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Bayzed Health Group Inc
佰澤醫療集團

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 02609)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Bayzed Health Group Inc (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) is pleased to announce the unaudited consolidated interim results of the Group for the six months ended June 30, 2025 (the “**Reporting Period**”), together with comparative figures for the six months ended June 30, 2024 as below.

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended June 30, 2025 amounted to approximately RMB574.7 million, representing an increase of approximately 0.7% as compared with the same period in 2024.
- Gross profit for the six months ended June 30, 2025 amounted to approximately RMB106.3 million, representing an increase of approximately 8.3% as compared with the same period in 2024.
- Loss for the six months ended June 30, 2025 amounted to approximately RMB20.3 million, representing an increase of approximately 176.0% as compared with the same period in 2024.
- Adjusted profit for the six months ended June 30, 2025 amounted to approximately RMB9.4 million, representing an increase of approximately 72.8% as compared with the same period in 2024.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended	
		June 30,	
	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
Revenue	3	574,731	570,945
Cost of sales		<u>(468,385)</u>	<u>(472,705)</u>
Gross profit		106,346	98,240
Other net income	4	1,439	828
Selling expenses		(6,420)	(5,725)
General and administrative expenses		(100,324)	(81,649)
Impairment loss on trade and bills receivables		<u>(602)</u>	<u>301</u>
Profit from operations		439	11,995
Finance cost	5	<u>(10,507)</u>	<u>(11,613)</u>
(Loss)/profit before taxation	5	(10,068)	382
Income tax expense	6	<u>(10,194)</u>	<u>(7,722)</u>
Loss for the period		<u><u>(20,262)</u></u>	<u><u>(7,340)</u></u>
Adjusted profit for the period		<u><u>9,427</u></u>	<u><u>5,454</u></u>

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

	For the six months ended	
	June 30,	
<i>Notes</i>	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income for the period		
(after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of foreign operations	<u>(1,357)</u>	<u>1,338</u>
Total comprehensive income for the period	<u>(21,619)</u>	<u>(6,002)</u>
Loss for the period attributable to:		
Equity shareholders of the Company	<u>(27,620)</u>	(11,548)
Non-controlling interests	<u>7,358</u>	<u>4,208</u>
	<u>(20,262)</u>	<u>(7,340)</u>
Total comprehensive income attributable to:		
Equity shareholders of the Company	<u>(28,977)</u>	(10,210)
Non-controlling interests	<u>7,358</u>	<u>4,208</u>
	<u>(21,619)</u>	<u>(6,002)</u>
Loss per share	7	
Basic and diluted (<i>RMB</i>)	<u>(0.02)</u>	<u>(0.01)</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Adhering to the mission of “respecting life and promoting the widespread availability of high-quality medical resources for the benefit of the public”, the Group provides patients with high-quality medical services as a leading full-cycle oncology healthcare group in the PRC, and screening, diagnosis, treatment and rehabilitation are core services the Group provided in its full-cycle oncology healthcare services system, including but not limited to oncology diagnosis for patients, various kinds of oncology treatment, oncology rehabilitation and hospice care, as well as screening and early detection of cancer, vaccination and health management services to other potential healthy people including family members of oncology patients. The Group is dedicated to providing full-cycle oncology healthcare services to individuals (i) who have been diagnosed with cancer; (ii) who present with average or high risks of cancer, such as those with cancer incidents in their family history; and (iii) who have received oncology treatment including radical oncology treatment.

As of June 30, 2025, the Group operated and managed a network of eight hospitals in Beijing, Tianjin, Shanxi Province, Anhui Province and Henan Province with focus on provision of full-cycle oncology healthcare services, through its direct ownership in the equity interest in six private for-profit hospitals and management over two private non-profit hospitals. With the continuous efforts, the market position of the in-network hospitals of the Group has been significantly enhanced.

For the six months ended June 30, 2025, revenue amounted to approximately RMB574.7 million, representing an increase of approximately 0.7% as compared to the same period in 2024. The Group’s gross profit amounted to approximately RMB106.3 million, representing an increase of approximately 8.3% as compared to the same period in 2024. The Group’s net loss amounted to approximately RMB20.3 million and its adjusted net profit⁽¹⁾ amounted to approximately RMB9.4 million. The Group’s EBITDA⁽²⁾ amounted to approximately RMB43.6 million, and its adjusted EBITDA⁽³⁾ amounted to approximately RMB73.3 million.

Notes:

- (1) Adjusted net profit is calculated based on the loss for the period, excluding listing expenses;
- (2) EBITDA is calculated based on the loss for the period, excluding income tax expenses, depreciation of property, plant and equipment, amortization of intangible assets, depreciation of right-of-use assets, and net finance costs;
- (3) Adjusted EBITDA is calculated based on EBITDA, excluding listing expenses.

Core Operating Indicators

Self-owned Hospitals

- Revenue from the hospital business amounted to approximately RMB449 million, of which approximately RMB209 million was related to oncology, accounting for approximately 46.4%;
- Total outpatient and emergency visits of 360,000, unchanged from the same period last year;
- 6,795 surgeries performed, of which 2,895 were level III and IV surgeries, representing a period-on-period increase of approximately 16.4%, while level III and IV surgeries accounted for approximately 42.6%, representing a period-on-period increase of approximately 6.1%.

Managed Hospitals

- Revenue from managed hospitals amounted to approximately RMB193 million;
- 2,845 surgeries performed at managed hospitals, of which 1,946 were level III and IV surgeries, representing a period-on-period increase of approximately 1.7%, while level III and IV surgeries accounted for approximately 68.4%, representing a period-on-period increase of approximately 3.2%.

Industry Recognition

As the China Hospital Rehabilitation Medical Consortium Standing Director Unit* (中國醫院康復醫學聯合體常務理事單位), Taiyuan Peace Hospital, under the Group, collaborated with Peking University Third Hospital to organize 29 experts from renowned Class-IIIA hospitals in the fields of oncology, nutrition, psychology, and rehabilitation (including seven experts from the Group) to draft and finalize the Expert Consensus on Cancer Rehabilitation (2025) (《腫瘤康復專家共識(2025)》) by using the Delphi method. This expert consensus was certified by the International Practice Guidelines Registry Platform on March 20, 2025, received an acceptance notice from the Chinese Journal of Clinicians (《中華臨床醫師雜誌》) on May 26, 2025, and was published in there on June 23, 2025. Based on the latest global research and clinical experience, such Consensus clearly defines the target population and objectives of oncology rehabilitation, and proposes systematic assessment standards for oncology rehabilitation as well as scientifically feasible strategies for rehabilitation, namely “five prescriptions (五大處方)”. The Consensus emphasizes that oncology rehabilitation should encompass pre-rehabilitation before treatment, rehabilitation interventions during treatment, and long-term recovery periods, with multi-disciplinary teams (MDTs) playing a central role in oncology rehabilitation. The Chinese Journal of Clinicians is supervised by the National Health Commission of China and published by the Chinese Medical Association. It is one of the series of journals published by the Chinese Medical Association and has been

included in the Core Journal of Chinese Science and Technology and the Core Journal of Peking University, becoming one of the most influential medical science journals in China. The continued implementation of the “five prescriptions (五大處方)” strategy for oncology rehabilitation, which encompasses exercise, nutrition, medication, psychology, and pain management, is an important component of the Group’s full-cycle oncology healthcare services. The Group plans to successively complete the establishment of “Bayway Cancer Rehabilitation Center” at all its hospitals by the first half of 2025. The Expert Consensus on Cancer Rehabilitation (2025) which was drafted by the Group in collaboration with experts from various hospitals has been published in the journal of Chinese Medical Association, demonstrating that the Group’s oncology rehabilitation business has gained widespread recognition within the industry, and highlighting the Group’s core competitive advantage over other medical institutions.

Discipline Development

While focusing on the discipline development of oncology, the Group continuously promotes the coordinated development of oncology-related disciplines to build a discipline ecosystem covering the entire chain from prevention, screening, diagnosis, treatment, to rehabilitation. Each hospital continuously optimizes its disciplinary development based on its regional needs and own strengths, whereby forming a disciplinary development matrix characterized by “core disciplines guidance, multi-disciplinary collaboration, and balanced regional coverage”, which lays a solid foundation for the high-quality development of oncology medical services.

Western Beijing Cancer Hospital has completed the construction of its DSA suite in April 2025 and introduced a team specializing in oncology nutrition; Tianjin Shishi Hospital has expanded the scope of its discipline services, adding a clinical psychology department in March 2025 to enhance its integrated treatment system for both the physical and mental well-being of oncology patients; Hefei Bayway Hospital has put into use hyperbaric oxygen chambers with 40 beds, becoming the largest oxygen therapy center within the region, and the interventional catheterization laboratory has been put into clinical use; Taiyuan Peace Hospital and Hefei Bayway Hospital have established AI rehabilitation centers by early 2025, which are integrated with smart medical technology to enhance the precision of rehabilitation diagnosis and treatment; Taiyuan Peace Hospital has obtained approval for five types of provincially-restricted medical technologies, compiled the Peace Critical Care Rehabilitation Standard Manual, and performed functional neurosurgical radiofrequency ablation procedures. This included utilizing deep brain nuclei radiofrequency ablation for the treatment of mental health disorders, with positive outcomes observed. Though accelerating technological upgrades, Wuzhi Jimin Hospital has successfully registered a national restricted-class technology (tumor ablation technology) and multiple provincial restricted-class technologies in 2025, and obtained the qualification for designated outpatient tumor radiotherapy; leveraging on digitalization to empower disciplinary development, Huangshan Shoukang Hospital has passed the National Electronic Medical Record Level 4 Review, providing support for the standardization and intelligentization of oncology diagnosis and treatment.

Talent Team Development

The Group continues to enhance the development of its medical staff team, promotes a standardized training system and the “Double Eagle” talent cultivation program, and continuously introduces high-quality disciplinary talent. As of June 30, 2025, the Group and two managed hospitals had a total of 2,767 medical professionals, which included 413 associate-chief physicians and chief physicians, accounting for 40% of the total number of physicians. Within the medical staff team, one physician was promoted to senior professional rank, 11 physicians were promoted to associate-senior professional rank, and 42 physicians were promoted to mid-end professional rank.

In 2025, multiple hospitals focused on the core objective of strengthening talent development. They achieved notable results in cultivating leading academic figures and building professional backbone teams, leading to significantly enhanced industry recognition. These accomplishments were demonstrated by the appointments of hospital management personnel and department heads to key roles within provincial, municipal, and county-level professional committees. This development injects talent-driven momentum into enhancing regional medical quality. Zhang Hongshui (張紅水), as the vice president of business of Taiyuan Peace Hospital, has been appointed as the vice chairman of the Cognitive Impairment Rehabilitation Professional Committee of the Shanxi Association of Rehabilitation Medicine, with multiple members of his team being selected as standing members and members; Zhang Xiaoping (張曉萍), an associate consultant surgeon, was appointed as a standing council member of the Colorectal Branch of the Shanxi Association of Chinese Medicine; Gu Feng (顧峰), as the executive vice president of Wuzhi Jimin Hospital, has been appointed as the vice chairman of the Hospital Quality Control Management Committee of Jiaozuo Medical Association; its director of rehabilitation department has been appointed as the chairman of the Expert Committee of Wuzhi Rehabilitation Medicine Quality Control Center; Mu Zhijie (慕志傑), as the director of its gastroenterology department, has been appointed as the chairman of the Expert Committee of Wuzhi Clinical Nutrition Quality Control Center; and Liu Xingli (劉興莉), as the director of its pathology department, has been appointed as the chairman of the Expert Committee of Wuzhi Pathology Quality Control Center. The Neurosurgery Department has appointed Wang Benhan (王本瀚), as the chairman of the Neurosurgery Committee of the Former Jinan Military Region.

Service Optimization and Quality Improvement

By steadfastly upholding the value concept of “oncology patient-oriented”, and establishing a whole-process service optimization system for oncology, strengthening technological capabilities, and implementing refined quality control measures, the Group has driven systematic improvements in service capacity and patient experience across all hospitals. This initiative, known as the “Patient Experience Enhancement Project”, establishes a closed-loop mechanism involving “patient feedback, process iteration, and outcome tracking”,

ensuring continuous optimization of service details. Patients are invited to actively participate in evaluations of core processes such as outpatient visits and inpatient services, driving the service ecosystem's continuous upgrades toward "more optimized processes, higher efficiency, and better experience".

Upgraded full-process experience, accurately addressing pain points in medical care

Western Beijing Cancer Hospital has launched the "Jingtong-WeChat Pay" mobile settlement function for medical insurance, which optimizes the outpatient medication pickup process and achieves full coverage of online prescription review, and also has added three outpatient blood draw windows, and rolled out a smart queuing system. It has also completed the informatization of clinic triage, upgraded the laboratory information system (LIS) of clinical laboratory, and deployed smart scanning devices for medication traceability codes. As a result, the average waiting time for patients has been reduced by 30%, significantly improving waiting order.

Taiyuan Peace Hospital has completed a systematic renovation of its outpatient area, such as implementing a three-level guidance system, adopting 3D lighting technology to eliminate blind spots, and widening the east gate to separate pedestrian and vehicle traffic. This hospital has also introduced a "Cloud Imaging" service. Patients can scan a QR code to access their electronic medical images instantly and utilise facial recognition for medical insurance payment, thus significantly reducing patient wait times.

Wuzhi Jimin Hospital has launched home-based nursing care and convenient at-home medical consultation services, precisely addressing the difficulties individuals face in accessing healthcare. It has also established specialist nursing clinics, including a chronic wound management clinic and a catheter and stoma care clinic, which have transformed the patient experience. Moreover, this hospital has launched a cloud imaging system, which allows patients to instantly access their test reports via a dedicated QR code, reducing the report waiting time from two hours to less than one hour.

Huangshan Shoukang Hospital has fully implemented bedside settlement services, reducing the time required to complete discharge procedures to five minutes.

Tianjin Shishi Hospital has completed the standardization and aging-friendly renovation of 12 patient rooms through adding anti-slip handrails, emergency call systems and other facilities, significantly enhancing safety measures for patients.

Building a comprehensive quality control system to strengthen medical safety

A quality control framework that combines group coordination with hospital-level implementation has been in place, and the Group has strengthened risk prevention and control through improved systems and technical measures.

- **Group-level supervision strengthening:** In January 2025, a medical dispute reporting platform was officially launched, which established a 24-hour response mechanism for major adverse events at group-level, enabling end-to-end traceability and rapid resolution; monthly spot checks on medical record quality had been conducted, covering core departments such as oncology and rehabilitation across all hospitals; concurrently, training on standardized medical record documentation had been organized, with over 500 medical staff members participating cumulatively, significantly enhancing the compliance rate of medical record documentation.
- **Hospital-level quality system optimization:**
 - Tianjin Shishi Hospital has restructured its medical quality control committee system, revised 12 core systems including the Administrative Measures for the Clinical Application of Medical Technologies (《醫療技術臨床應用管理辦法》), and established quality control standards covering the entire diagnosis and treatment process;
 - Hefei Bayway Hospital has completed the update of clinical pathway for medical insurance and set up a medical record quality control team composed of medical, nursing, medical insurance, and clinical experts to strengthen medical record quality control work;
 - Huangshan Shoukang Hospital has passed the National Electronic Medical Record Level 4 Review, realizing various functions, such as structured storage of diagnostic and treatment data and intelligent monitoring of medical quality, with standardized construction reaching industry-leading standards;
 - Wuzhi Jimin Hospital has implemented 33 clinical pathways adapted for the medical insurance scheme and standardized the management of five key day surgery conditions. This hospital conducts cross-departmental analysis of complex cases. Through comprehensive quality control of the front page of medical records and settlement lists, combined with the implementation of an automated auditing system, self-identified high-risk practices related to medical insurance claims decreased by 50% on a period-on-period basis;

- Taiyuan Peace Hospital has established a three-tiered comprehensive quality control system in accordance with the Class III Grade A accreditation standards, and has established and refined relevant systems, responsibilities, and processes, leading to a significant enhancement in the hospital's quality control capabilities. This hospital has completed the construction of its Level 4 (the highest tier) electronic medical record system, elevating its informatization level to new heights.

Through the above measures, the Group has achieved improvements in service standardization and patient satisfaction while laying a firm foundation for the continued development of a high-quality healthcare service ecosystem.

Building digital management capabilities through a data middle platform to drive operational efficiency upgrades

The Group continues to build a data middle platform as the core engine of its digital transformation. By integrating core data assets from its medical service chain, the Group has built an intelligent management system covering the entire cycle from early screening to diagnosis, treatment, rehabilitation, and follow-up visits. The Group's data middleware platform connects all hospitals via China Telecom's SD-WAN dedicated network, breaking down data barrier between HIS, EMR, and other medical systems of all hospitals. This enables the seamless integration of patient diagnostic data, operational management data, and supply chain data, forming a standardized data asset library.

Leveraging on its self-built reporting system, the Group conducts operational monitoring and management to dynamically track the operational status of all hospitals during the application of such platform; a dynamic operational cost monitoring model is established to track real-time data on human resource costs, equipment depreciation, and drug consumption across hospitals and departments, automatically identifying abnormal cost fluctuations and conducting root-cause analysis; through establishing a quality management and control system, core indicators, such as medical safety and oncology diagnosis and treatment quality, are monitored to enhance diagnosis and treatment quality; with the patient management system and Enterprise WeChat, precise outreach to patients and early screening clients have been achieved.

Social Responsibility and Brand Building

The Group consistently integrates social responsibility into its development strategy, by delivering compassionate healthcare through philanthropic initiatives, promoting synergistic industry advancement via collaboration, and enhancing brand value through professional expertise, thereby continuously demonstrating the complementary role of privately-run healthcare providers in improving the medical service system and meeting public health needs, which has resulted in the synchronous elevation of both its brand influence and societal recognition.

Deepening public welfare services and practicing care for people's livelihood

The Group promoted the “National Cancer Prevention and Treatment Publicity Week” campaign on the whole. Each hospital organized diverse charitable activities according to its regional needs to precisely address the specific health complaints of the community.

Wuzhi Jimin Hospital collaborated with the local charity association to implement an assistance program for oncology patients, providing assistance to totaling 50 financially disadvantaged patients in the first half of 2025, with over RMB50,000 in medical expenses waived; it initiated a specialized public welfare project named “Kindness for Hernia”, offering free hernia surgery to 36 patients from low-income families; and it jointly established a dedicated service channel with the county-level Veterans Affairs Bureau, providing veterans with priority medical treatment, health management, and other customized services.

As actively responding to the government’s call, Western Beijing Cancer Hospital conducted diverse and multi-level science popularization and services to enhance public awareness and emphasis on cancer prevention and treatment. It organized free medical consultations and visited 9 communities over a period of one and a half months to provide in-depth services, bringing professional cancer prevention and treatment services to residents’ doorsteps and establishing a robust barrier against cancer for surrounding residents.

A science popularization video titled “Tutorial on Homemade Pureed Diet” made by the nutrition department of Taiyuan Peace Hospital has won second prize in the Health Science Popularization Competition of Taiyuan City, contributing to the popularization of knowledge about home rehabilitation for oncology patients.

Securing authoritative recognition and demonstrating brand strength

Leveraging on outstanding performance in specialty development and operational management, each hospital has received numerous industry honors, with their brand influence continuing to expand.

In 2025, Taiyuan Peace Hospital was selected for the “Top 10 of Medical Institutions Established by Social Capitals • Oncology Hospitals” and “Top 500 of Single Hospitals” by Asclepius, received the “May 1st Labor Medal” of Wanbailin District, has added “Taiyuan Peace Oncology Rehabilitation Hospital” (太原和平腫瘤康復醫院) as its second name, and was elected as the Vice-Director Unit of Taiyuan Palliative Care Specialist Alliance, with its comprehensive strength being recognized by multiple parties;

Western Beijing Cancer Hospital has made it into the “Top 15 of Medical Institutions Established by Social Capitals • Oncology Hospitals” and “Top 300 of Single Hospitals” by Asclepius. Its submitted systematic works won the first prize of the Fengtai District Health System Selection, highlighting its specialty characteristics and brand influence.

Huangshan Shoukang Hospital was awarded the “2024 Huangshan High-Tech Zone Service Industry Contribution Award” for the seventh time and was once again selected for the “Top 100 of Medical Institutions Established by Social Capitals • Single Hospitals” by Asclepius, further solidifying its benchmark position in the region.

Bayway Early Screening Center was awarded the 2024 Gene Technology “Home Testing Pioneer Enterprise Award” for its innovative practices in the field of home-based tumor early screening.

Hefei Bayway Hospital was selected as the director unit of Anhui Province Rehabilitation Medicine Development Alliance in June, becoming a regional benchmark for rehabilitation therapy.

Wuzhi Jimin Hospital was awarded the title of “Advanced Collective of Social Medical Institutions in Henan Province (2024)” by the Henan Provincial Association of Social Medical Institutions; Du Hongwei (杜宏偉), president of the hospital, was awarded the title of “Advanced Individual of Social Medical Institutions in Henan Province (2024)”.

Deepening industry collaboration and promoting resource sharing

Through joining regional alliances and cross-industry collaborations, various hospitals promote the optimized allocation of medical resources and the unification of industry standards.

By joining the Tianjin Xiqing Traditional Chinese Medicine Cultural Tourism Convenience Map, Tianjin Shishi Hospital contributed to the integration of traditional Chinese medicine culture dissemination and convenient services. Hefei Bayway Hospital became the director unit of Anhui Province Rehabilitation Medicine Development Alliance and the unit of the Orthopedics Specialty Alliance of Medical Institutions Division Established by Social Capitals of Anhui Hospital Association. Wuzhi Jimin Hospital was elected as the vice president unit of the Henan Association for Medical Institutions Established by Social Capitals, and hosted the Wuzhi County Cancer Quality Control Center Academic Forum and the 7th annual meeting of the Wuzhi County Anti-Cancer Association, promoting regional collaboration in oncology rehabilitation and standardized diagnosis and treatment. Taiyuan Peace Hospital has become a medical alliance unit of Shanxi Provincial Cardiovascular Hospital and Shanxi Bethune Hospital.

Through public welfare initiatives, brand building and industry collaboration, the Group has achieved dual enhancements in social value and brand value, and strengthened positive interactions with government, industry and the public, laying a solid foundation for the continued role of medical institutions run by social forces as a complementary force.

Expansion and Peripheral Growth

The Group has expanded its service boundaries and enhanced its core competitiveness through the establishment of new institutions, cross-industry cooperation, and technology introduction. In 2025, it has collaborated with 15 institutions with its service radius continuing to expand.

In April 2025, Taiyuan Peace Hospital signed a strategic cooperation agreement with Shanxi Housekeeping Association to jointly establish a medical care worker certification system and home rehabilitation standards, exploring a new combination model of “medical care + living services”.

In March 2025, Wuzhi Jimin Hospital collaborated with the county’s Social Work Department to expand grassroots coverage through grid-based services.

The oncology services industry exhibits significant market gaps, presenting substantial commercial opportunities

According to Frost & Sullivan, China's new cancer incidence cases recorded a compound annual growth rate (“CAGR”) of approximately 2.9% from 2018 to 2022, while cancer-related deaths grew at a CAGR of approximately 3.0% during the same period. In the year ended December 31, 2022, China recorded approximately 4.8 million new cancer cases and approximately 2.9 million cancer-related deaths, accounting for approximately 23.8% and 27.4% of global new cases and deaths, respectively, positioning China as the country with the highest number of new cancer cases and cancer-related deaths worldwide. Furthermore, the market size of China's private oncology medical services (in terms of revenue) increased from approximately RMB29.1 billion in 2018 to approximately RMB53.0 billion in 2022, representing a CAGR of approximately 16.2%, and is projected to expand from approximately RMB53.0 billion in 2022 to approximately RMB109.2 billion in 2026, reflecting a CAGR of approximately 19.8%.

Furthermore, China faces structural imbalances in oncology medical resource allocation, creating a pronounced supply-demand mismatch between high-quality oncology medical resources concentrated in tier 1 and tier 2 cities and the substantial oncology patient population distributed across tier 3 and tier 4 cities; public hospitals, which bear the majority of China's oncology service demand, primarily focus on cancer treatment, resulting in significant resource gaps in cancer screening and oncology rehabilitation, with the phenomenon of “emphasizing treatment over screening” and “emphasizing treatment over rehabilitation” being prevalent. The full-cycle oncology cycle services has been continuously advanced by the Group, which aims precisely to address the uneven distribution of medical resources, with the dual drivers of policy incentives and market gaps providing the Group with extensive development potential.

Future Outlook

Amidst the demographic shift towards an aging population and the persistent rise in cancer incidence, which will sustain the growth trajectory of oncology medical demand, the Group will continue dedicating its strategic focus to full-cycle oncology care across the entire disease cycle, relentlessly deepening and refining the service chain, scaling up its business operations in early screening, therapeutic interventions and rehabilitation services, thereby addressing the increasingly diverse needs of cancer patients and reinforcing its pioneering position within the full-cycle oncology care continuum.

In order to continue to promote the long-term brand development of its hospitals, the Group will adhere to the service philosophy of “patient-oriented”, continuously improve the comprehensive diagnostic and treatment capabilities of its hospitals, further strengthen the standardized and refined management systems of its hospitals, and persistently upgrade the core competitiveness of its hospitals, thus consolidating and enhancing the Group’s competitive advantage in the industry.

The Group will steadily advance new hospital mergers and acquisitions and hospital trusteeship businesses that align with its strategic and business development direction, continuously identify and screen high-quality hospital targets, strive to secure more attractive merger and acquisition and trusteeship opportunities, so as to drive the continuous optimization and upgrading of the Group’s scale and hospital network.

In addition, the Group will continue to increase investment in oncology-related disciplines across the entire disease spectrum and digital infrastructure while actively developing and expanding high-quality self-pay medical services to meet diverse patient needs and enhance the healthcare experience. The Group will also persistently deepen strategic cooperation with upstream and downstream partners in the oncology services industry to integrate premium medical resources, thereby collectively elevating the industry’s overall service capabilities, extending service boundaries, and delivering superior medical services to patients with cancer through participation in this collaborative ecosystem.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group generated the revenue mainly from (i) operating six private for-profit hospitals the Group owned and providing healthcare services including full-cycle oncology healthcare services; (ii) managing and operating, and receiving management fees from two private not-for-profit hospitals in the in-network hospitals; and (iii) supply of pharmaceuticals, medical equipment and consumables. Given the nature of healthcare service market in the PRC, the Group focuses on full-cycle oncology healthcare services as a core part of the Group’s business operations, and the Group expects this trend to continue in the future. For the six months ended June 30, 2025, the Group recorded revenue of RMB574.7 million, representing an increase of approximately 0.7% from RMB570.9 million for the same period in 2024, primarily due to stable business operations.

The table below sets out the breakdown of the revenue for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Hospital business	449,439	78.2	455,310	79.7
– Inpatient services	253,497	44.1	264,354	46.3
– Outpatient services	194,519	33.8	186,516	32.7
– Others ⁽¹⁾	1,423	0.2	4,440	0.8
Hospital management business⁽²⁾	18,254	3.2	19,144	3.4
Supply of pharmaceuticals, medical equipment and consumables	106,717	18.6	91,605	16.0
Others⁽³⁾	321	0.1	4,886	0.9
Total	574,731	100.0	570,945	100.0

Notes:

- (1) The revenue derived from others of the hospital business during the Reporting Period primarily refer to nucleic acid testing service and government-procured medical service income.
- (2) The revenue derived from the hospital management business during the Reporting Period consisted of the management fee received from Huangshan Shoukang Hospital* (黃山首康醫院) and Taiyuan Wanbailin District Peace Community Health Service Center (太原市萬柏林區和平社區衛生服務中心).
- (3) The revenue derived from others of the business during the Reporting Period primarily refer to revenue related to the provision of healthcare-related consultancy services, organizing and arranging experts to attend academic seminars and medical and healthcare related conferences held by the customers and provision of conference affairs, publicity and other related services.

The revenue generated from the hospital business remains relatively stable at RMB449.4 million for the six months ended June 30, 2025, as compared to RMB455.3 million for the six months ended June 30, 2024.

The revenue generated from the hospital management business decreased by approximately 4.7% from RMB19.1 million for the six months ended June 30, 2024 to RMB18.3 million for the same period in 2025, primarily due to disciplinary adjustments at Huangshan Shoukang Hospital.

The revenue generated from the supply of pharmaceuticals, medical equipment and consumables increased by approximately 16.5% from RMB91.6 million for the six months ended June 30, 2024 to RMB106.7 million for the same period in 2025, primarily due to the expansion of market share leading to an increase in the number of new customers as well as increase in the transaction volume with existing customers of the Group.

The revenue generated from the others decreased by approximately 93.4% from RMB4.9 million for the six months ended June 30, 2024 to RMB0.3 million for the same period in 2025, primarily due to the fact that large-scale industry forums and academic conferences were held during the six months ended June 30, 2024, whereas no such events took place in the same period in 2025.

Cost of Sales

The cost of sales primarily consists of cost of pharmaceuticals, cost of medical consumables, staff cost, depreciation and amortization and others. Cost of sales of the Group remained steady with a decrease by approximately 0.9% from RMB472.7 million for the six months ended June 30, 2024 to RMB468.4 million for the same period in 2025.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of RMB106.3 million for the six months ended June 30, 2025, representing an increase from a gross profit of RMB98.2 million for the same period in 2024. Such increase was primarily attributable to adjustment in the hospital discipline development and the proportion of disciplines with higher gross profit relative to those with lower gross profit increased.

	For the six months ended June 30,			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Hospital business	75,240	16.7	66,983	14.7
Hospital management business	13,539	74.2	14,587	76.2
Supply of pharmaceuticals, medical equipment and consumables	17,397	16.3	15,136	16.5
Others	170	53.1	1,534	31.4
Total	106,346	18.5	98,240	17.2

The gross profit of the hospital business amounted to RMB75.2 million for the six months ended June 30, 2025, representing a gross profit margin of 16.7%, as compared to a gross profit of RMB67.0 million and a gross profit margin of 14.7% for the six months ended June 30, 2024 respectively. Such increase was primarily due to adjustment in the hospital discipline development and the proportion of disciplines with higher gross profit relative to those with lower gross profit increased.

The gross profit of the hospital management business amounted to RMB13.5 million for the six months ended June 30, 2025, representing a gross profit margin of 74.2%, remained steady as compared to a gross profit of RMB14.6 million and a gross profit margin of 76.2% for the six months ended June 30, 2024 respectively.

The gross profit of the supply of pharmaceuticals, medical equipment and consumables amounted to RMB17.4 million for the six months ended June 30, 2025, representing a gross profit margin of 16.3%, remained steady as compared to a gross profit of RMB15.1 million and a gross profit margin of 16.5% for the six months ended June 30, 2024 respectively.

The gross profit of the others amounted to RMB0.2 million for the six months ended June 30, 2025, representing a gross profit margin of 53.1%, as compared to a gross profit of RMB1.5 million and a gross profit margin of 31.4% for the six months ended June 30, 2024 respectively. Such decrease was primarily because larger industry forums and academic conferences were held during the six months ended June 30, 2024, while there was no such forums and academic conferences being held during the six months ended June 30, 2025.

Other Net Income

Other net income is comprised of government grants, interest income, gains/losses on disposal of property, plant and equipment and intangible assets and others. For the six months ended June 30, 2025, other net income of the Group increased by approximately 73.8% from RMB0.8 million for the six months ended June 30, 2024 to RMB1.4 million for the same period in 2025. This increase was primarily attributable to the fact that provisions for medical dispute compensation were made for the six months ended June 30, 2024, whereas no such disputes occurred during the six months ended June 30, 2025.

Selling Expenses

The selling expenses consist of marketing and promotion expenses, staff cost, office and travel expenses, depreciation and amortization and miscellaneous. The selling expenses increased by approximately 12.1% from RMB5.7 million for the six months ended June 30, 2024 to RMB6.4 million for the same period in 2025, primarily attributable to the enhanced effort in the marketing activities of hospitals.

General and Administrative Expenses

The general and administrative expenses consist of staff cost, depreciation and amortization, office and travel expenses, professional service fees, leasing and repair and maintenance expenses and others. The general and administrative expenses of the Group increased by approximately 22.9% from RMB81.6 million for the six months ended June 30, 2024 to RMB100.3 million for the same period in 2025, primarily attributable to the increase in service fees upon the listing of shares on the Hong Kong Stock Exchange.

Impairment Loss on Trade and Bills Receivables

The Group recorded impairment loss on trade and bills receivables of RMB0.6 million for the six months ended June 30, 2025, as compared to reversal of impairment loss on trade and bills receivables of RMB0.3 million for the same period in 2024, mainly due to the increase in account receivables with longer credit terms.

Finance Costs

The finance costs comprise the interest on interest-bearing borrowings, interest on lease liabilities and others. The Group recorded financial costs of RMB10.5 million for the six months ended June 30, 2025, as compared to financial costs of RMB11.6 million for the same period in 2024, mainly due to the reduction of interest expenses arising from the leases.

Income Tax Expenses/(Credit)

The Group recorded income tax expenses of RMB7.7 million for the six months ended June 30, 2024, as compared to income tax expenses of RMB10.2 million for the same period in 2025, primarily attributable to an increase in deferred expenses and improved business performance during the Reporting Period.

Loss for the Period

As a result of the foregoing, the Group recorded a loss of RMB20.3 million for the six months ended June 30, 2025, as compared to a loss of RMB7.3 million for the same period in 2024.

Property, Plant and Equipment

Property, plant and equipment is comprised of leasehold improvement, medical equipment, office and other equipment, buildings, motor vehicles and construction in process. Property, plant and equipment of the Group decreased by approximately 5.1% from RMB364.0 million as of December 31, 2024 to RMB345.4 million as of June 30, 2025, primarily due to depreciation of assets.

Right-of-use Assets

The right-of-use assets is comprised of land use right and property leased. The Group recorded right-of-use assets of RMB184.9 million and RMB172.2 million as of December 31, 2024 and June 30, 2025, respectively. Such decrease was primarily due to depreciation of assets.

Intangible Assets

The intangible assets comprise of management contracts, medical licenses, software, good supply practice licenses and cooperation relationship. The Group recorded the intangible assets of RMB236.4 million and RMB231.0 million as of December 31, 2024 and June 30, 2025, respectively. Such decrease was primarily due to depreciation of assets.

Goodwill

The Group recorded carrying amount of goodwill of RMB643.0 million and RMB643.0 million as of December 31, 2024 and June 30, 2025, respectively.

Inventories

The inventories consist of pharmaceuticals, medical equipment and consumables. The inventories decreased by approximately 7.7% from RMB62.8 million as of December 31, 2024 to RMB58.0 million as of June 30, 2025, primarily attributable to the optimized inventory management at certain hospitals within the Group, which reduced inventory levels and decreased capital utilization.

The inventory turnover days decreased from 25 days for the six months ended December 31, 2024 to 23 days for the six months ended June 30, 2025, primarily attributable to the optimized inventory management at certain hospitals within the Group, which reduced inventory levels and decreased capital utilization.

Trade and Bills Receivables

The trade receivables mainly represent the balances due from the public medical insurance programs for healthcare services provided by the private for-profit hospitals in the In-network Hospitals and the trade-nature receivables for the pharmaceuticals, medical equipment and consumables delivered. The bills receivables primarily represent bank acceptance bills receivable from the customers for purchasing the pharmaceuticals, medical equipment and consumables of the Group. The trade and bills receivables decreased by approximately 10.6% from RMB262.1 million as of December 31, 2024 to RMB234.2 million as of June 30, 2025, primarily attributable to the completion of medical insurance settlements for the year 2024 at certain hospitals and corresponding payments of deposits by medical insurance funds.

Prepayments and Other Receivables

The prepayments and other receivables primarily consist of prepayments for inventories and services, prepayment for cost incurred in connection with the proposed offering of Company's Shares, receivables from related parties, deposits and amount due from staffs in relation to share-based payments. The prepayments and other receivables decreased by approximately 10.3% from RMB120.6 million as of December 31, 2024 to RMB108.3 million as of June 30, 2025, primarily attributable to (i) a decrease in receivables from related parties; and (ii) the reduction in expenses related to the issuance of the Company's shares.

Trade and Bills Payables

The trade and bills payables primarily relate to the purchase of pharmaceuticals, medical equipment and consumables from the suppliers, which are non-interest bearing. The trade and bills payables decreased by approximately 18.3% from RMB313.9 million as of December 31, 2024 to RMB256.4 million as of June 30, 2025, primarily attributable to the settlement of procurement payables according to the relevant payment terms.

Other Payables

The other payables consist of salary and welfare payables, other taxes payable, advances from related parties, payable for acquisition of non-controlling interests, payables for purchase of property, plant and equipment and others. The other payables remained relatively stable at RMB115.2 million as of December 31, 2024 and RMB120.1 million as of June 30, 2025, primarily attributable to an increase in payable related to listing expenses, which was partially offset by a decrease in accrued year-end bonuses paid in 2025 for the year of 2024.

Contract Liabilities

The contract liabilities represent considerations received from the customers before the Group satisfying performance obligations. As of December 31, 2024 and June 30, 2025, the contract liabilities were RMB30.7 million and RMB24.1 million, respectively. Such decrease was primarily due to the delivery of pharmaceuticals and consumables, with corresponding amounts recognized as revenue.

Lease Liabilities

As of June 30, 2025, the lease liabilities of the Group remained steady at RMB151.2 million as compared to RMB160.1 million as of December 31, 2024, this is due to the scheduled repayments of lease liabilities.

Capital Structure

The total assets of the Group increased by from RMB2,203.1 million as of December 31, 2024 to RMB2,662.6 million as of June 30, 2025. The total liabilities of the Group decreased from RMB1,033.0 million as of December 31, 2024 to RMB1,032.8 million as of June 30, 2025. Liabilities-to-assets ratio decreased from approximately 46.9% as of December 31, 2024 to approximately 38.8% as of June 30, 2025. The current ratio of the Group, being current assets divided by current liabilities as of the respective date, increased from 1.0 times as of December 31, 2024 to 1.7 times as of June 30, 2025.

Liquidity and Capital Resources

The cash and cash equivalents of the Group increased by approximately 183.9% from RMB294.2 million as of December 31, 2024 to RMB835.2 million as of June 30, 2025, primarily attributable to the net proceeds from the Global Offering.

The business operations and expansion plans require a significant amount of capital, including upgrading the existing hospitals in the network, establishing and acquiring new hospitals and other working capital requirements. For the Reporting Period, the Group financed the capital expenditure and working capital requirements mainly through cash generated from operations, bank and other borrowings, capital contributions from shareholders, and net proceeds from the global offering of the Shares (the “**Global Offering**”), details of which were disclosed in the prospectus of the Company dated June 13, 2025 (the “**Prospectus**”).

The Group manages and monitors the exposure of liquidity risk to ensure appropriate measures are implemented on a timely and effective manner. The Group regularly monitor the liquidity requirements and the compliance with lending covenants, to ensure that the Group maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the liquidity requirements in the short and longer term. During the Reporting Period, the Group did not use any financial instrument for hedging purposes, did not have any outstanding hedging instruments and did not consider necessary to hedge in order to manage the liquidity and capital resources.

Indebtedness

The indebtedness mainly consisted of interest-bearing borrowings and lease liabilities. The Group had relatively stable indebtedness at RMB1,032.8 million and RMB1,033.0 million as of June 30, 2025 and December 31, 2024, respectively.

Except the guarantees issued by the Group to certain banks in respect of the credit facilities granted to Huangshan Shoukang Hospital, the Group did not have, as of June 30, 2025, any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantee or other material contingent liabilities.

Contingent Liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities, guarantees any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the business, financial condition or results of operations.

Capital Expenditures

The capital expenditures consist of expenditures on (i) property, plant and equipment, mainly comprising leasehold improvement, construction in progress and medical equipment; and (ii) intangible assets. The capital expenditures decreased by approximately 49.2% from RMB15.4 million for the six months ended June 30, 2024 to RMB7.8 million for the same period in 2025, primarily due to lower demand for new medical equipment purchases, as such equipment typically has a useful life of 5-10 years and does not require annual replacement or upgrades.

Foreign Exchange Risk and Hedging

As the Group's operations are conducted by the subsidiaries of the Group in Chinese mainland, the Group's presentation currency is RMB. The Company has its functional currency in USD. The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, the Group faces risks resulting from currency exchange rate fluctuations, particularly, the RMB against the Hong Kong dollar and the U.S. dollar.

As of the date of this announcement, the Group has not hedged its foreign currency exchange risks but has closely managed its foreign currency risk by performing regular reviews of its net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

Employee and Remuneration

As of June 30, 2025, the Group had 2,105 employees, as compared with 1,991 employees as of June 30, 2024. The total staff cost (salaries, wages and other benefits, contributions to defined contribution retirement plan and equity-settled share-based payment expenses of the management and administrative personnel) were RMB162.0 million for the Reporting Period, representing an increase of approximately 6.2% from RMB152.6 million for the six months ended June 30, 2024. Such increase was primarily due to the growth in the number of employees during the Reporting Period.

The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus, cash awards and share awards based on individual performance. The Group provides training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training, with a view to fostering the basic skills of new employees to perform their duties and improving the relevant skills of the existing employees as well.

For the purposes of (i) motivating the eligible participants to optimize their performance efficiency for the benefit of the Group; and (ii) attracting and retaining the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group, the Company conditionally approved and adopted Post-IPO Share Option Scheme (as defined in the Prospectus) on August 8, 2023 and amended by the Board on June 9, 2025.

As no share options had been granted or agreed to be granted since the adoption of the Post-IPO Share Option Scheme, (i) no share options under the Post-IPO Share Option Scheme were outstanding as of June 30, 2025; (ii) no share options had been exercised, vested, cancelled or lapsed under the Post-IPO Share Option Scheme during the Reporting Period; and (iii) as of June 30, 2025, the Post-IPO Share Option Scheme Scheme Limit (as defined in the Prospectus) was 98,130,435 ordinary Shares. Further details of the Post-IPO Share Option Scheme are set out in the sections headed “Statutory and General Information – Share Option Scheme” in Appendix IV to the Prospectus.

Significant Investment, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

For the six months ended June 30, 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures. As of June 30, 2025, the Group did not hold any significant investment.

USE OF PROCEEDS

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on June 23, 2025 (the “**Listing Date**”). The net proceeds from the Global Offering after deduction of underwriting fees and commissions and estimated expenses amounted to approximately HKD460.4 million. The Company intends to use the net proceeds in the same matter and proportion as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus and there has been no change in the intended use of the net proceeds and the expected timeline. The following table sets forth the status of the use of the net proceeds from the Global Offering as of June 30, 2025:

Intended use of net proceeds	Percentage of intended use of net proceeds (%)	Net proceeds ⁽¹⁾ from the Global Offering (In HKD millions)	Amount utilized as of June 30, 2025 (In HKD millions)	Amount unutilized as of June 30, 2025 (In HKD millions)	Expected timeline of full utilization of the net proceeds
To continuously strengthen the full-cycle oncology healthcare services	35.7	164.5	–	164.5	By the end of 2027
Strengthening capabilities of screening and early detection of cancer services	10.5	48.4	–	48.4	By the end of 2027
Strengthening oncology treatment services capabilities	16.3	75.2	–	75.2	By the end of 2027
Strengthening rehabilitation services capabilities	2.8	12.7	–	12.7	By the end of 2027
Construction of the Oncology Center Building for Wuzhi Jimin Hospital	6.1	28.1	–	28.1	By the end of 2027
To acquire hospitals when appropriate opportunities arise	30.6	141.0	–	141.0	By the end of 2027
To expand the hospital management business	15.3	70.5	–	70.5	By the end of 2027
To upgrade the IT infrastructure and/or systems	10.2	47.0	–	47.0	By the end of 2027
Working capital and other general corporate purposes	8.1	37.4	–	37.4	By the end of 2027
Total	100.0	460.4	–	460.4	

During the period from the Listing Date and up to June 30, 2025, the net proceeds had been used in the same matter and proportion as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus, and there was no material change or delay in the use of the net proceeds. The Group will continue to utilise the net proceeds from the Global Offering as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities (including treasury Shares) of the Company since the Listing Date and up to June 30, 2025.

EVENTS AFTER THE REPORTING PERIOD

The Group has no material events subsequent to June 30, 2025 which could have a material impact on the operating and financial performance of the Group as of the date of this announcement.

NO MATERIAL CHANGE

Since the publication of the Group’s Prospectus on June 13, 2025, there has been no material change to the Group’s business.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company’s corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company had applied the requirements as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules and has complied with all applicable code provisions from the Listing Date and up to June 30, 2025.

The Group will continue to review and monitor its corporate governance practices to ensure the compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Group’s code of conduct regarding the Directors’ securities transactions. Having made specific enquiry of all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code from the Listing Date and up to date of this announcement.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: Nil).

AUDIT COMMITTEE

As of the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Chan Hok Leung, Dr. Guo Wei and Ms. Liu Shuang. Mr. Chan Hok Leung is the chairperson of the Audit Committee who possesses appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee and the Company’s management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting, including a review of the interim results of the Group for the six months ended June 30, 2025. The Audit Committee believes that the interim results for the Reporting Period are in accordance with the relevant accounting standards, rules and regulations, and that appropriate disclosures have been made in a timely manner.

The interim results of the Group for the six months ended June 30, 2025 had not been audited.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.bayzedhealthcare.com). The interim report of the Company for the six months ended June 30, 2025 containing all the information required by the Listing Rules will be made available to shareholders for review on the same websites in due course.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended	
		June 30,	
	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
Revenue	3	574,731	570,945
Cost of sales		<u>(468,385)</u>	<u>(472,705)</u>
Gross profit		106,346	98,240
Other net income	4	1,439	828
Selling expenses		(6,420)	(5,725)
General and administrative expenses		(100,324)	(81,649)
Impairment loss on trade and bills receivables		<u>(602)</u>	<u>301</u>
Profit from operations		439	11,995
Finance cost	5	<u>(10,507)</u>	<u>(11,613)</u>
(Loss)/profit before taxation	5	(10,068)	382
Income tax expense	6	<u>(10,194)</u>	<u>(7,722)</u>
Loss for the period		<u><u>(20,262)</u></u>	<u><u>(7,340)</u></u>
Adjusted profit for the period		<u><u>9,427</u></u>	<u><u>5,454</u></u>

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

	For the six months ended	
	June 30,	
<i>Notes</i>	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income for the period		
(after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of foreign operations	<u>(1,357)</u>	<u>1,338</u>
Total comprehensive income for the period	<u>(21,619)</u>	<u>(6,002)</u>
Loss for the period attributable to:		
Equity shareholders of the Company	<u>(27,620)</u>	(11,548)
Non-controlling interests	<u>7,358</u>	<u>4,208</u>
	<u>(20,262)</u>	<u>(7,340)</u>
Total comprehensive income attributable to:		
Equity shareholders of the Company	<u>(28,977)</u>	(10,210)
Non-controlling interests	<u>7,358</u>	<u>4,208</u>
	<u>(21,619)</u>	<u>(6,002)</u>
Loss per share	7	
Basic and diluted (<i>RMB</i>)	<u>(0.02)</u>	<u>(0.01)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As of June 30, 2025 RMB'000	As of December 31, 2024 RMB'000
Non-current assets			
Property, plant and equipment		345,388	364,021
Right-of-use assets		172,213	184,887
Intangible assets		230,996	236,395
Goodwill		643,049	643,049
Deferred tax assets		7,055	6,765
Other non-current assets		15,517	9,977
		1,414,218	1,445,094
Current assets			
Inventories		57,953	62,758
Trade and bills receivables	8	234,247	262,087
Prepayments and other receivables	9	108,265	120,637
Restricted cash		12,669	18,270
Cash and cash equivalents		835,214	294,240
		1,248,348	757,992
Current liabilities			
Trade and bills payables	10	256,374	313,880
Other payables	11	120,099	115,177
Contract liabilities		24,066	30,739
Interest-bearing borrowings		316,598	292,090
Lease liabilities		23,429	22,908
Current taxation		8,412	6,979
		748,978	781,773
Net current assets/(liabilities)		499,370	(23,781)
Total assets less current liabilities		1,913,588	1,421,313

	<i>Notes</i>	As of June 30, 2025 RMB'000	As of December 31, 2024 RMB'000
Non-current liabilities			
Interest-bearing borrowings		108,000	65,100
Lease liabilities		127,816	137,160
Deferred tax liabilities		48,029	48,987
		<u>283,845</u>	<u>251,247</u>
NET ASSETS		<u>1,629,743</u>	<u>1,170,066</u>
CAPITAL AND RESERVES			
Share capital	<i>12</i>	87	78
Reserves		<u>1,521,472</u>	<u>1,069,162</u>
Total equity attributable to equity shareholders of the Company		1,521,559	1,069,240
Non-controlling interests		<u>108,184</u>	<u>100,826</u>
TOTAL EQUITY		<u>1,629,743</u>	<u>1,170,066</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi, unless otherwise stated)

1. GENERAL INFORMATION

Bayzed Health Group Inc (the “**Company**”) was incorporated in Cayman Islands on December 9, 2021 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The Company is an investment holding company and has not carried on any business. The Company and its subsidiaries (together, “**the Group**”) primarily focused on hospital business and hospital management business, the revenue of the Group generated from (i) operating six private for-profit hospitals and providing healthcare services including full-cycle oncology healthcare services and other medical services, (ii) managing and operating, and receiving management fees from two private not-for-profit hospitals and (iii) supply of pharmaceuticals, medical equipment and consumables in the People’s Republic of China (the “**PRC**”).

This interim consolidated financial information is presented in Renminbi (“**RMB**”), unless otherwise stated, and is approved for issue by the Board of Directors on August 26, 2025. This interim consolidated financial information has not been audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of these changes in accounting policies are set out in Note 2.2. The preparation of an interim financial report in conformity with IAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses based on the current situation. Actual results may differ from these estimates.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following amendments to IFRSs for the current accounting period:

- Amendments to IAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability

None of these developments has had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented.

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

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in hospital business, hospital management services, supply of pharmaceuticals, medical equipment and consumables and other business.

Disaggregation of revenue

	For the six months ended	
	June 30,	
	2025	2024
	RMB'000	RMB'000
Over time:		
– Inpatient services	253,497	264,354
– Hospital management services	18,254	19,144
At point in time:		
– Outpatient services	194,519	186,516
– Supply of pharmaceuticals, medical equipment and consumables	106,717	91,605
– Other business	1,744	9,326
Revenue from contracts with customers	574,731	570,945

All of the revenue of the Group is generated from contracts with customers within the scope of IFRS 15.

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 and therefore the information about remaining performance obligations is not disclosed for contracts that have an expected duration of one year or less.

(b) Segment reporting

The Group's most senior executive management assesses performance and allocates resources on a group basis. Accordingly, no operating segment information is presented.

The Group generated all revenue in the PRC and its non-current assets are substantially located in the PRC, and accordingly, no analysis of geographic information is presented.

4. OTHER NET INCOME

	For the six months ended	
	2025	2024
	RMB'000	RMB'000
Government grants	347	754
Gains on disposal of property, plant and equipment and intangible assets	–	7
Finance Income	1,314	1,535
Others	(222)	(1,468)
	<u>1,439</u>	<u>828</u>

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance cost

	For the six months ended	
	2025	2024
	RMB'000	RMB'000
Interest on interest-bearing borrowings	6,793	7,471
Interest on lease liabilities	3,714	4,118
Others	–	24
	<u>10,507</u>	<u>11,613</u>

(b) Staff cost

	For the six months ended	
	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	151,470	139,540
Contributions to defined contribution retirement plan (<i>Note</i>)	10,544	13,031
	<u>162,014</u>	<u>152,571</u>

Note:

The employees of the subsidiaries of the Group established in the Chinese mainland participate in defined contribution retirement benefit plans managed by the local government authorities, whereby these subsidiaries are required to contribute funds which are calculated based on certain percentages of the average employee salary as agreed by the local municipal governments to the scheme to fund the retirement benefits of the employees.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions. Contributions to the plans vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contributions.

6. INCOME TAX

Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	For the six months ended	
	2025	2024
	RMB'000	RMB'000
Current tax – the PRC Enterprise Income Tax		
Provision for the period	11,442	10,406
Deferred tax		
Origination and reversal of temporary differences	(1,248)	(2,684)
	10,194	7,722

In accordance with the Enterprise Income Tax Law (“**Income Tax Law**”) of the PRC, the statutory income tax rate is 25%. The Group entities in the PRC are subject to PRC income tax at 25% unless otherwise specified.

Taxation for Group entities in other tax jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

7. LOSS PER SHARE

The calculation of basic earnings per share as at June 30, 2025 is based on the loss attributable to ordinary equity holders of the Company of RMB27.6 million (six months ended June 30, 2024: loss attributable of RMB11.5 million) and the weighted average of 1,318,466,823 ordinary shares (six months ended June 30, 2024: 1,185,361,023 shares) in issue during the Reporting Period.

The Group had no potentially dilutive ordinary shares which were outstanding during the six months ended June 30, 2025 and 2024. Therefore, there is no difference between the diluted earnings per share and the basic earnings per share.

8. TRADE AND BILLS RECEIVABLES

The ageing analysis as of the end of the Reporting Period is as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Within 3 months	166,085	156,536
Over 3 months but within 6 months	40,889	61,977
Over 6 months but within 9 months	6,066	4,162
Over 9 months but within 1 year	741	3,159
Over 1 year	1,190	1,796
	<hr/>	<hr/>
Bills receivables	19,276	34,457
	<hr/>	<hr/>
	234,247	262,087
	<hr/> <hr/>	<hr/> <hr/>

The Group generally grants a credit period of 30 days to 90 days to its customers.

9. PREPAYMENTS AND OTHER RECEIVABLES

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Prepayments for inventories and services	12,533	15,917
Prepayment for cost incurred in connection with the proposed offering of the Company's shares	–	5,324
Receivables from related parties	82,402	86,802
Deposits	5,826	6,864
Amount due from staffs in relation to share-based payments	470	470
Others	7,014	5,260
	<hr/>	<hr/>
Total	108,265	120,637
	<hr/> <hr/>	<hr/> <hr/>

10. TRADE AND BILLS PAYABLES

An ageing analysis of trade payables is as follows:

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Within 3 months	147,684	163,593
Over 3 months but within 6 months	63,187	74,983
Over 6 months but within 12 months	30,222	33,401
Over 1 year	8,597	20,206
	<hr/>	<hr/>
Bills payables	6,684	21,697
	<hr/>	<hr/>
	256,374	313,880
	<hr/> <hr/>	<hr/> <hr/>

11. OTHER PAYABLES

	June 30, 2025 RMB'000	December 31, 2024 RMB'000
Salaries, wages, bonuses and other benefits payable	58,934	63,116
Other payable taxes	3,244	4,567
	<hr/>	<hr/>
Payables for purchases of property, plant, and equipment	11,037	18,331
Others	46,884	29,163
	<hr/>	<hr/>
Total	120,099	115,177
	<hr/> <hr/>	<hr/> <hr/>

12. CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No interim dividend for the six months ended June 30, 2025 is paid (2024: Nil).

(b) Share capital

	June 30, 2025		December 31, 2024	
	<i>No. of shares</i>	<i>RMB'000</i>	<i>No. of shares</i>	<i>RMB'000</i>
Ordinary shares, issued and fully paid:				
At January 1	1,185,361,023	78	1,185,361,023	78
Issuance of ordinary shares upon initial public offering	<u>133,105,800</u>	<u>9</u>	<u>–</u>	<u>–</u>
At June 30/December 31	<u>1,318,466,823</u>	<u>87</u>	<u>1,185,361,023</u>	<u>78</u>

Note: In connection with the listing, 133,105,800 ordinary shares of USD0.00001 par value each were issued at HK\$4.22 per share for the Company's initial public offering on June 23, 2025 for gross proceeds of HK\$561,706,476 (equivalent to RMB513,130,100).

13. NON-IFRS MEASURES

To supplement the financial information, which are presented in accordance with IFRSs, the Group uses non-IFRS measures, namely, adjusted EBITDA (non-IFRS measure) and adjusted net loss/profit (non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with, IFRSs. The Group believes that such non-IFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. The Group believes that such measures provide useful information to investors and others in understanding and evaluating the consolidated results of operations in the same manner as they help the management. However, the presentation of adjusted EBITDA (non-IFRS measure) and adjusted net loss/profit (non-IFRS measure) may not be comparable to similarly titled financial measures presented by other companies. The use of such non-IFRS measures have limitations as analytical tools, and you should not consider them in isolation from, or as substitute for analysis of, the results of operations or financial condition as reported under IFRSs.

The following table sets out EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted net loss/profit (non-IFRS measure), and a reconciliation from loss for the period to EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted net loss/profit (non-IFRS measure) for the periods indicated.

	For the period ended June 30,	
	2025	2024
	RMB'000	RMB'000
Loss for the period	(20,262)	(7,340)
<i>Add</i>		
Listing expenses	<u>29,689</u>	<u>12,794</u>
Adjusted net profit (non-IFRS measure)	<u>9,427</u>	<u>5,454</u>
Loss for the period	(20,262)	(7,340)
<i>Add</i>		
Income tax expenses	10,194	7,722
Depreciation of property, plant and equipment	25,905	24,913
Amortization of intangible assets	5,905	5,355
Depreciation of right-of-use assets	12,674	13,241
Finance costs	<u>9,193</u>	<u>10,078</u>
EBITDA (non-IFRS measure)	<u>43,609</u>	<u>53,969</u>
<i>Add</i>		
Listing expenses	<u>29,689</u>	<u>12,794</u>
Adjusted EBITDA (non-IFRS measure)	<u>73,298</u>	<u>66,763</u>

By order of the Board
Bayzed Health Group Inc
 (佰澤醫療集團)
Mr. Zhao Yongkai
Chairman and Executive Director

Hong Kong, August 26, 2025

As at the date of this announcement, Directors of the Company include: (i) Mr. Zhao Yongkai, Ms. Xu Xu, Dr. Chen Haoyang, Mr. Lu Jizhong and Mr. Feng Yu as executive Directors; and (ii) Mr. Chan Hok Leung, Ms. Liu Shuang and Dr. Guo Wei as independent non-executive Directors.