of 2026, based on the digital healthcare service system we had built which covers the whole chain of medical service, nursing service, and health management service, we deeply integrated the first-mover advantage of our home care services and verified standard operation system, as well as AI technology empowerment, driving the continued expansion of the core businesses, leading to the dual improvement of operation efficiency and service quality. Our brand "Xikang Nursing" has become the benchmark brand in Chinese home care service area, with market awareness and user trust continuously rising.

The platform resource continues to grow. As of June 30, 2026, 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 3,739 (as of June 30, 2025: 3,303), representing an increase of 13.2% as compared to the previous year. There were 154,000 doctors joining our platforms (as of June 30, 2025: 147,000), representing an increase of 4.8% compared to the previous year. There were 168,000 nurses (with over 5 years of clinical experience) joining our platforms (as of June 30, 2025: 145,000), representing an increase of 15.9% as compared to the previous year. The continuous expansion of coverage scale further strengthens the platform value and network effect, laying the foundation for subsequent commercial monetization and ecological development.

The regional expansion is steadily advancing. We have continued to strengthen regional network layout, promoting the synergistic improvement of the platform network coverage width and depth. As regards the nursing service platform, we had been deeply operating two provincial-level "Internet + Nursing Services" benchmarks in Zhejiang Province and Henan Province, and newly expanded platform "Tong Cheng Hu Li" in Nantong City, Jiangsu Province, benefiting over 200 million people with our services. Besides, multiple city-level nursing service platforms were making steady progress representing that the collaborative development pattern of provincial benchmark demonstration leading and city-level rapid replication and implementation is further consolidated. In respect of the city-specific cloud hospital platform projects, the existing platforms in Ningbo, Shenyang and Nanning continued to update and upgrade, and we newly expanded to Hebei Province and built the "Baoding Cloud Hospital", which has formed a synergistic effect with the scale expansion of nursing networks, promoting the continuous enhancement of platform scale value.

The service volume is booming aggressively. In the first half of 2026, the home care service volume exceeded 308,000 (same period of 2025: 218,000), representing an increase of 41.3% as compared to the previous year. The volume of online nursing consultations we provided exceeded 213,000 (same period of 2025: 166,000), representing an increase of 28.3% as compared to the previous year. The growth rate of core business continues to lead the industry, and the scale effect continues to be released, continuously consolidating the market leading position in the field of home care services.

Intelligent Drive: Reconstructing the Value Chain of Medical Services with AI

We have evolved AI technology from an auxiliary efficiency-enhancing tool into an intelligent hub that drives leap-forward improvement of platform capabilities. Beyond platform-based and standardized deployment, it has advanced towards "system level empowerment" and is deeply embedded in the service closed-loop of "intelligent matching — precise dispatching — whole process quality control — continuous optimization". Serving as the core engine for efficiency improvement, safety assurance and experience optimization, AI technology fuels a structural upgrade in platform value and lays a solid technical foundation for futural large-scale expansion.

As for the suppliers' side: it unleashes the service delivery potential for doctors and nurses and improves service precision. The AI-empowered quality control system covers core links including diagnosis and treatment, nursing care and report generation, which has formed a closed-loop for full process quality management. Under the nursing service scenario, AI voice interaction significantly optimizes the user ordering experience, and intelligent nursing tools automate data processing and labor accounting, greatly reducing operational burden. Health science popularization relies on over 2.6 million knowledge nodes, covering the entire nursing field, ensuring that nursing information is traceable. The deep integration of AI pre-diagnosis and auxiliary medical records for examination and testing scenarios effectively improves the standardization and completeness of medical records. Further AI-enabled quality-control capabilities are under continuous R&D development, which will further strengthen service quality assurance.

As for the demanders' side: it has reshaped user experience to deliver personalized services tailored to individual needs. Our AI health consultation supports all-scenario general conversations and open-ended Q&A for users. It can conduct health analysis based on physical examination reports and deliver intelligent health-management recommendations. The intelligent health-promotion report integrates the MSQ questionnaire and multiple physical check-ups reports to automatically generate personalized health management analysis reports, shifting health management from one-size-fits-all solutions to individually tailored services.

As for the supervisors' side: It has empowered governmental supervision and safeguard service safety. The AI quality control system is fully embedded throughout the entire service workflow, enabling real-time monitoring of compliance with nursing practices, risk early-warning and automatic assessment of service quality. It provides competent authorities with a visual supervision dashboard, striking a balance between market deregulation and effective governance. While ensuring user data security and platform compliance, it further consolidates the foundation for government cooperation.

Ecological synergy: driving value co-creation through full chain ecological linkage

During the Reporting Period, we focused on groups such as the elderly, maternity and infants, chronic diseases and postoperative people, based on the consolidation of the existing market leadership, with consideration as taking the home medical and nursing care as our core business, with AI and big data as the core driving force, opened up three scenarios of Internet healthcare, home care, and health management. Relying on the user hierarchical operation system, we achieved accurate portrayal and dynamic tracking of multiple customer groups such as high value, high loyalty, and dormant users, built personalized service access capabilities, and significantly improved user transformation efficiency and life cycle value. We formulated a "dual expansion" strategy covering regional outreach and industrial chain development. By collaborating with industrial partners including pharmaceutical enterprises, medical device vendors and insurance companies, we have facilitated resource sharing, scenario complementarity and mutual value creation. We prioritized high-potential niche tracks such as silver consumption, maternal-infant healthcare and chronic disease management to continuously enrich our product and service ecosystem. Leveraging multi-track synergy and in-depth collaboration with ecosystem partners, we have delivered precise demand insights and validation references for scenario-based co-construction among industrial chain participants. This broadens profit margins, extends the user value lifecycle, and delivers high-quality growth featuring both in-depth services and solid commercial returns.

Strategic focus drives continuous improvement in business operations

During the Reporting Period, we continuously focused on the core businesses throughout the "city-specific cloud hospital platforms", systematically integrated AI technology into our key business scenarios, while prioritising resource allocation towards strategic business innovation initiatives and the expansion of our network in key cities. By orderly divesting non-core loss-making units, properly disposing of inefficient assets, and continuously improving the multi-level service product matrix and implementing an intelligent operation system, our overall business structure has become clearer, and both operational quality and efficiency have been significantly improved. Net loss continues to decrease, and the operating net cash flow steadily improves. We have gradually established a multidimensional positive cycle mechanism of "strengthening the development foundation through scale expansion, improving operational quality and efficiency through lean operation, and promoting value growth through both quantity and quality", providing solid support for rapid replication and promotion, and achieving sustainable development.

The following table sets forth the revenue from each business segment during the Reporting Period:

	For the six months ended June 30,			
	2026		2025	
	Amount	**%**	Amount	%
	(RMB in thousands, except for percentages)			
Medical Service *(Note 1)*	**57,533**	**31.5%**	69,827	39.1%
Nursing Service *(Note 2)*	**59,671**	**32.6%**	34,624	19.4%
Health Management Service *(Note 3)*	**65,665**	**35.9%**	74,154	41.5%
Total	**182,869**	**100.0%**	178,605	100.0%

Note:

1. The revenue generated by our medical services division declined 17.6% from RMB69.8 million for the six months ended June 30, 2025 to RMB57.5 million for the six months ended June 30, 2026. The primary reasons for the revenue decline were the structural optimization of certain low-profit business units to enhance resource utilization efficiency, as well as the impact of industry policy changes such as centralized drug procurement.

2. The revenue generated by our nursing services division rose 72.3% from RMB34.6 million for the six months ended June 30, 2025 to RMB59.7 million for the six months ended June 30, 2026. The primary reasons for the revenue increase were the rapid replication of our business and the release of scale effect driven by market promotion and professional operation, and the continuous improvement of service effectiveness led by AI-powered precision operation, and the gradually apparent contribution of derivative businesses brought about by the extension of the nursing service value chain.

3. The revenue generated by our health management services division declined 11.4% from RMB74.2 million for the six months ended June 30, 2025 to RMB65.7 million for the six months ended June 30, 2026. The primary reason for the revenue decline was that affected by the impact of weak market demand and the increasingly fierce competition in the industry, the health management business was under pressure, resulting in a decrease in the volume of health management services.

Development of Three Business Segments

Xikang Cloud Hospital has taken residents' healthcare needs as the fundamental starting point, continuously promoted the deep integration and synergistic collaboration of "Medical Care + Nursing Service+ Health Management", and continuously led the development of industry in China's home-based medical and nursing care. 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. The three major businesses are closely connected and efficiently coordinated, forming a deep and mutually reinforcing business closed loop, systematically integrating various service resources within the platform ecosystem, continuously enriching and meeting the diverse medical and health needs of users, and further consolidating the differentiated competitive advantage of the platform model.

We consistently take digital intelligent innovation as our core driving force. Leveraging our self-developed AI intelligent middle platform, we promote deep penetration and scenario-based implementation of AI across the full business value chain. Centered on the suite of intelligent assistants including the AI Doctor Assistant, AI Nurse Assistant, AI Health Assistant and AI Customer Service Assistant, we continuously iterate product capabilities to realize real-time perception of user demands, dynamic allocation of service resources, effective improvement of doctor and nurse efficiency and continuous optimization of interaction experience. This forms an end-to-end intelligent closed loop spanning demand triggering through to service delivery, comprehensively accelerating the response and service supply capacity of the cloud hospital platform, and driving the continuous optimization of medical and healthcare services toward greater precision and human-centered care.

During the Reporting Period, we continued to deeply focus on the core track as "medical and nursing services delivered to home". While consolidating our existing leading market position, we actively expanded towards cities with growth potential, deepened the deep 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 the capabilities of resource integration and cross-regional synergy, which leads to our business entering a trajectory with healthy and positive growth.

Medical Services

The competitive landscape of the internet healthcare industry keeps evolving. Homogenized competition is intensifying for general-purpose online medical consultation services, and the growth of traffic driven lightweight consultation models has lost momentum. The industry is shifting from extensive traffic acquisition to refined doctor-patient interaction and value-based management. User demands have expanded beyond simple text-and-image consultations to more in-depth services including precise triage, specialized diagnosis and treatment, closed-loop inspection and testing services, as well as post-hospital chronic disease management. Meanwhile, with the continuous implementation of policies on medical insurance cost control, price cuts via centralized drug procurement, and regulation of online medical prescriptions, platforms are facing substantial pressure on their electronic prescription businesses. Facing the industry shifts, we have fully leveraged the medical resources accumulated by the city-specific cloud hospital platforms, enhanced medical service delivery efficiency of the medical institutions linked to our platforms, and driven business transformation toward specialized and precision-oriented full-chain services spanning "prevention-diagnosis & treatment-rehabilitation-post-discharge continued home-based care".

During the Reporting Period, we continued to consolidate technological innovation applications for medical services. We upgraded the core architecture based on large-language models and big data. For physicians, we provide tools including the "AI Physician Assistant", "AI-assisted medical record generation" and "medical record quality control", so as to improve diagnosis-and-treatment efficiency and service quality. For patients, we rolled out applications such as "AI triage", "AI pre-consultation" and "AI interpretation of examination and test reports". These enable round-the-clock online responses, accurate demand identification and intelligent data analysis, and precisely match patients with high-quality medical resources and service supplies. At the same time, we systematically integrated multiple scenarios such as home testing, online follow-up, re-examination booking, to-door sampling, and report interpretation, and carried out specialized operations in vertical fields, continuously expanding the space of segmented markets. On this basis, we have further deepened the linkage with medical institutions in a city, assisted in extending their medical services outside the hospital, and promoted the improvement of the city medical service network and the continuous optimization of business structure. During the Reporting Period, the service volume of internet medical services we provided was 2,085,000 (same period of 2025: 2,060,000), and the overall service volume remained stable compared to last year.

During the Reporting Period, the revenue generated from our Medical Services amounted to RMB57.5 million (same period of 2025: RMB69.8 million), representing a decrease of 17.6% from the same period of the previous year.

Nursing Services

The home care service business closely addresses practical people-livelihood demands including post-discharge rehabilitation continuity, disabled people long-term care, and chronic disease management at home. As one of our core growth segments, it is based on the solid operational foundation built upon the official service platform developed through government/enterprise collaboration. Supported by value-added offerings such as medical equipment leasing, implementation of a full-chain quality control system, and continuous expansion of diversified payment channels, the business has achieved steady scale expansion and sustained improvement in its profit structure.

We have been operating multiple home care service platforms licensed by local provincial and municipal health and hygiene regulatory authorities across the country, perpetuating our mature operation model as "government overall coordinates and supervises, company market-oriented operates, and by licensed practicing nurses from hospitals deliver services". The related home care services were all delivered adhering to local regulatory requirements, incorporated into the corresponding medical service regulatory system and held policy-driven business access qualifications for long-term care insurance settlement, supporting medical insurance subsidies, and civil-affairs elderly-care service procurement. During the Reporting Period, the scale of orders and the number of active users on existing official platforms had been increasing steadily, and the cooperation projects of newly developed regions were promoted orderly, showing the strong policy certainty and landing foundation of our business. The brand "Xikang Nursing" has laid solid trust foundation and word-of-mouth effect in the market, leading to the continuous release of the network synergistic advantages. The service network of our nursing services has covered the key regions such as East China, Central China, South China, Southwest China, Northeast China and other regions in China, providing high quality home care services to residents in nearly 90 cities. As of June 30, 2026, the number of medical institutions connected to our platforms was 2,075 (as of June 30, 2025: 1,963), and the number of nurses (with over 5 years of clinical nursing work experience) joining our platforms was 168,000 (as of June 30, 2025: 145,000).

The market demand for home care service is characterized by long service cycles, high customer repurchase stickiness and sound cash-flow stability, driving a notable increase in relevant order volume both year-on-year and quarter-on-quarter during the Reporting Period. We have continued to optimize the payment structure on the income side, reduced the single dependence of our business on individual payment models, actively expanded multiple payment paths such as direct settlement of long-term care insurance, local subsidies for the benefit of the people, special care funds for civil affairs, and commercial insurance claims, and promoted the integration of nursing services into various settlement channels under compliance, reducing the actual payment pressure for residents and further expanding the long-term development space of our business.

Service Capability Iteration: Deepening Scene Penetration and Value Extension

We continued to expand the coverage and scenario adaptability of our home care services, and refined the service portfolio around users' full-cycle health needs. We have precisely targeted high-demand customer groups, including the elderly, maternal and infant groups, and post-operative rehabilitation patients, to iterate multi-level and multi-scenario nursing service products. As of June 30, 2026, we have provided more than 260 refined home care services in 13 major categories (as of December 31, 2025: over 240 items). We have provided continuous in-home chronic disease management and post-operative rehabilitation intervention services for elderly chronic disease patients and post-operative crowds, including specialized nursing programs such as PICC catheter maintenance, wound and stoma care, and peritoneal dialysis, as well as hospice care services covering pain relief and psychological counseling. For maternal and infant groups, we have provided specialized neonatal care and postnatal rehabilitation services. By virtue of the above service layout, we have built continuous medical and nursing solutions that cover users' full-life-cycle health needs.

On this basis, we have further deepened the connotation of specialized services, innovated business models, extended the value chain of nursing services, and tapped the conversion potential of high-value users. In terms of medical equipment leasing business, we have built a medical device product matrix covering maternal and infant care, wound care, catheter care and other categories, with the matrix size continuing to scale up.

AI-Empowered Refined Operations: Enhancing Service Effectiveness and User Experience

We concentrate on the home care service industry track, and have built a mature operation system featuring high standardization, strong replicability and superior adaptability through continuous refinement and iteration. Deeply empowered by AI technologies, the system fully supports new-market expansion and rapid business roll-out, enabling fast model replication, efficient service delivery and steady growth in user base. Meanwhile, we keep strengthening professional operational capabilities and unlocking the value of data elements. Through dynamic scheduling of service resources and in-depth mining of user data, we significantly improve precise user outreach and conversion efficiency for repeat purchases, driving sustained expansion of the paying-user population. During the Reporting Period, the home care service volume exceeds 308,000, showing an increase of 41.3%, compared to the same period in 2025 as 218,000, illustrating the continuous release of the business operating effectiveness.

Centered on upgrading the end-to-end user service experience, we take intelligent technologies as the core foundation. Leveraging artificial intelligence technologies such as natural language processing and multimodal interaction, we continuously iterate and optimize the home care service platform, and build a scenario-inclusive, precise and human-centered smart nursing service system for both nurses and patients.

On the nurse's service port, the platform has implemented multiple intelligent tools to enhance the service-providing efficiency. We have launched a function as intelligent route planning assistant, which integrates multi-source real-time data and smart path algorithms to automatically plan optimal service routes, significantly reducing commuting costs and improving service delivery efficiency. Concurrently, features such as the intelligent order acceptance assistant and order management assistant were introduced, which supports text and voice-based work order operations. These tools streamline the entire process of order acceptance, verification, and fulfillment, enabling efficient work order handling and on-demand service responses, thereby fully unlocking the service potential of nurses.

On the user's service port, we have established a closed-loop system for intelligent and personalized services. By leveraging algorithmic models, we have launched functions such as intelligent project recommendations, personalized care plans, and the Xiaoxi smart assistant, enabling intelligent anticipation of user needs, precise service matching, and dynamic optimization of solutions. These functions provide users with comprehensive, companion-based, and refined health care services. Simultaneously, we have built a three-in-one omnichannel customer service system integrating AI, WeCom account, and human hotline support. This system achieves second-level connection and seamless coordination for user inquiries, issue responses, and demand resolution, significantly enhancing service experience and ensuring steady and continuous improvement in user satisfaction.

During the Reporting Period, the revenue generated from our Nursing Services amounted to RMB59.7 million (same period of 2025: RMB34.6 million), representing an increase of 72.3% from the same period of the previous year.

Health Management Services

In the first half of 2026, China's physical check-up industry faced overall operational headwinds amid intensifying homogeneous market competition. Traditional basic physical check-up services are witnessing narrowing growth space and insufficient development momentum. Focused on users' long-term health value, we keep optimizing our service system and business architecture, and have built a user-centric, technology empowered, online-offline collaborative integrated service system covering "prevention-screening-management". We deliver customized health management solutions for government and enterprise clients and individual customers alike.

During the Reporting Period, our 8 medical institutions in key cities across the country took standardized basic physical check-ups as the service foundation, and collaborated with high-quality ecological partners to continuously upgrade our service matrix. We had worked with professional third-party testing institutions to implement genetic testing, functional medicine testing, and big data analysis applications, and launched an O2O health management solution that combines "precision testing + precision nutrition", providing one-stop services from early screening, risk assessment, precision intervention to long-term maintenance.

We continue to promote the deep integration of AI technology and health services in all scenarios, iteratively upgrading the "AI doctor assistant Xiaokang" intelligent agent, embedding AI capabilities into core processes such as physical examination appointments, report queries, professional interpretation, intelligent guidance, and personalized project recommendations. Through intelligent analysis of health data and identification of user needs, we achieve an intelligent service loop of health risk assessment, customized intervention, and full cycle effect tracking, consolidating long-term service capabilities.

We continue to optimize our service model and strengthen our comprehensive operational capabilities, but the upgrading of our organizational system and the promotion of new service models have shown slow results, and the acceptance of market users is still gradually being cultivated. Affected by the increasingly fierce competition in the industry, the scale of health management business has been under pressure during the Reporting Period. In the first half of 2026, the volume of our health management services was 161,000 (same period of 2025: 205,000), representing a decrease of 21.5%.

During the Reporting Period, the revenue generated from our Health Management Services amounted to RMB65.7 million (same period of 2025: RMB74.2 million), representing a decline of 11.4% in the same period of the previous year.

II. BUSINESS PROSPECTS

The internet-enabled healthcare and home-health industry is at a strategic window period marked by the superimposed dividends of demographic shifts, AI-driven technological transformation, policy-system innovation, grassroots-priority orientation and service-model restructuring. Deep-rooted population ageing has generated rigid demand for home-based medical services; AI is evolving from an auxiliary tool into a central hub for health management. The full implementation of the 15th Five-Year Plan and the nationwide roll-out of the long-term care insurance system have created combined policy momentum, establishing a systematic institutional framework for the industry across multiple dimensions including payment security, resource allocation and service standards. The downward penetration of high-quality medical resources and the development of the tiered-medical-care system have endowed internet-enabled healthcare with institutional core functions. Residents' health consumption is comprehensively shifting from passive treatment to proactive health management, accelerating the formation of a full-life-cycle health service system. Looking ahead, the city-specific cloud hospital platform model, with its credibility through government partnerships, standardized replicability, AI-powered service efficiency and commercially valuable ecosystem collaboration, has built substantial competitive moats. Equipped with core capabilities to unlock sustained growth potential amid structural industry upgrading, it will further highlight its uniqueness and strategic value amid industry transformation.

We will continue to deepen core-business operations, accelerate large-scale national replication and unlock network-synergy effects. Actively responding to national policy guidelines on home-based rehabilitation and home-hospital-bed services, we position home care services delivered via the city-specific cloud hospital platform as a critical extension and supplement to the tiered-medical-care system outside hospital premises. We will further consolidate and leverage our leading edge in home care services. Drawing on our market-validated standardized operation system, we will take economically developed regions including the Yangtze River Delta, Pearl River Delta and Beijing-Tianjin-Hebei region as strategic depth areas, push forward deployment in core cities simultaneously, speed up the launch and capacity expansion of city-specific cloud hospital platforms, and continuously improve the nationwide standardized service network to boost network coverage density and service response speed. Meanwhile, successful experience from benchmark regions will be rapidly replicated in new markets with context-specific adaptation to ensure consistent delivery of service quality and operational efficiency. We will further tap high-potential niche segments such as home-based rehabilitation, maternal-infant care and value-added derivative services, accelerate the conversion of resource and platform advantages into market scale and operating benefits, and build a sustainable leading competitive moat.

We will deepen full-domain application of AI technologies, foster core strengths in smart healthcare and drive improvement in service performance. We will continuously iterate and upgrade our self-developed AI intelligent middle platform, advance the in-depth integration of artificial intelligence and big-data technologies across full scenarios of "medical treatment, nursing and health management", unblock end-to-end data links covering disease prevention, clinical treatment and post-operative rehabilitation, and build an intelligent decision-making and data-service platform with self-optimization capabilities. We will keep upgrading the matrix of AI-powered intelligent assistants for both medical providers and patients, expand functional modules including AI-assisted diagnosis and treatment, intelligent nursing guidance, personalized health management and intelligent operational services. This enables accurate extension of high-quality medical services from hospitals to households, and builds a smart-service system guided by user demands, supported by specialized clinical capabilities and driven by data, so as to build long-term competitive advantages through continuous technological iteration.

We will improve the diversified ecosystem, upgrade profit-making models and enhance commercial monetization capabilities. As city-specific cloud hospital platforms launch in more cities and ecosystem cooperation deepens, business structures become clearer and more focused, capital investment stabilizes, and the reuse efficiency of large-scale platform users and high-quality medical-nursing resources keeps improving. Marginal costs decline while revenue grows steadily. Profit margins are expected to expand gradually with the release of scale effects, and the profit elasticity of the business model is accelerating to materialize. Against such structural strengths, we will further refine our collaborative profit-making model of "service-driven traffic acquisition, product-led value addition and ecosystem-based monetization". Centered on users' full-life-cycle health needs, we will expand high-value-added service categories and health-care industry scenarios to drive the transition from revenue from standalone services to compound ecosystem-driven returns. We will also strengthen multi-dimensional collaboration with government authorities, medical institutions, insurance carriers, pharmaceutical-medical-device supply-chain participants and health-service partners, continuously activate internal platform momentum, and consolidate the sustainable foundation for performance growth and value creation.

Our enduring original aspiration and vision is "to enable every household to access equitable, precise, high-quality, safe and user-friendly medical-health and home care services". Leveraging the city-specific cloud hospital platform, we break down boundaries of traditional services and restructure the delivery logic of medical-health services, and underpin safety and quality benchmarks with professional expertise. Driven by industry transformation, policy guidance and user trust, we stay committed to an inclusive development path that balances social value and commercial sustainability. Large-scale deployment improves service accessibility, technological innovation boosts efficiency, and ecosystem collaboration multiplies value. Advancing along these three dimensions, we will bring compassionate care to every community in need, unlock long-term commercial value, and realize parallel progress of enterprise growth and people's wellbeing.

III. FINANCIAL REVIEW

Revenue from Contracts with Customers

Our revenue increased by 2.4% to RMB182.9 million for the six months ended June 30, 2026 from RMB178.6 million for the six months ended June 30, 2025, mainly attributable to a significant increase in revenue from nursing services, which effectively offset the impact of the decline in revenue from medical services and health management services.

Medical Services

Revenue generated from our medical services segment decreased by 17.6% to RMB57.5 million for the six months ended June 30, 2026 from RMB69.8 million for the six months ended June 30, 2025, mainly attributable to our structural optimization of certain low-margin business units to improve resource efficiency, as well as the impact of industry policy changes such as centralized drug procurement, which led to a decrease in revenue.

Nursing Services

Revenue generated from our nursing services segment increased by 72.3% to RMB59.7 million for the six months ended June 30, 2026 from RMB34.6 million for the six months ended June 30, 2025, mainly attributable to rapid replication and the release of economies of scale driven by market promotion and professional operation, the continuous improvement of service efficiency brought by AI-powered refined operation, and the gradual emergence of derivative business contributions from the extension of the nursing service value chain.

Health Management Services

Revenue generated from our health management services segment decreased by 11.4% to RMB65.7 million for the six months ended June 30, 2026 from RMB74.2 million for the six months ended June 30, 2025, mainly attributable to pressure on the health management business stemming from weak market demand and intensifying industry competition, which in turn led to a decrease in the volume of health management services.

Cost of Sales and Services

Our cost of sales and services increased by 0.4% to RMB139.9 million for the six months ended June 30, 2026 from RMB139.3 million for the six months ended June 30, 2025, mainly attributable to: (i) the increase in the cost of nursing services being lower than the increase in its revenue, with the realization of economies of scale and resulting in relative savings for the total cost; (ii) the decrease in the cost of health management services being smaller than the decrease in its revenue, as costs failed to shrink proportionally with the decline in revenue, partially offsetting the savings from the nursing side and leading to only a slight overall increase in total cost.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 9.3% to RMB43.0 million for the six months ended June 30, 2026 from RMB39.3 million for the six months ended June 30, 2025.

During the Reporting Period, the gross margins of medical services, nursing services, and health management services were 19.1%, 21.9%, and 28.8%, respectively (same period in 2025: 13.3%, 19.1%, and 31.6%). Our gross margin increased to 23.5% for the Reporting Period from 22.0% for the six months ended June 30, 2025, mainly attributable to: (i) the nursing services achieved rapid growth in scale, driving an increase in gross profit contribution from this segment; (ii) the gross profit margin of the health management services declined, which in turn reduced the gross profit contribution of such segment, partially offsetting the incremental gross profit generated by the aforesaid business.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 18.6% to RMB25.3 million for the six months ended June 30, 2026 from RMB31.0 million for the six months ended June 30, 2025, mainly attributable to: (i) the continuous strengthening of input-output management and control and the constant improvement of resource allocation efficiency; and (ii) a decrease in share-based compensation expenses.

Research and Development Expenses

Our research and development expenses decreased by 23.4% to RMB15.0 million for the six months ended June 30, 2026 from RMB19.6 million for the six months ended June 30, 2025, mainly attributable to: (i) the continuous strengthening of input-output management and control and the constant improvement of resource allocation efficiency; and (ii) a decrease in share-based compensation expenses.

Administrative Expenses

Our administrative expenses decreased by 9.2% to RMB39.3 million for the six months ended June 30, 2026 from RMB43.3 million for the six months ended June 30, 2025, mainly attributable to a decrease in share-based compensation expenses.

Other Income

Our other income decreased by 37.2% to RMB2.1 million for the six months ended June 30, 2026 from RMB3.3 million for the six months ended June 30, 2025, mainly attributable to a decrease in investment income from wealth management products.

Other Gains, Net

Our net other gains increased by 39.9% to RMB6.9 million for the six months ended June 30, 2026 from RMB4.9 million for the six months ended June 30, 2025, mainly attributable to (i) an increase in gains on disposal of property, plant and equipment; and (ii) an increase in foreign exchange gains.

Finance Income and Finance Costs

Our net finance costs after deducting finance income decreased by 1.2% to RMB6.1 million for the six months ended June 30, 2026 from RMB6.2 million for the six months ended June 30, 2025, mainly attributable to a decrease in interest expenses.

Share of Losses of Associates

Our share of losses of associates decreased by 86.7% to RMB0.6 million for the six months ended June 30, 2026 from RMB4.7 million for the six months ended June 30, 2025, mainly attributable to a decrease in losses of associates.

Income Tax Credit

We recorded an income tax credit of RMB1.5 million for the six months ended June 30, 2026, compared to an income tax credit of RMB0.3 million for the same period in 2025, mainly attributable to an increase in deferred income tax credit.

Loss for the Period

As a result of the foregoing, our loss for the Reporting Period decreased by 45.1% to RMB27.4 million for the six months ended June 30, 2026 from RMB50.0 million for the six months ended June 30, 2025.

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 is 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 measure, 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 them 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:

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	
	(Unaudited)	(Unaudited)
Loss for the Period	**(27,431)**	(49,975)
Add: Share-based compensation expenses	**5,584**	11,571
Adjusted net loss for the period (non-HKFRS measure)	**(21,847)**	(38,404)

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

Our adjusted net loss (non-HKFRS measure) decreased by 43.1% to RMB21.8 million for the six months ended June 30, 2026 from RMB38.4 million for the six months ended June 30, 2025. The decrease in our adjusted net loss (non-HKFRS measure) for the six months ended June 30, 2026 was mainly due to (i) during the Reporting Period, an increase in gross profit as a result of the gradual realization of economies of scale in nursing services; (ii) the effective improvement of organizational effectiveness and resource allocation efficiency, and the enhancement of operational efficiency through information technology, digitization and AI empowerment, which resulted in a significant decrease in expenses; (iii) a decrease in losses of associates.

Contingent Liabilities

As of June 30, 2026, 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 June 30, 2026, we did not have any significant contingent liabilities (as of December 31, 2025: nil).

Capital Expenditures

During the Reporting Period, we incurred capital expenditures of RMB1.8 million mainly for purchases of property, plant and equipment (for the six months ended June 30, 2025: RMB4.1 million).

Pledge of Assets

As of June 30, 2026, the Group did not pledge any assets (as of December 31, 2025: nil).

Future Plans for Material Investments or Capital Assets

Save as disclosed under the section headed "Proceeds from the Global Offering" in this report, as of June 30, 2026, 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 June 30, 2026, we had cash and cash equivalents of RMB449.7 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:

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	
	(Unaudited)	(Unaudited)
Cash used in operating activities	**(49,516)**	(52,376)
Interest received	**3,278**	5,336
Income taxes paid	**(3,409)**	(2,921)
Net cash used in operating activities	**(49,647)**	(49,961)
Net cash used in investing activities	**(2,624)**	(147,517)
Net cash used in financing activities	**(32,179)**	(70,843)
Net decrease in cash and cash equivalents	**(84,450)**	(268,321)
Cash and cash equivalents at the beginning of the period	**545,538**	760,857
Effects of exchange rate changes on cash and cash equivalents	**(11,345)**	(1,747)
Cash and cash equivalents at the end of the period	**449,743**	490,789

Net Cash Used in Operating Activities

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

For the six months ended June 30, 2026, we had net cash used in operating activities of RMB49.6 million, which represents our cash used in operating activities of RMB49.5 million and changes in other cash items of RMB0.1 million.

Net Cash Used in Investing Activities

For the six months ended June 30, 2026, we had net cash used in investing activities of RMB2.6 million, which was mainly attributable to purchases of property, plant and equipment of RMB1.8 million.

Net Cash Used in Financing Activities

For the six months ended June 30, 2026, we had net cash used in financing activities of RMB32.2 million, which was mainly attributable to (i) repayments of borrowings of RMB224.0 million, partially offset by proceeds from bank borrowings of RMB210.4 million; (ii) payments of lease liabilities of RMB9.8 million; and (iii) payments of interest of RMB8.8 million.

Borrowings

As of June 30, 2026, the aggregate principal balance of our borrowings was RMB449.3 million (as of December 31, 2025: RMB462.9 million). As of June 30, 2026, RMB3.0 million of our banking facilities remained unutilized (as of December 31, 2025: RMB0.9 million).

As of June 30, 2026, all of our non-current borrowings and substantially all of our current borrowings were bank loans. The maturity dates of our outstanding borrowings will fall on or before July 2027.

Significant Investments Held

Equity investment in associates

During the Reporting Period, the details of significant investments in associates held by the Group are as follows:

		As at June 30, 2026					For the six months ended June 30, 2026	
Name of the investee company	**Principal business**	**Investment cost** *(RMB'000)*	**Shareholding percentage**	**Corresponding registered capital** *(RMB'000)*	**Carrying amount** *(RMB'000)*	**Percentage of total assets of the Group**	**Dividend distributed** *(RMB'000)*	**Share of investment gains in associates** *(RMB'000)*
Neusoft Management Consulting (Shanghai) Co., Ltd. (Note 2)	Business consulting service, including, among others, medical devices	96,436	49.00%	94,547	76,946	7.52%	–	219

Notes:

1. 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 recognised at cost. All associates are unlisted companies, and there is no quoted price or fair value available.

2. 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.

Other Equity Investments

As of June 30, 2026, the Group, through its wholly-owned subsidiary Neusoft Xikang Healthcare Technology Co., Ltd., held registered capital of RMB58,982,636 in Dalian Xikang Yunshe Health & Wellness Investment Management Co., Ltd. ("**Dalian Yunshe**"), representing approximately 7.15% of Dalian Yunshe's total share capital. As of June 30, 2026, the carrying amount (fair value) of this equity investment was approximately RMB42.12 million, representing approximately 4.11% of the Group's total assets. The fair value of this equity investment was determined based on the discounted cash flow model, by discounting the future free cash flows of Dalian Yunshe. During the six months ended June 30, 2026, the Group did not receive any dividends from Dalian Yunshe. This investment represents a small-scale strategic investment by the Group in the healthcare, wellness and related business scenarios. At the time of investment, the Company considered that Dalian Yunshe, as a chain operator of health and wellness hotels, had certain synergistic potential with the Group's principal business, which could facilitate the sharing of customer resources, the expansion of healthcare service scenarios and the deepening of related business cooperation, thereby supporting the Group's long-term business development.

Other Financial Investments

1. Subscription of Structured Notes Issued by Shenwan Hongyuan Financial Products Company Limited (I)

As of June 30, 2026, the fair value of the structured notes (I) issued by Shenwan Hongyuan Financial Products Company Limited held by the Company was US$15.55 million (equivalent to approximately RMB105.88 million based on the exchange rate as of June 30, 2026), representing approximately 10.34% of the Group's total assets as of June 30, 2026. The Company subscribed for this product on March 13, 2026. The product was issued by Shenwan Hongyuan Financial Products Company Limited ("**Shenwan Hongyuan Financial Products**") and guaranteed by its parent company, Shenwan Hongyuan (H.K.) Limited ("**Shenwan Hongyuan Hong Kong**"). Shenwan Hongyuan Financial Products Company Limited is a company incorporated in the British Virgin Islands with limited liability, wholly owned by Shenwan Hongyuan Hong Kong; Shenwan Hongyuan Hong Kong is a company incorporated in Hong Kong with limited liability, primarily engaged in financial services including investment banking, asset management and cross-border financing, and its shares are listed on the Main Board of the Stock Exchange (stock code: 218). The subscription amount for this product was approximately US$15.41 million, which was paid by the Company using the idle offering proceeds from the Global Offering (and the returns generated therefrom). The expected annualised return of this product is 2.25%-3.75% (subject to the actual return rate of the underlying assets). During the six months ended June 30, 2026, the Group recorded unrealised gains of approximately US$0.20 million in respect of this product (equivalent to approximately RMB1.39 million based on the exchange rate as of June 30, 2026).

This product is a guaranteed structured note, categorised as a cash management product, with an investment period of one year and is redeemable at any time upon early redemption. Based on the information available to the Company, the underlying fund linked to this note is primarily the Value Investment Fund SP, a segregated portfolio of Future Vision Fund SPC (incorporated in the Cayman Islands). The investment scope of this fund is relatively conservative asset classes, such as cash, short-duration U.S. bonds and other highly liquid low-risk assets, with the objective of maintaining liquidity and managing cash positions. The investment strategy aims to achieve long-term capital growth under various market conditions. The fund is managed by Pamirs Capital (H.K.) Limited, a licensed corporation holding a Type 9 (asset management) license for regulated activities under the Hong Kong Securities and Futures Commission (the "**SFC**"). The Company considers that, given the fund's investment portfolio is primarily composed of cash and highly liquid fixed-income assets, its overall risk profile is relatively prudent, and it is managed by a professional asset manager holding a Type 9 license from the SFC. In addition, taking into account the issuer of the product and the returns and protection provided, the nature of the underlying assets, the guarantee arrangements, and the early redemption mechanism, the overall risk level of the fund and the product is relatively low.

2. Subscription of Structured Notes Issued by Shenwan Hongyuan Financial Products Company Limited (II)

As of June 30, 2026, the fair value of the structured notes (II) issued by Shenwan Hongyuan Financial Products Company Limited held by the Company was US$5.25 million (equivalent to approximately RMB35.74 million based on the exchange rate as of June 30, 2026), representing approximately 3.49% of the Group's total assets as of June 30, 2026. The Company subscribed for this product on June 16, 2026. The product was issued by Shenwan Hongyuan Financial Products Company Limited and guaranteed by Shenwan Hongyuan Hong Kong. The subscription amount for this product was US$5.24 million, which was paid by the Company using its idle own funds (and the returns generated therefrom). The expected annualised return of this product is 2.25%-3.75% (subject to the actual return rate of the underlying assets). During the six months ended June 30, 2026, the Group recorded unrealised gains of approximately US$0.07 million in respect of this product (equivalent to approximately RMB0.47 million based on the exchange rate as of June 30, 2026).

This product is a guaranteed structured note, categorised as a cash management product, with an investment period of one year and is redeemable at any time upon early redemption. Based on the information available to the Company, the underlying fund linked to this note is primarily the Value Investment Fund SP, a segregated portfolio of Future Vision Fund SPC (incorporated in the Cayman Islands). The investment scope of this fund is relatively conservative asset classes (such as cash, short-duration U.S. bonds and other highly liquid low-risk assets). The fund is managed by Pamirs Capital (H.K.) Limited. The Company considers that, given the fund's investment portfolio is primarily composed of cash and highly liquid fixed-income assets, its overall risk profile is relatively prudent, and it is managed by a professional asset manager holding a Type 9 license from the SFC. In addition, taking into account the issuer of the product and the returns and protection provided, the nature of the underlying assets, the guarantee arrangements, and the early redemption mechanism, the overall risk level of the fund and the product is relatively low.

3. *Subscription of Structured Notes Issued by BOCOM*

As of June 30, 2026, the fair value of the structured notes issued by BOCOM International Product and Solution Limited held by the Company was US$4.92 million (equivalent to approximately RMB33.49 million based on the exchange rate as of June 30, 2026), representing approximately 3.27% of the Group's total assets as of June 30, 2026. The Company subscribed for this product on July 2, 2025. The subscription amount for this product was US$4.8 million, which was paid by the Company using its idle own funds. The expected annualised return of this product is 2.5%-3.75% (subject to the actual return rate of the underlying assets). During the six months ended June 30, 2026, the Group recorded unrealised gains of approximately US$0.06 million in respect of this product (equivalent to approximately RMB0.39 million based on the exchange rate as of June 30, 2026).

This product is a guaranteed structured note, categorised as a cash management product, maturing in 2028 and redeemable at any time. This product primarily invests in cash, short-term notes, short-term bonds and other financial instruments to maintain liquidity and manage cash positions.

4. *Investment in Cedarvale Stable Growth*

As of June 30, 2026, the fair value of the fund units in Cedarvale Stable Growth held by the Company was US$5.52 million (equivalent to approximately RMB37.63 million based on the exchange rate as of June 30, 2026), representing approximately 3.68% of the Group's total assets as of June 30, 2026. The Company subscribed for fund units in the amount of US$4.5 million on November 1, 2023, which was paid by the Group using its idle own funds.

Cedarvale Stable Growth is a sub-fund of Cedarvale Infinity Fund VCC. The investment objective of Cedarvale Stable Growth is to achieve medium to long-term stable capital appreciation through primary investments in fixed-income securities in the Greater China, Hong Kong and Asia-Pacific regions, and equity securities of globally dominant enterprises (among which, fixed-income securities primarily include short-term bonds issued by local government financing vehicles in China with a maturity generally not exceeding two years, which are rated AA+ to AAA in China; equity securities are shares of enterprises with leading market positions, technological advantages or growth potential in the Biotechnology industry), and to achieve long-term competitive capital growth through investments in equity securities of globally leading enterprises.

Cedarvale Stable Growth is managed by Cedarvale Asset Management Pte. Ltd., which is a holder of a Capital Markets Services License issued by the Monetary Authority of Singapore (MAS), authorised to carry on fund management business, and is responsible for managing, overseeing, selecting and evaluating the investment portfolio of Cedarvale Stable Growth.

During the six months ended June 30, 2026, the Group recorded unrealised gains of approximately US$0.43 million (equivalent to approximately RMB2.96 million based on the exchange rate as of June 30, 2026) in respect of its holding of fund units, and the change in its net asset value was primarily affected by cash management income and changes in the valuation of fixed-income securities.

Save as disclosed above, during the Reporting Period, the Group 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 June 30, 2026), and none of the subscriptions of such wealth management products with a single financial institution was required to be disclosed under Chapter 14, Chapter 14A or paragraph 32(4) of Appendix D2 of the Listing Rules.

Capital Commitments

As of June 30, 2026, we did not have any material capital commitments (as of December 31, 2025: nil).

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, our Company did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

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, respectively. 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 June 30, 2026, our Group did not hold any financial instruments for hedging purposes (as of December 31, 2025: nil).

Gearing Ratio

The Group monitors its 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 debt, which is considered as borrowings and total lease liabilities less cash and cash equivalents. As at June 30, 2026, the gearing ratio of the Group was 15.4% (the gearing ratio is not applicable as the Group recorded a net cash position as at December 31, 2025).

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-earning assets except for the investments in wealth management products.

Other Information

INTERIM DIVIDENDS

The Board has resolved not to recommend the distribution of an interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: nil).

PURCHASE, SALE OR REDEMPTION OF OUR LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries and consolidated affiliated entities 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 June 30, 2026, the Group had 725 full-time employees, all of whom are based in China. The following table sets forth the breakdown of the Group's employees by function as of June 30, 2026:

Function	Number of Employees	% of Total
Management and administration	130	17.9%
Sales and marketing and operational support	166	22.9%
Research and development	127	17.5%
Health management	302	41.7%
Total	**725**	**100.0%**

For the six months ended June 30, 2026, the compensation and benefits expenses of the Group paid to its employees were RMB69.4 million (for the six months ended June 30, 2025: RMB74.9 million). Among all of the Group's 725 employees, 414 employees had bachelor's degrees or above, accounting for 57.1% of the Group's total employees.

The Group is committed to establishing competitive and fair remuneration. In order to effectively motivate the Group's employees, the Group continually refines its remuneration and incentive policies through market research. The Group conducts performance evaluations of 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 two share option schemes to enhance the enthusiasm, sense of responsibility and sense of mission of our employees, and thereby coordinate the interests of our employees with the interests of the Group.

We provide social insurance plans and housing provident funds to our employees in accordance with applicable PRC laws and regulations. We pay great attention to our employees' welfare, and continually improve our welfare system. We offer employees additional benefits such as annual leave, stipend, 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 Group also conducts introductory training for new staff.

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

INTERESTS AND/OR SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests and short positions of the Directors and chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations within the meaning of Part XV of the SFO, which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO; or (c) to be otherwise notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules are set out as follows:

Name of Director	Nature of Interest	Number and Class of Securities	Approximate Percentage of Interest in our Company[1]
Dr. Liu Jiren[2]	Interest in controlled corporations	193,252,305 ordinary shares (L)	22.95%
Ms. Zong Wenhong[3][4]	Interest in controlled corporations	20,739,500 ordinary shares (L)	2.46%
	Beneficial interest	19,500,000 ordinary shares (L)	2.32%

Notes:

(1) The table above is calculated on the basis of a total of 841,876,805 Shares as at the end of the Reporting Period.

(2) Smartwave, Dongkong International Fifth and Dongkong International Seventh directly held 81,364,000 Shares, 68,384,305 Shares and 22,100,000 Shares of our Company, respectively, in an aggregate of 171,848,305 Shares. Since each of Smartwave, Dongkong International Fifth and Dongkong International Seventh is wholly owned by Neusoft Holdings through various intermediary entities, Neusoft Holdings was deemed to have an interest in an aggregate of 171,848,305 Shares of our Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh by virtue of the SFO.

Neusoft Holdings is a Sino-foreign joint venture with limited liability incorporated in the PRC. As of the end of the Reporting Period, Dalian Kang Ruidao Management Consulting Centre (Limited Partnership) (大連康睿道管理諮詢中心(有限合夥)) ("**Dalian Kang Ruidao Management**") was the single largest shareholder of Neusoft Holdings, holding 29.65% of its total shares. Neusoft Thinking Technology, the fourth largest shareholder of Neusoft Holdings, held approximately 10.82% of its total shares. Dalian Kang Ruidao Management held 99% of the total shares of Neusoft Thinking Technology. Therefore, Dalian Kang Ruidao Management effectively controlled approximately 40.47% of the total shares of Neusoft Holdings. By virtue of the SFO, Dalian Kang Ruidao Management was deemed to be interested in the Shares of the Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh, which are wholly-owned subsidiaries of Neusoft Holdings.

Other Information

Dalian Kang Ruidao Management is a limited partnership incorporated in the PRC. As of the end of the Reporting Period, Ningbo Zengdao Venture Capital Partnership (Limited Partnership)* (寧波增道創業投資合夥企業(有限合夥)) ("**Ningbo Zengdao**") held 35.4433% of the capital contribution by Dalian Kang Ruidao Management. Shenyang Kang Ruidao Consulting Co., Ltd.* (瀋陽康睿道諮詢有限公司) ("**Shenyang Kang Ruidao**") was the managing partner of both Dalian Kang Ruidao Management and Ningbo Zengdao. Dr. LIU was the representative of managing partner designated by Shenyang Kang Ruidao to Dalian Kang Ruidao Management, and he also held 68.6641% partnership interest of Ningbo Zengdao and 60% equity interest in Shenyang Kang Ruidao.

Kang Ruidao International Investment Inc. ("**Kang Ruidao International Investment**") directly holds 21,404,000 Shares of the Company, and Dr. LIU holds 34.76% interest in Kang Ruidao International Investment through his wholly-owned company, Kang Ruidao Education First Investments Ltd. (康睿道教育第一投資有限公司).

By virtue of the SFO, Dr. LIU was deemed to be interested in the Shares of the Company held by Smartwave, Dongkong International Fifth, Dongkong International Seventh and Kang Ruidao International Investment, which are wholly-owned subsidiaries of Neusoft Holdings.

(3) 20,739,500 Shares of our Company were held by KangRich, which is wholly owned by Beijing Kangji Management Consulting Partnership (Limited Partnership)* (北京康驥管理諮詢合夥企業(有限合夥) ("**Beijing Kangji**"). The general partner of Beijing Kangji is Shenyang Ruiqian Business Consulting Co., Ltd.* (瀋陽睿前商務諮詢有限公司) ("**Shenyang Ruiqian**"), which is held as to 50% by Ms. ZONG Wenhong, the Company's executive Director and chief executive officer, and the limited partners of Beijing Kangji are the five limited partners each holding 19.9975% interest in Beijing Kangji (the "**Five LPs of Kangji**"). Shenyang Ruiqian is interested in 0.02% in Beijing Kangji. As of the end of the Reporting Period, there were a total of 93 partners (including former employees of the Company) in the Five LPs of Kangji, including Ms. ZONG Wenhong, the Company's executive Director and chief executive officer. None of the 93 partners is entitled to significant economic interests in the Five LPs of Kangji. Since Ms. ZONG Wenhong is able to control 50% of the voting power in Shenyang Ruiqian, which is the general partner of Beijing Kangji, Ms. ZONG Wenhong is deemed to be interested in the 20,739,500 Shares held by KangRich by virtue of the SFO.

(4) As of the end of the Reporting Period, Ms. ZONG Wenhong has been granted 10,500,000 options under the Pre-IPO SOS and 9,000,000 options under the Post-IPO SOS.

(5) (L) denotes a long position.

Save as disclosed herein, as at June 30, 2026, none of the Directors or the chief executives of the Company held or was deemed to hold any interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO; or (c) to be otherwise notified to our Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF OUR COMPANY

So far as the Directors or chief executives of our Company are aware, as of June 30, 2026, the following persons (other than the Directors or chief executives of our Company) had interests and/or short positions in the Shares or underlying Shares of our Company which shall be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept pursuant to Section 336 of the SFO or had otherwise notified to the Company:

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of interest in our Company[(1)]
Neusoft (HK)[(2)]	Beneficial interest	206,206,710(L)	24.49%
Smartwave[(3)]	Beneficial interest	81,364,000(L)	9.66%
Dongkong International Fifth[(3)]	Beneficial interest	68,384,305(L)	8.12%
PICC P&C	Beneficial interest	101,653,000(L)	12.07%
Kingset Ventures	Beneficial interest	86,700,000(L)	10.30%
First Care[(4)]	Beneficial interest	64,728,790(L)	7.69%
Syn Invest[(5)]	Beneficial interest	42,500,000(L)	5.05%

Notes:

(1) The table above was based on a total of 841,876,805 Shares as at the end of the Reporting Period.

(2) Neusoft (HK) directly held 206,206,710 Shares of our Company. Neusoft (HK) was a wholly-owned subsidiary of Neusoft Corporation. By virtue of the SFO, Neusoft Corporation was deemed to have an interest in the Shares held by Neusoft (HK).

(3) Smartwave, Dongkong International Fifth and Dongkong International Seventh directly held 81,364,000 Shares, 68,384,305 Shares and 22,100,000 Shares of our Company, respectively, in an aggregate of 171,848,305 Shares. Each of Smartwave, Dongkong International Fifth and Dongkong International Seventh is wholly owned by Neusoft Holdings through various intermediary entities. Neusoft Holdings was deemed to have an interest in an aggregate of 171,848,305 Shares of our Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh by virtue of the SFO.

Neusoft Holdings is a Sino-foreign joint venture with limited liability incorporated in the PRC. Dalian Kang Ruidao Management was the single largest shareholder of Neusoft Holdings, holding 29.65% of its total shares. Dalian Neusoft Thinking Technology Development Co., Ltd.* (大連東軟思維科技發展有限公司) ("**Neusoft Thinking Technology**"), the fourth largest shareholder of Neusoft Holdings, held approximately 10.82% of its total shares. Dalian Kang Ruidao Management held 99% of the total shares of Neusoft Thinking Technology. Therefore, Dalian Kang Ruidao Management effectively controlled approximately 40.47% of the total shares of Neusoft Holdings. By virtue of the SFO, Dalian Kang Ruidao Management was deemed to be interested in the Shares of the Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh, which are wholly-owned subsidiaries of Neusoft Holdings.

Dalian Kang Ruidao Management is a limited partnership incorporated in the PRC. As of the end of the Reporting Period, Ningbo Zengdao held 35.4433% of the capital contribution by Dalian Kang Ruidao Management. Shenyang Kang Ruidao was the representative of managing partner of both Dalian Kang Ruidao Management and Ningbo Zengdao. Dr. LIU (the Chairman and non-executive Director of the Company) was the representative of managing partner designated by Shenyang Kang Ruidao to Dalian Kang Ruidao Management, and he also held 68.6641% partnership interest of Ningbo Zengdao and 60% equity interest in Shenyang Kang Ruidao.

By virtue of the SFO, Shenyang Kang Ruidao, Ningbo Zengdao and Dr. LIU were deemed to be interested in the Shares of the Company held by Smartwave, Dongkong International Fifth and Dongkong International Seventh, which are wholly-owned subsidiaries of Neusoft Holdings.

(4) First Care is owned as to 70% by Suzhou 6 Dimensions Investment Partnership* (蘇州通和毓承投資合夥企業(有限合夥)) ("**Suzhou 6 Dimensions**") and 30% by Suzhou Frontline Phase II Venture Capital Partnership* (蘇州通和二期創業投資合夥企業(有限合夥)) ("**Suzhou Frontline II**"). Suzhou 6 Dimensions is controlled by its general partner, Suzhou Tongyu Investment Management Partnership (Limited Partnership) (蘇州通毓投資管理合夥企業(有限合夥)) ("**Suzhou Tongyu**"). Suzhou Frontline II is controlled by its general partner, Suzhou Fuyan Venture Capital Management Partnership (Limited Partnership)* (蘇州富沿創業投資管理合夥企業(有限合夥)) ("**Suzhou Fuyan**"). Both of Suzhou Tongyu and Suzhou Fuyan are in turn controlled by Suzhou Yunchang Investment Consulting Limited* (蘇州蘊長投資諮詢有限公司) ("**Suzhou Yunchang**"), a company fully owned by Ms. ZHANG Qiping. By virtue of the SFO, Suzhou 6 Dimensions, Suzhou Frontline II, Suzhou Tongyu, Suzhou Fuyan, Suzhou Yunchang and Ms. ZHANG Qiping were deemed to be interested in the Shares of the Company held by First Care.

(5) Syn Invest is wholly owned by Shenzhen Synergetic Hechuang Investment Management Partnership (Limited Partnership)* (深圳市協同禾創投資管理合夥企業(有限合夥)) ("**Synergetic Hechuang**"). Synergetic Hechuang is managed by Shenzhen Synergetic Innovation Fund Management Co., Ltd.* (協同創新基金管理有限公司) ("**SIFMC**"), with 80% partnership interest held by Shanghai Gopher Xinmian Investment Center (Limited Partnership)* (上海歌斐信勉投資中心(有限合夥)) ("**Shanghai Gopher Xinmian**"). SIFMC and Synergetic Hechuang are controlled by Dr. LI Wanshou, and Shanghai Gopher Xinmian is ultimately beneficially owned by Ms. WANG Jingbo. By virtue of the SFO, Synergetic Hechuang, SIFMC, Dr. LI Wanshou, Shanghai Gopher Xinmian and Ms. WANG Jingbo were deemed to be interested in the Shares of the Company held by Syn Invest.

(6) The disclosure above is based on the information displayed on the website of the Stock Exchange as at the end of the Reporting Period and available to the Company. Pursuant to section 336 of the SFO, shareholders of the Company are required to submit disclosure of interest forms if certain conditions have been fulfilled. In the event of a change in a shareholder's shareholding in the Company, it is not necessary for the shareholder to notify the Company and the Stock Exchange unless certain conditions have been fulfilled, so the shareholder's latest shareholding in the Company may differ from the shareholding submitted to the Stock Exchange. According to the filing records on the Stock Exchange: Neusoft (HK) holds 202,193,710 shares in the Company; Smartwave holds 76,500,000 shares in the Company; and PICC P&C holds 102,000,000 shares in the Company.

(7) (L) denotes a long position.

Save as disclosed herein, as at June 30, 2026, there was no other person (other than the Directors or chief executives of our Company) known to the Directors or chief executive of our Company who, as at June 30, 2026, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 under Part XV of the SFO or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE OPTION SCHEMES

1. Pre-IPO SOS

(1) Overview

The following is a summary of the principal terms of the Pre-IPO SOS, as amended from time to time, as adopted by the Board on March 29, 2019. All the options under the Pre-IPO SOS ("**Pre-IPO SOS Options**") have been granted in full.

(2) Purpose

For the purpose of achieving strategic goals and fueling the development of our Company, by providing participants with the opportunity to acquire proprietary interests in the Company, the Pre-IPO SOS is expected to encourage the participants to enhance their enthusiasm, sense of responsibility and sense of mission while working, and thereby coordinate interests of our employees with the interests of our Company.

(3) Administration

The Pre-IPO SOS will be administered by the Board and its designated human resource department, and the decision of the Board will be final and binding on all parties.

(4) Participants in the Pre-IPO SOS

The eligible participants in the Pre-IPO SOS ("**Pre-IPO SOS Participants**") include, among others, directors, senior management, core members of our Group that have joined or proposed to join our Group and any other persons as the Board may deem appropriate, subject to the following conditions:

(a) having been working in our Group for no less than one year;

(b) having achieved the performance standards as required by the Board; or

(c) having met the assessment criteria for the grant of Pre-IPO SOS Options as stipulated by the Board.

Subject to approval by our chief executive officer and annual report to our Board, our vice presidents may propose to grant Pre-IPO SOS Options to special participants who fail to satisfy aforesaid requirement (a) or (b), but have made outstanding contribution to our Company or are introduced into our Company as talents. The total Shares granted to these special participants shall not exceed 10% of the total number of Shares that may be issued under this Pre-IPO SOS.

(5) Maximum number of Shares

The total number of Pre-IPO SOS Shares shall be no more than 81,600,000 Shares, representing approximately 9.69% of the total issued share capital (excluding treasury shares) of the Company as at the end of the Reporting Period.

There is no maximum entitlement for each of the Pre-IPO SOS Participants.

(6) Duration of Pre-IPO SOS

The Pre-IPO SOS commenced on January 1, 2020 as the first grant date determined by the Board and shall continue in effect for a term of ten years, unless being terminated by the Board in advance of its expiry. As at the date of this report, the remaining life of the Pre-IPO SOS is approximately 3 years.

(7) Grant of Pre-IPO SOS Options

The Board will, subject to the performance of our Company, review and determine in each year whether Pre-IPO SOS Options shall be granted.

The grant, vesting and exercise of Pre-IPO SOS Options shall comply with the provisions of the Pre-IPO SOS, the relevant resolutions as passed by the Board and the requirements of applicable laws.

No consideration was required to be paid at the acceptance of the Pre-IPO SOS Options.

(8) Rights attached to Pre-IPO SOS Options and Pre-IPO SOS Shares

A Pre-IPO SOS Participant is not entitled to any right of dividend, voting right or other shareholder's interest or right in respect of any Pre-IPO SOS Options or Pre-IPO SOS Shares before exercise of the Pre-IPO SOS Options and the completion of the registration of the Pre-IPO SOS Participant as a Shareholder of our Company.

(9) Rights are personal to the grantee

A Pre-IPO SOS Option is personal to the grantee and no grantee shall in any way sell, pledge, transfer, mortgage, assign or dispose of any Pre-IPO SOS Option unless approved by our Board and stipulated in the grant letter. If any Pre-IPO SOS Options are disposed of in breach of the scheme rules of the Pre-IPO SOS, all Pre-IPO SOS Options (whether vested or not) held by the Pre-IPO SOS Participants will be invalidated. Without prejudice to the foregoing provisions, the provisions of Pre-IPO SOS shall be equally binding on the successor or transferee to the Pre-IPO SOS Participants.

(10) Vesting Schedule

Unless otherwise determined by the Board, the Pre-IPO SOS Options granted will be vested in three years upon (A) fulfilment of the terms of the Pre-IPO SOS and the conditions set out in the relevant grant letter as well as (B) the achievement of performance targets as determined by the Board. The first vesting date will be on the first anniversary of the date of grant of Pre-IPO SOS Options ("**Grant Date**").

(11) Exercise of Pre-IPO SOS Options

Exercise Price

The initial exercise price for Pre-IPO SOS Options shall be US$2.94 per Share (upon Share split on the Listing Date: US$0.588 per share), subject to further adjustment as specified by the Board in the grant letter to the participants and by reference of the market practice and the current value of the Shares. The exercise price was determined with reference to the share price in the latest round of financing prior to the grant date multiplied by a discount.

Exercise Period

Unless otherwise provided in the terms of the Pre-IPO SOS, the validity period of the Pre-IPO SOS Options granted under the Scheme shall be 10 years commencing from the Grant Date. All unexercised Pre-IPO SOS Options shall be terminated and invalidated after the validity period has lapsed.

Exercise of Options

Grantees may exercise the Pre-IPO SOS Options in whole or in part by submitting (i) the Application for the Exercise of Option Incentive (《期權激勵行權申請書》) to our Company pursuant to the terms of this Pre-IPO SOS and the grant letter and (ii) any other documents as required by the Board. Each application shall be accompanied by a remittance for the aggregate amount of the exercise price multiplied by the number of Shares in respect of which the application is submitted for.

(12) Adjustment

If our Company conducts capitalization from capital public reserve, scrip issue, share subdivision, allotment, share split or similar transactions affecting the Shares, leading to an increase or decrease in the number of issued Shares, the Board shall have the sole discretion to adjust the number, price and other aspects of the Pre-IPO SOS Options. The Board shall notify Pre-IPO SOS Participants in due course after such adjustment has been made.

(13) Details of the Pre-IPO SOS Options granted under the Pre-IPO SOS

As of June 30, 2026, the options granted to the Pre-IPO SOS Participants under the Pre-IPO SOS amounted to an aggregate of 51,510,500 Shares, representing approximately 6.12% of the Shares (excluding treasury shares) as at the date of this report, and all these options remain unexercised. After Listing, the Company will not grant option to subscribe for Shares pursuant to the Pre-IPO SOS.

As of June 30, 2026, 268 grantees (excluding those who have resigned and become unqualified) have been granted options under the Pre-IPO SOS in respect of the Pre-IPO SOS Shares. As of January 1, 2026 and June 30, 2026, the number of options available for grant under the scheme mandate of the Pre-IPO SOS was 27,729,000 shares and 30,089,500 shares, respectively (including options which have lapsed and will not be granted again).

As at January 1, 2026 and June 30, 2026, details of the granted Pre-IPO SOS Options are set out as follows:

Name of the grantees	Position held in our Group	Grant Date	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Vesting period	Exercise price (USD/Share)
Director										
Ms. ZONG Wenhong	Executive Director and chief executive officer	January 1, 2020	2,500,000	–	–	–	-	2,500,000		
		January 1, 2021	5,000,000	–	–	–	-	5,000,000		
		April 1, 2023	3,000,000	–	–	–	-	3,000,000		
Employees other than Directors or senior management	/	January 1, 2020	8,937,500	–	–	–	550,000	8,387,500	3 years from Grant Date	0.588
		January 1, 2021	25,155,000	–	–	–	1,414,500	23,740,500		
		July 1, 2021	3,200,000	–	–	–	195,500	3,004,500		
		April 1, 2023	6,078,500	–	–	–	200,500	5,878,000		
Total			**53,871,000**	–	–	–	**2,360,500**	**51,510,500**		

Notes:

1. As at the end of the Reporting Period, Ms. ZONG Wenhong held a total of 10,500,000 options under the Pre-IPO SOS Options, representing 1.25% of the total issued shares of the Company (excluding treasury shares).

2. Save as disclosed above, as at the end of the Reporting Period, (i) there were no other grantees who are directors, chief executives, substantial shareholders, connected persons of the Company or their respective associates; (ii) there was no other grantee that had been granted Pre – IPO SOS Options exceeding 1% of the total number of issued shares (excluding treasury shares) and (iii) there was no related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total number of issued shares (excluding treasury shares) of the Company.

3. The exercise period of the options granted under the Pre-IPO SOS takes effect until December 31, 2029.

4. The vesting of the pre-IPO share options granted is subject to the performance targets set out in the relevant grant notices.

2. Post-IPO SOS

(1) Overview

The following is a summary of the principal terms of the Post-IPO SOS ("**Post-IPO SOS Rules**"), as conditionally adopted by the Board on May 27, 2021. The terms of the Post-IPO SOS are subject to Chapter 17 of the Listing Rules.

Application has been made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Shares which may be issued pursuant to the exercise of any Post-IPO SOS Options which may be granted under the Post-IPO SOS.

(2) Purpose

The purpose of the Post-IPO SOS is to provide incentives and rewards to participants for their contributions to, and continuing efforts to, promote the interest of, the Company.

(3) Eligibility

Those eligible to participate in the Post-IPO SOS (the "**Post-IPO Eligible Participant**") include, among others, (i) any employee (whether full time or part time), executives or officers, and directors of any member of the Group, any entity in which any member of our Group holds an equity interest, and shall, for the purpose of the Post-IPO SOS Rules, exclude any members of the Group (the "**Invested Entity**") or any business partner; and (ii) any consultant, advisor or agent of any member of the Group, any Invested Entity or any business partner who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity.

During the Reporting Period, the Company has not granted and does not intend to grant any options under the Post-IPO SOS to any consultant, adviser, service provider or agent of any of its business partners.

(4) Exercise price

The exercise price for the Post-IPO SOS Options ("**Exercise Price**") shall be a price determined by the Board or the Chairman (as the case may be) and notified to any grantee of Post-IPO SOS Options (the "**Grantee**") and will be the highest of:

(a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Post-IPO Grant Date, which must be a business day;

(b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Post-IPO Grant Date; and

(c) the nominal value of a Share on the Post-IPO Grant Date.

(5) Offer of the Grant of an Option

The Board or the Chairman (in accordance with their respective discretion so authorized under the Post-IPO SOS) shall be entitled at any time during the operation of the Post-IPO SOS, at its/his sole and absolute discretion, to make an offer of Post-IPO SOS Options to a Post-IPO Eligible Participant by letter in such form as the Board or the Chairman (as the case may be) may from time to time determine (the "**Grant Letter**").

(6) Acceptance of Offer

An offer of Post-IPO SOS Options shall be open for acceptance in writing given by either prepaid post, facsimile transmission, personal delivery or by electronic communication received by the Board or the Chairman (as the case may be), or any person designated by the Board or the Chairman, for such period as the Board or the Chairman (as the case may be) may determine and be notified to the Grantee concerned, provided that no such offer shall be open for acceptance after the expiry of the duration of the Post-IPO SOS or after the Post-IPO SOS has been terminated in accordance with the Post-IPO SOS Rules. An offer of Post-IPO SOS Options not accepted within this period shall lapse. An offer may not be accepted unless the Grantee remains a Post-IPO Eligible Participant on acceptance. An amount of HK$1.00 is payable by the Grantee to the Company within the period specified in the offer, upon acceptance of the offer of Post-IPO SOS Options (unless the Board resolves to waive payment at the time of grant), and such remittance shall not be refundable and shall not be deemed to be a part payment of the Exercise Price.

(7) Exercise of Post-IPO SOS Options

The Grant Letter issued by the Company to the relevant Post-IPO Eligible Participant shall specify details of the Post-IPO SOS Options, including the number of Shares under the Post-IPO SOS Options, the Exercise Price, the exercise period and the vesting schedule, etc.

Subject to restrictions which may be imposed by the Board or the Chairman (as the case may be), any Post-IPO SOS Options may be exercised at any time during the exercise period by the Grantee (or in the case of his death, his legal personal representatives) giving notice in writing (in such form as the Company may from time to time specify) to the Company stating that the Post-IPO SOS Options are thereby exercised and the number of Shares in respect of which it is exercised.

(8) Maximum number of Shares

The overall limit on the number of Shares that may be issued upon exercise of all options granted under the Post-IPO SOS (the "**Post-IPO SOS Options**") shall be no more than approximately 10% of the Shares in issue on the date of the Shares starting to be traded on the Stock Exchange (being 84,187,680 Shares) ("**Post-IPO Mandate Limit**"), representing 10% of the issued shares (excluding treasury shares) on the date of this report. Post-IPO SOS Options lapsed or cancelled in accordance with the Post-IPO SOS Rules (or any other share option schemes of our Company) will not be counted for the purposes of calculating the Post-IPO Mandate Limit.

The maximum number of Shares which may be issued upon exercise of all outstanding Post-IPO SOS Options granted and yet to be exercised under the Post-IPO SOS and any other options granted and yet to be exercised under any other option scheme shall not exceed 30% of the issued share capital of our Company from time to time.

We may refresh the Post-IPO Mandate Limit at any time subject to prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Post-IPO Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the aforesaid approval to refresh the Post-IPO Mandate Limit by our Shareholders in general meeting. Post-IPO SOS Options previously granted under the Post-IPO SOS or any other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised) will not be counted for the purpose of calculating the Post-IPO Mandate Limit as refreshed.

We may also seek separate approval of our Shareholders in general meeting for granting options beyond the Post-IPO Mandate Limit to participants specifically identified by our Company before the aforesaid Shareholders' meeting where such approval is sought.

(9) Maximum entitlement of Post-IPO SOS Participants

No Post-IPO SOS Options may be granted to any Post-IPO SOS Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Post-IPO SOS Options already granted or to be granted to such Eligible Participant under the Post-IPO SOS (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such new grant exceeding 1% in aggregate of the issued share capital of the Company as at the date of such new grant ("**Post-IPO Grant Date**"). Any grant of further Post-IPO SOS Options above this limit shall be subject to the requirements provided under the Listing Rules.

(10) Performance target

The Post-IPO SOS Rules do not set out any performance targets that must be achieved before the Post-IPO SOS Options may be exercised. However, the Board may, at their sole discretion, specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the Post-IPO SOS Options can be exercised.

(11) Vesting Schedule and Exercise Period

The Board or the Chairman (as the case may be) may specify the exercise period and the vesting schedule of the Post-IPO SOS Options in the Grant Letter. Unless the Post-IPO SOS Options have been withdrawn and cancelled or been forfeited in whole or in part, the Grantee may exercise his rights under the Post-IPO SOS according to the vesting schedule set out in the relevant Grant Letter. The Post-IPO SOS Options must be exercised no more than ten years from the Grant Date. During the Reporting Period, the Company did not grant, nor does it intend to grant any option with a vesting period shorter than 12 months under the Post-IPO SOS.

(12) Duration

The Post-IPO SOS shall take effect upon all of the following having been satisfied:

(i) the passing of the necessary resolution to adopt the Post-IPO SOS by the Board;

(ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Post-IPO SOS Options on the Stock Exchange; and

(iii) the commencement of dealings in the Shares on the Stock Exchange.

The Post-IPO SOS shall be valid and effective for the period of ten years commencing on the date when the Post-IPO SOS takes effect (after which, no further Post-IPO SOS Options shall be offered or granted), but in all other respects the provisions of the Post-IPO SOS Rules shall remain in full force and effective to the extent necessary to give effect to the exercise of any Post-IPO SOS Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO SOS Rules. As at the date of this report, the remaining life of the Post-IPO SOS is about seven years.

(13) Details of the Post-IPO SOS Options granted under the Post-IPO SOS

Pursuant to the Post-IPO SOS, the grantees have been granted options by the Company involving the total numbers of granted options of 29,465,000 shares and 28,990,000 shares, respectively, under the Post-IPO SOS as at July 15, 2024 and July 21, 2025, respectively, with the corresponding grantees of 216 and 236, respectively, for a total of 318 grantees, and 58,455,000 shares for granted options, accounting for approximately 6.94% of the shares as at the reporting date (excluding treasury shares).

As at June 30, 2026, 273 (excluding whom have resigned) grantees have been granted options in respect of the shares under the Post-IPO SOS. The options granted to participants of the Post-IPO SOS involved a total of 51,394,000 shares, accounting for approximately 6.10% of the shares as at the end of the Reporting Period (excluding treasury shares). Among them, 7,604,400 shares have been vested but have not been exercised.

As of January 1, 2026 and June 30, 2026, the number of options available for grant under the scheme mandate of the Post-IPO SOS was 30,606,380 shares and 32,793,680 shares[note], respectively.

Note: Pursuant to the terms of the Post-IPO SOS, lapsed options are available for re-grant. Accordingly, 32,793,680 (i.e., the Post-IPO Mandate Limit less shares granted) shares are available for grant.

As at January 1, 2026 and June 30, 2026, details of the granted Post-IPO SOS Options are set out as follows:

Name of the grantees	Position held in our Group	Grant Date	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Vesting period	Exercise price (HKD/Share)
Director										
Ms. ZONG Wenhong	Executive Director and chief executive officer	July 15, 2024	4,000,000	–	–	–	–	4,000,000		1.14
		July 21, 2025	5,000,000	–	–	–	–	5,000,000		0.904
Senior management										
Mr. LI Ming	President[4]	July 15, 2024	2,000,000	–	–	–	–	2,000,000		1.14
		July 21, 2025	2,000,000	–	–	–	–	2,000,000		0.904
Ms. ZHANG Ying	Vice president and chief financial officer	July 21, 2025	2,000,000	–	–	–	–	2,000,000	3 years from Grant Date	0.904
Ms. ZHAO Shu	Joint company secretary	July 15, 2024	1,000,000	–	–	–	–	1,000,000		1.14
		July 21, 2025	800,000	–	–	–	–	800,000		0.904
Employees other than Directors and senior management	/	July 15, 2024	17,822,300	–	–	–	874,300	16,948,000		1.14
		July 21, 2025	18,959,000	–	–	–	1,313,000	17,646,000		0.904
Total			**53,581,300**	–	–	–	**2,187,300**	**51,394,000**		

Notes:

1. Save as disclosed above, as at the end of the Reporting Period, (i) there were no other grantees who were directors, chief executives, substantial shareholders, or their respective associates of the Company; (ii) there was no other grantee that had been granted Post-IPO SOS Options exceeding 1% of the total number of issued shares (excluding treasury shares) and (iii) there was no related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total number of issued shares (excluding treasury shares) of the Company.

2. The exercise period of the options granted under the Post-IPO SOS is 10 years.

3. The vesting of the Post-IPO share options granted is subject to the performance targets set out in the relevant grant notices. The performance targets have been determined after considering, including but not limited to, relevant financial indicators and business-related indicators of the Company. The Company has established an appraisal mechanism whereby appraisal indicators are set according to the duties and responsibilities of the relevant Directors and employees respectively. The appraisal indicators include, but are not limited to, the measurement of work quality, efficiency, level of cooperation, management level and strategic realization. Options that are scheduled to vest in the current period will only vest when the Company has assessed that the set vesting conditions have been met.

4. Mr. LI Ming was appointed as President of the Company on May 9, 2026, and ceased to be Vice President of the Company with effect from the same date.

As the Company did not grant any share options or awards under any share scheme during the Reporting Period, the number of shares that may be issued in respect of share options and awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) during the Reporting Period is not applicable to the Company.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this report, as of the end of the Reporting Period, our Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

PROCEEDS FROM THE GLOBAL OFFERING

On September 28, 2023, the Shares of our Company were listed on the Main Board of the Stock Exchange, with a total of 133,805,500 Shares issued at an offer price of HK$4.76. The net proceeds (the "**Proceeds**") from the Global Offering, 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 from the Listing Date as follows:

- approximately 30% of the Proceeds, for expansion of city-specific cloud hospital platforms to enlarge our medical networks and user base;
- approximately 25% of the Proceeds, for enriching our offerings across the industry value chain to provide more professional and diversified healthcare services;
- approximately 25% of the Proceeds, for research and development on technology infrastructure and data capabilities;
- approximately 10% of the Proceeds, for potential mergers and acquisitions opportunities; and
- approximately 10% of the Proceeds, for working capital and other general corporate purposes.

The Proceeds have been and will continue to be applied in the manner disclosed in the Prospectus. As of June 30, 2026, the Group's use of the Proceeds is set out in the table below:

Purpose of use	% of use of Proceeds	Proceeds	Unutilised amount as at January 1, 2026	Utilised amount for the six months ended June 30, 2026	Unutilised amount as at June 30, 2026	Expected timeline of full utilisation
		(HK$ million)	*(HK$ million)*	*(HK$ million)*	*(HK$ million)*	
Expansion of city-specific cloud hospital platforms to enlarge our medical networks and user base	30%	166.3	100.8	25.7	75.1	By December 31, 2028
Enriching our offerings across the industry value chain to provide more professional and diversified healthcare services	25%	138.6	95.4	24.9	70.5	By December 31, 2028
Research and development on technology infrastructure and data capabilities	25%	138.6	76.9	14.9	62.0	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	29.8	7.1	22.6	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, 2025 and June 12, 2026 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$314.0 million and HK$313.4 million, respectively, calculated based on the exchange rate published by the People's Bank of China as at the date of relevant Board meeting), for cash management purpose. Such amounts can be utilized on a rolling basis within 12 months from the respective dates of the Board's resolution. 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 10, 2025, the Company subscribed for a wealth management product in the amount of US$15 million from Shenwan Hongyuan Financial Products. The wealth management product matured on March 13, 2026, and the aggregate proceeds from principal and return amounted to US$15,409,726. On March 13, 2026, the Company used the principal and return from the previous subscription (being US$15,409,726) as consideration to continue subscribing for wealth management products from Shenwan Hongyuan Financial Products. For details, please refer to the announcement dated March 13, 2026 of the Company. Upon the maturity of the above wealth management product, the Company will cease to use idle Proceeds for subscription of wealth management products. For further details of the background and the relevant arrangements in relation to the use of idle Proceeds for cash management, please refer to the announcement of the Company dated August 26, 2026.

The above subscriptions for wealth management product constitute notifiable transactions under Chapter 14 of the Listing Rules, the Company has complied with the relevant requirements under the Listing Rules.

MATERIAL LITIGATION

Our Company was not involved in any material litigation or arbitration during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE

Our Company has adopted the Model Code as its code of conduct regarding directors' securities transactions.

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 and up to the date of this report.

The Company has also developed and implemented policies and procedures relating to the disclosure of information (including but not limited to the disclosure of inside information), including monitoring potential inside information, ensuring rapid identification of and assessment to relevant facts and circumstances that may have material impacts on the share price of the Company, and submitting relevant matters to the attention of the Board, if necessary, to determine whether a disclosure is needed. Directors, senior management and relevant employees in possession of inside information or potential inside information are required to take reasonable steps to preserve confidentiality and to ensure that its recipients recognize their obligations to maintain confidentiality.

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.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

As of the date of this report, there are no changes in the information of Directors and chief executives which are required to be disclosed under Rule 13.51B(1) of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Pursuant to the Post-IPO SOS, the Company granted an aggregate of 32,785,000 share options to 195 eligible participants on July 23, 2026, to subscribe for shares of US$0.0002 each in the share capital of the Company. Such eligible participants include Ms. ZONG Wenhong, an executive Director and the Chief Executive Officer of the Company, who was granted 6,500,000 share options. The remaining eligible participants are employees of the Group. The exercise price of the share options is HK$0.868. For further details, please refer to the announcement of the Company dated July 23, 2026.

Save as otherwise disclosed in this report, there were no other significant events that had a material adverse impact on the business operations and finance of the Group after the Reporting Period and as of the date of this report.

REVIEW OF INTERIM REPORT BY THE AUDIT COMMITTEE

The audit committee of our Company (the "**Audit Committee**") 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 of our Company has reviewed and approved the unaudited interim results and the interim report of the Group for the six months ended June 30, 2026.

REVIEW OF INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim financial information of the Group for the six months ended June 30, 2026 has been reviewed by the auditor of our Company, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

SUFFICIENT PUBLIC FLOAT

Based on the information publicly available to our Company and to the knowledge of the Directors of our Company, during the Reporting Period, our Company has maintained sufficient public float as required by the Listing Rules.

APPRECIATION

Our Company would like to express its appreciation to all the staff for their outstanding contribution towards our overall development. The Board wishes to sincerely thank the management for their dedication and diligence, which are the key factors for our Company to maintain its success in the future. Also, our Company wishes to extend its gratitude for the continued support from its shareholders, customers, and business partners. Our Company will continue to deliver sustainable business development, so as to create more value for all its shareholders.

Independent Review Report

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the board of directors of XIKANG CLOUD HOSPITAL HOLDINGS INC.
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 42 to 69, which comprises the condensed consolidated statement of financial position of Xikang Cloud Hospital Holdings Inc. (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
26 August 2026

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
REVENUE	4	**182,869**	178,605
Cost of sales		**(139,905)**	(139,292)
Gross profit		**42,964**	39,313
Selling and distribution expenses		**(25,255)**	(31,008)
Research and development expenses		**(14,988)**	(19,570)
Administrative expenses		**(39,299)**	(43,268)
Reversal of impairment losses on financial and contract assets, net		**6,352**	7,781
Other income	4	**2,068**	3,293
Other expenses		**(853)**	(866)
Other gains, net		**6,885**	4,921
Finance income	6	**3,573**	5,715
Finance costs	6	**(9,715)**	(11,933)
Share of losses of associates		**(620)**	(4,670)
LOSS BEFORE TAX	5	**(28,888)**	(50,292)
Income tax credit	7	**1,457**	317
LOSS FOR THE PERIOD		**(27,431)**	(49,975)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Exchange differences:			
Exchange differences on translation of a foreign operation		**664**	165
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**664**	165
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of the Company's financial statements into presentation currency		**(19,870)**	(2,741)
Changes in fair value of the equity investments at fair value through other comprehensive income		**(1,681)**	–
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(21,551)**	(2,741)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(20,887)**	(2,576)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(48,318)**	(52,551)

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	**2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Loss attributable to:			
Owners of the parent		**(27,431)**	(48,886)
Non-controlling interests		**–**	(1,089)
		(27,431)	(49,975)
Total comprehensive loss attributable to:			
Owners of the parent		**(48,318)**	(51,462)
Non-controlling interests		**–**	(1,089)
		(48,318)	(52,551)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted (RMB)		**(0.03)**	(0.06)

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**24,821**	29,758
Right-of-use assets	10	**36,238**	48,330
Intangible assets		**2,624**	2,911
Investments in associates		**84,823**	85,443
Equity investments designated at fair value through other comprehensive income		**42,115**	44,093
Long-term trade receivables	11	**1,470**	3,669
Prepayments		**852**	770
Other receivables		**3,729**	3,844
Deferred tax assets		**8,095**	6,159
Total non-current assets		**204,767**	224,977
CURRENT ASSETS			
Inventories		**18,762**	17,242
Assets recognised from costs to fulfil contracts		**5,495**	7,753
Trade receivables	12	**82,743**	81,315
Contract assets		**2,820**	2,779
Prepayments		**6,750**	6,683
Other receivables		**34,977**	34,724
Other current assets		**4,904**	5,707
Financial assets at fair value through profit or loss		**212,747**	214,226
Restricted deposits		**–**	5
Cash and cash equivalents		**449,743**	545,538
Total current assets		**818,941**	915,972
CURRENT LIABILITIES			
Trade payables	13	**159,030**	186,034
Contract liabilities		**24,860**	29,060
Other payables and accruals		**55,596**	66,368
Interest-bearing bank borrowings	14	**449,629**	463,447
Lease liabilities		**26,069**	29,711
Tax payables		**137**	2,343
Other current liabilities		**84**	45
Total current liabilities		**715,405**	777,008
NET CURRENT ASSETS		**103,536**	138,964
TOTAL ASSETS LESS CURRENT LIABILITIES		**308,303**	363,941

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Contract liabilities	**16,427**	17,183
Lease liabilities	**15,832**	25,400
Deferred income	**2,860**	4,420
Deferred tax liabilities	**2,514**	3,534
Total non-current liabilities	**37,633**	50,537
Net assets	**270,670**	313,404
EQUITY		
Equity attributable to owners of the parent		
Share capital	**1,125**	1,125
Share premium	**2,543,431**	2,543,431
Reserves	**332,801**	348,104
Accumulated losses	**(2,606,687)**	(2,579,256)
	270,670	313,404
Non-controlling interests	**–**	–
Total equity	**270,670**	313,404

Liu Jiren
Director

Zong Wenhong
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the parent						
	Share capital RMB'000	Share premium RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2025 (audited)	**1,125**	**2,543,431**	**348,104**	**(2,579,256)**	**313,404**	**–**	**313,404**
Loss for the period	**–**	**–**	**–**	**(27,431)**	**(27,431)**	**–**	**(27,431)**
Other comprehensive loss for the period:							
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	**–**	**–**	**(1,681)**	**–**	**(1,681)**	**–**	**(1,681)**
Exchange differences	**–**	**–**	**(19,206)**	**–**	**(19,206)**	**–**	**(19,206)**
Total comprehensive loss for the period	**–**	**–**	**(20,887)**	**(27,431)**	**(48,318)**	**–**	**(48,318)**
Share-based compensation	**–**	**–**	**5,584**	**–**	**5,584**	**–**	**5,584**
At 30 June 2026 (unaudited)	**1,125**	**2,543,431**	**332,801**	**(2,606,687)**	**270,670**	**–**	**270,670**
At 31 December 2024 (audited)	1,125	2,543,431	359,083	(2,540,330)	363,309	4,813	368,122
Loss for the period	–	–	–	(48,886)	(48,886)	(1,089)	(49,975)
Other comprehensive loss for the period:							
Exchange differences	–	–	(2,576)	–	(2,576)	–	(2,576)
Total comprehensive loss for the period	–	–	(2,576)	(48,886)	(51,462)	(1,089)	(52,551)
Acquisition of non-controlling interests	–	–	(1,038)	–	(1,038)	(1,212)	(2,250)
Share-based compensation	–	–	11,566	–	11,566	5	11,571
At 30 June 2025 (unaudited)	1,125	2,543,431	367,035	(2,589,216)	322,375	2,517	324,892

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Note	**2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	15	**(49,516)**	(52,376)
Interest received		**3,278**	5,336
Income taxes paid		**(3,409)**	(2,921)
Net cash flows used in operating activities		**(49,647)**	(49,961)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases for property, plant and equipment		**(1,818)**	(4,062)
Proceeds from disposal of property, plant and equipment		**47**	117
Purchase of wealth management products		**(853)**	(394,999)
Proceeds from disposal of wealth management products		**–**	251,427
Net cash flows used in investing activities		**(2,624)**	(147,517)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		**210,354**	243,990
Repayments of bank borrowings		**(223,990)**	(290,750)
Acquisition of non-controlling interests		**–**	(2,250)
Payments for interest		**(8,765)**	(10,445)
Payments of lease liabilities		**(9,778)**	(11,326)
Payments for lease deposits		**–**	(25)
Payments of listing expenses		**–**	(37)
Net cash flows used in financing activities		**(32,179)**	(70,843)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(84,450)**	(268,321)
Cash and cash equivalents at the beginning of the period		**545,538**	760,857
Effects of exchange rate changes on cash and cash equivalents		**(11,345)**	(1,747)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**449,743**	490,789
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**449,743**	490,789
Cash and cash equivalents as stated in the consolidated statements of financial position and cash flows		**449,743**	490,789

Notes to the Interim Condensed Consolidated Financial Information

1. GENERAL 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 the 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. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The Company does not have legal ownership in the equity of certain entities. However, under certain contractual agreements (including power of attorney agreement, loan agreement, equity option agreement, equity interest pledge agreement and exclusive technical consulting and services agreement) entered into with the registered owners of the entities, the Company through its indirectly wholly-owned subsidiary controls the entities by way of controlling the voting rights, governing the financial and operating policies, appointing or removing the majority of the members of their controlling authorities, and casting the majority of votes at meetings of such authorities. In addition, such contractual agreements also transfer the risks and rewards of the entities to the Group's indirect wholly-owned subsidiary. As a result, the entities are treated as subsidiaries of the Company and their financial statements have been consolidated by the Company.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICES (continued)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

(a) Amendments to HKFRS 9 and HKFRS 7 Amendments to the *Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments 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. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) 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. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2026	Medical services RMB'000 (Unaudited)	Nursing services RMB'000 (Unaudited)	Health management services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment information (note 4)				
Sales to external customers	**57,533**	**59,671**	**65,665**	**182,869**
Cost of sales	**(46,551)**	**(46,613)**	**(46,741)**	**(139,905)**
Segment gross profit	**10,982**	**13,058**	**18,924**	**42,964**
Reconciliation:				
Selling and distribution expenses				**(25,255)**
Research and development expenses				**(14,988)**
Administrative expenses				**(39,299)**
Reversal of impairment losses on financial and contract assets, net				**6,352**
Other income				**2,068**
Other expenses				**(853)**
Other gains, net				**6,885**
Finance income				**3,573**
Finance costs				**(9,715)**
Share of losses of associates				**(620)**
Loss before tax				**(28,888)**

3. OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 June 2025	Medical services RMB'000 (Unaudited)	Nursing services RMB'000 (Unaudited)	Health management services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment information (note 4)				
Sales to external customers	69,827	34,624	74,154	178,605
Cost of sales	(60,521)	(28,023)	(50,748)	(139,292)
Segment gross profit	9,306	6,601	23,406	39,313
Reconciliation:				
Selling and distribution expenses				(31,008)
Research and development expenses				(19,570)
Administrative expenses				(43,268)
Reversal of impairment losses on financial and contract assets, net				7,781
Other income				3,293
Other expenses				(866)
Other gains, net				4,921
Finance income				5,715
Finance costs				(11,933)
Share of losses of associates				(4,670)
Loss before tax				(50,292)

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**182,869**	178,605

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	**Medical services RMB'000 (Unaudited)**	**Nursing services RMB'000 (Unaudited)**	**Health management services RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Geographical market				
Chinese Mainland	**57,533**	**59,671**	**65,665**	**182,869**
Timing of revenue recognition				
Recognised at a point in time	**56,035**	**59,180**	**65,437**	**180,652**
Recognised over time	**1,498**	**491**	**228**	**2,217**
Total	**57,533**	**59,671**	**65,665**	**182,869**

4. REVENUE AND OTHER INCOME (continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2025

Segments	Medical services RMB'000 (Unaudited)	Nursing services RMB'000 (Unaudited)	Health management services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Geographical market				
Chinese Mainland	69,827	34,624	74,154	178,605
Timing of revenue recognition				
Recognised at a point in time	67,210	34,500	74,009	175,719
Recognised over time	2,617	124	145	2,886
Total	69,827	34,624	74,154	178,605

An analysis of other income is as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Government grants*	**1,970**	1,620
Refund of service fee for withholding individual income tax	**97**	105
Value added tax ("VAT") refund and VAT reduction	**1**	–
Investment return on wealth management products	**–**	1,568
Total	**2,068**	3,293

* Government grants mainly include 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):

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales of hardware, software, raw materials and others	**111,018**	108,619
Depreciation of property, plant and equipment	**5,546**	4,222
Depreciation of right-of-use assets	**11,106**	10,442
Amortisation of intangible assets	**287**	313
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and bonuses	**55,381**	58,497
Share-based compensation expenses	**5,584**	11,571
Social security costs and housing benefits	**11,754**	14,222
Other employee benefits	**2,251**	2,149
Total	**74,970**	86,439
Foreign exchange differences, net**	**(1,071)**	(275)
(Reversal of impairment of)/impairment of financial and contract assets, net:		
Impairment of long-term trade receivables, net	**317**	3,346
Reversal of impairment of trade receivables, net	**(6,825)**	(11,144)
Impairment of other receivables, net	**8**	201
Impairment of/(reversal of impairment of) contract assets, net	**148**	(184)
Total	**(6,352)**	(7,781)
Impairment loss on inventories*	**564**	357
Service fee for purchase of wealth management products**	**853**	866
Fair value gains on financial assets at fair value through profit or loss, net***	**(5,217)**	(592)
Gain on partial disposal of equity interest in an associate***	**–**	(4,459)
Loss on disposal of property, plant and equipment, net***	**102**	473
Gain on partial or full termination of the lease, net***	**(1,525)**	(103)

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

** These items are included in "Other expenses" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

*** These items are included in "Other gains, net" in the interim condensed 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:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income	**3,573**	5,715
Finance costs		
Interest on bank borrowings	**(8,584)**	(10,506)
Interest on lease liabilities	**(1,131)**	(1,427)
Total	**(9,715)**	(11,933)

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

In Mainland China, the companies are subject to the PRC corporate income tax rate of 25% (for the six months ended 30 June 2025: 25%) except for one (for the six months ended 30 June 2025: one) PRC subsidiary which is entitled to a preferential tax rate of 15% because it is accredited as a High and New Technology Enterprise.

The income tax credit of the Group is analysed as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the period	**46**	1,028
Underprovision in prior periods	**1,157**	261
Deferred	**(2,660)**	(1,606)
Total tax credit	**(1,457)**	(317)

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

The calculation of the loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 841,876,805 (2025: 841,876,805) outstanding during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 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 loss per share is based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the loss per share calculation	**(27,431)**	(48,886)

	Number of shares For the six months ended 30 June	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding during the period used in the loss per share calculation	**841,876,805**	841,876,805

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at an aggregate cost of RMB771,000 (for the six months ended 30 June 2025: RMB1,201,000) and disposed of assets with an aggregate book value of RMB163,000 (for the six months ended 30 June 2025: RMB593,000), resulting in a net loss on disposal of RMB102,000 (for the six months ended 30 June 2025: net loss of RMB473,000).

10. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group acquired no assets (for the six months ended 30 June 2025: RMB5,426,000) and partially or fully terminated assets with an aggregate book value of RMB986,000 (for the six months ended 30 June 2025: RMB2,243,000), resulting in a net gain of RMB1,525,000 (for the six months ended 30 June 2025: net gain of RMB103,000).

11. LONG-TERM TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Long-term trade receivables	**12,572**	15,031
Less: Impairment	**(8,323)**	(8,006)
	4,249	7,025
Less: Long-term trade receivables due within one year	**(2,779)**	(3,356)
Net carrying amount	**1,470**	3,669

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

11. LONG-TERM TRADE RECEIVABLES (continued)

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:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
4 months to 1 year	**4,564**	3,000
1 to 2 years (excluding 1 year)	**2,104**	4,210
2 to 3 years (excluding 2 years)	**342**	333
3 to 4 years (excluding 3 years)	**885**	1,905
4 to 5 years (excluding 4 years)	**4,677**	5,583
	12,572	15,031
Less: Impairment	**(8,323)**	(8,006)
	4,249	7,025
Less: Long-term trade receivables due within one year	**(2,779)**	(3,356)
Net carrying amount	**1,470**	3,669

12. TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**184,364**	189,761
Less: Impairment	**(101,621)**	(108,446)
Net carrying amount	**82,743**	81,315

12. TRADE RECEIVABLES (continued)

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) is 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 as at 30 June 2026 are amounts due from the Group's related parties of RMB3,217,000 (31 December 2025: RMB5,284,000), 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:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**35,154**	39,295
4 months to 1 year	**25,636**	25,520
1 to 2 years (excluding 1 year)	**27,436**	23,679
2 to 3 years (excluding 2 years)	**18,322**	28,732
3 to 4 years (excluding 3 years)	**22,233**	22,090
4 to 5 years (excluding 4 years)	**18,045**	12,889
Over 5 years	**37,538**	37,556
	184,364	189,761
Less: Impairment	**(101,621)**	(108,446)
Total	**82,743**	81,315

12. TRADE RECEIVABLES (continued)

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At beginning of period	**108,446**	129,008
Impairment losses reversed	**(6,825)**	(11,144)
At end of period	**101,621**	117,864

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

13. TRADE PAYABLES

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

	30 June	31 December
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 3 months	**54,536**	68,165
4 to 6 months	**7,418**	23,638
7 months to 1 year	**26,213**	29,934
1 to 2 years (excluding 1 year)	**20,101**	18,818
2 to 3 years (excluding 2 years)	**14,925**	17,469
3 to 4 years (excluding 3 years)	**21,648**	18,294
4 to 5 years (excluding 4 years)	**9,669**	8,498
Over 5 years	**4,520**	1,218
Total	**159,030**	186,034

14. INTEREST-BEARING BANK BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	RMB'000 (Audited)
Bank loans – secured	**3.90**	**2026-2027**	**239,333**	3.90	2026	221,310
Bank loans – secured	**Loan Prime Rate ("LPR") -0.2&+0.5&0.9**	**2026-2027**	**210,296**	Loan Prime Rate ("LPR") +0.1&0.7&0.9	2026	242,137
Total			**449,629**			463,447

Notes:

(a) All of the Group's borrowings are denominated in RMB.

(b) As at 30 June 2026, the principal portion of the secured bank loans of approximately RMB390,000,000 and RMB59,264,000, were guaranteed by the Company's shareholder, Dalian Neusoft Holdings Co., Ltd. ("Neusoft Holdings") and Xikang Healthcare Technology Co., Ltd., respectively.

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Fixed interest rate	**239,333**	221,310
Variable interest rate	**210,296**	242,137
Total	**449,629**	463,447

15. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss before tax:	**(28,888)**	(50,292)
Adjustments for:		
Depreciation and amortisation	**16,939**	14,977
Share-based compensation	**5,584**	11,571
Fair value gains on financial assets at fair value through profit or loss, net	**(5,217)**	(592)
Investment income on wealth management products	**–**	(1,568)
Loss on disposal of property, plant and equipment, net	**102**	473
Gain on partial or full termination of leases, net	**(1,525)**	(103)
Gain on partial disposal of equity interest in an associate	**–**	(4,459)
Service fee for purchase of wealth management products	**853**	866
Share of losses of associates	**620**	4,670
Finance income	**(3,573)**	(5,715)
Finance costs	**9,715**	11,933
Foreign exchange gain	**(1,071)**	(275)
Reversal of provisions of financial and contract assets	**(6,352)**	(7,781)
	(12,813)	(26,295)
Increase in inventories	**(1,520)**	(6,529)
Decrease in other operating assets	**7,948**	28,791
Decrease in other operating liabilities	**(43,131)**	(48,343)
Cash used in operations	**(49,516)**	(52,376)

16. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June **2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Purchases of technical services, maintenance services and other services			
Neusoft Group Co., Ltd. ("Neusoft Corporation") and its subsidiaries	(i)	**1,286**	905
PICC Property and Casualty Company Limited ("PICC P&C") and its subsidiaries	(i)	**216**	–
Total		**1,502**	905
Provision of health management services			
Neusoft Corporation, its subsidiaries and associates	(i)	**1,432**	1,650
Neusoft Holdings	(i)	**319**	191
PICC P&C, its subsidiaries and associates	(i)	**49**	31
Total		**1,800**	1,872
Right-of-use assets relating to the rental contracts with related parties			
Neusoft Corporation and its subsidiaries	(ii)	**–**	36
Lease expenses and property services			
Neusoft Corporation and its subsidiaries	(ii)	**504**	504

Notes:

(i) The purchases from the related parties and the sales and provision of services to the related parties were determined based on mutual negotiations between the relevant parties.

(ii) The transactions with related parties for leases were determined on the basis of negotiations between the parties.

16. RELATED PARTY TRANSACTIONS (continued)

(b) Other transactions with related parties:

(i) The Group's shareholder has guaranteed the principal of certain bank loans made to the Group of up to RMB390,000,000 (31 December 2025: RMB390,000,000) as at the end of the reporting period.

(c) Outstanding balances with related parties:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables		
Neusoft Corporation, its subsidiaries and associates	**451**	768
PICC P&C, its subsidiaries and associates	**93**	58
Neusoft Holdings and its subsidiaries	**28**	522
Total	**572**	1,348
Contract assets		
Neusoft Corporation and its subsidiaries	**55**	31
Other receivables		
Neusoft Corporation and its subsidiaries	**1,013**	1,013
Associates, its parent and its subsidiaries	**–**	229
Total	**1,013**	1,242
Prepayments		
Neusoft Corporation and its subsidiaries	**84**	84
Trade payables		
Neusoft Corporation, its subsidiaries and associates	**18,342**	18,573
Neusoft Holdings, its subsidiaries and associates	**90**	117
Total	**18,432**	18,690

16. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties: (continued)

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Other payables		
Neusoft Corporation and its subsidiaries	**905**	–
Neusoft Holdings and its subsidiaries	**7**	7
Total	**912**	7
Contract liabilities		
Neusoft Corporation, its subsidiaries and associates	**1,522**	1,526
Neusoft Holdings, its subsidiaries and associates	**242**	244
PICC P&C, its subsidiaries and associates	**99**	85
	1,863	1,855
Right-of-use assets		
Neusoft Corporation and its subsidiaries	**2,620**	4,421
Associates, its parent and its subsidiaries	**1,839**	3,416
Total	**4,459**	7,837
Lease liabilities		
Associates, its parent and its subsidiaries	**4,588**	4,486
Neusoft Corporation and its subsidiaries	**2,728**	4,544
Total	**7,316**	9,030

These balances are unsecured and interest-free.

16. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages, salaries and bonuses	**1,893**	1,544
Pension costs – defined contribution plans	**128**	79
Other social security costs	**80**	49
Housing benefits	**51**	63
Share-based compensation	**2,755**	2,470
Total compensation paid to key management personnel	**4,907**	4,205

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Financial assets				
Long-term trade receivables	**4,249**	7,025	**4,246**	7,282
Equity investments designated at fair value through other comprehensive income	**42,115**	44,093	**42,115**	44,093
Other receivables, non-current portion	**3,729**	3,844	**3,458**	3,500
Financial assets at fair value through profit or loss	**212,747**	214,226	**212,747**	214,226
Total	**262,840**	269,188	**262,566**	269,101
Financial liabilities				
Interest-bearing bank borrowings	**449,629**	463,447	**449,629**	463,447

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the long-term trade receivables and non-current other receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2026 were assessed to be insignificant.

The fair values of wealth management products in financial assets at fair value through profit or loss have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the unlisted equity investments in Dalian Yunshe designated as at fair value through other comprehensive income have been estimated using a discounted cash flow valuation model. The discount rate used in the calculation was determined using the weighted average cost of capital ("WACC") and the capital asset pricing model ("CAPM").

Below is a summary of significant unobservable input to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2026 and 31 December 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Equity investments designated at fair value through other comprehensive income	Discounted cash flow valuation model	Pre-tax discount rate	12% (31 December 2025: 11%)	1% increase/decrease in pre-tax discount rate would result in decrease/increase in fair value by RMB5 million/ RMB6 million (31 December 2025: RMB5 million/RMB6 million)
Wealth management products	Discounted cash flow valuation model	Expected rate of return	2% to 8% (31 December 2025: 3% to 6%)	5% (31 December 2025: 5%) increase/ decrease in expected rate of return would result in increase/decrease in fair value by RMB14 million (31 December 2025: RMB11 million)

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	**Significant observable inputs (Level 2) RMB'000 (Unaudited)**	**Significant unobservable inputs (Level 3) RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Equity investments designated at fair value through other comprehensive income	–	–	**42,115**	**42,115**
Financial assets at fair value through profit or loss	–	–	**212,747**	**212,747**
Total	–	–	**254,862**	**254,862**

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Equity investments designated at fair value through other comprehensive income	–	–	44,093	44,093
Financial assets at fair value through profit or loss	–	–	214,226	214,226
Total	–	–	258,319	258,319

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Equity investments designated at fair value through other comprehensive income:		
At 1 January	**44,093**	–
Addition	**–**	54,018
Fair value changes recognised in profit or loss	**(1,978)**	–
At 30 June	**42,115**	54,018
Financial assets at fair value through profit or loss:		
At 1 January	**214,226**	36,842
Purchases	**–**	394,133
Disposal	**–**	(251,427)
Fair value changes recognised in profit or loss	**5,217**	592
Investment return recognised in profit or loss	**–**	1,568
Exchange realignment	**(6,696)**	(541)
At 30 June	**212,747**	181,167

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2025: Nil).

18. EVENTS AFTER THE REPORTING PERIOD

On 23 July 2026, 32,785,000 share options were granted to 195 employees of the Group at an exercise price of HKD0.868 per share. Under the employee incentive plan, the 195 employees are granted options which only vest if certain service and performance conditions are met.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 26 August 2026.

Definitions

In this interim report, the following expressions have the meanings set out below unless the context requires otherwise.

"2016 RSU Scheme"	a restricted share unit scheme of the Company adopted in August 2016 for the benefit of its employees
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of Directors of our Company
"BVI"	the British Virgin Islands
"Company", "our Company" or "the Company"	Xikang Cloud Hospital Holdings Inc. (熙康雲醫院控股有限公司), formerly known as NEUSOFT XIKANG HOLDINGS INC., an exempted company incorporated in the Cayman Islands with limited liability on May 12, 2011
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	director(s) of our Company
"Dongkong International Fifth"	Dongkong International Fifth Investment Inc., a company incorporated under the laws of the BVI on June 23, 2015, and a Shareholder of our Company wholly-owned by Neusoft Holdings
"Dongkong International Seventh"	Dongkong International Seventh Investment Inc., a company incorporated under the laws of the BVI on June 23, 2015, and a Shareholder of our Company wholly-owned by Neusoft Holdings
"Dr. LIU"	Dr. LIU Jiren (劉積仁), the chairperson of the Board and a non-executive Director of our Company
"First Care"	First Care (第一關愛), one of our Pre-IPO Investors, a company incorporated in the Cayman Islands
"Global Offering"	the Hong Kong public offering and the international offering as described in the Prospectus
"Group", "our Group", "the Group", "we", "us" or "our"	our Company, its subsidiaries and the consolidated affiliated entities controlled through contractual arrangements (or our Company and any one or more of its subsidiaries and the consolidated affiliated entities controlled through contractual arrangements, as the context may require)

"HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"KangRich"	KangRich Investments Limited, a company incorporated under the laws of the BVI on July 8, 2015, and an employee shareholding platform and a Shareholder of our Company
"Kingset Ventures"	Kingset Ventures Limited, one of our Pre-IPO Investors, a company incorporated in the BVI
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	September 28, 2023, on which the Shares are listed on the Hong Kong Stock Exchange and from which dealings in the Shares are permitted to commence on the Hong Kong 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
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Neusoft (HK)"	Neusoft (HK) Limited, a company incorporated under the laws of Hong Kong on August 25, 2000 and a Shareholder of our Company wholly-owned by Neusoft Corporation
"Neusoft Corporation"	Neusoft Corporation (東軟集團股份有限公司), a company incorporated under the laws of the PRC on June 17, 1991, was listed on the Shanghai Stock Exchange (stock code: 600718) on June 18, 1996
"Neusoft Holdings"	Dalian Neusoft Holdings Co., Ltd. (大連東軟控股有限公司), a company incorporated under the laws of the PRC on November 15, 2011
"PICC P&C"	PICC Property and Casualty Company Limited (中國人民財產保險股份有限公司), established in the PRC in July 2003, was listed on the Main Board of the Stock Exchange on November 6, 2003 (stock code: 02328), one of our Pre-IPO Investors and a connected person of our Company

Definitions

"Post-IPO SOS"	the share option scheme adopted by our Company on May 27, 2021, as amended or otherwise modified from time to time, and detailed in "Other Information – Share Option Schemes – 2. Post-IPO SOS" in this interim report
"PRC" or "China"	the People's Republic of China, which for the purposes of this interim report only and unless the context requires otherwise, excludes Hong Kong, Macau and Taiwan
"Pre-IPO SOS"	the share option scheme adopted by our Company on March 29, 2019, as amended or otherwise modified from time to time, and detailed in "Other Information – Share Option Schemes – 1. Pre-IPO SOS" in this interim report
"Prospectus"	the prospectus of the Company dated September 18, 2023
"Province"	a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the central government of the PRC
"Reporting Period"	the six months ended June 30, 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the share capital of our Company with a par value of US$0.0002 each
"Share Option Scheme(s)"	Pre-IPO SOS and/or Post-IPO SOS
"Shareholder(s)"	holder(s) of our Shares
"Smartwave"	Smartwave Holdings Inc. (斯邁威控股有限公司), a company incorporated under the laws of BVI on March 15, 2011, and a Shareholder of our Company wholly-owned by Neusoft Holdings
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"Syn Invest"	Syn Invest Co. Ltd, one of the Pre-IPO Investors of our Company, a company established in the BVI
"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD" or "US$"	United States dollars, the lawful currency of the United States