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

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

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

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the Reporting Period. The contents of this interim results announcement have been prepared in accordance with the applicable disclosure requirements for a preliminary announcement of interim results under the Listing Rules, which have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”) and have been reviewed by Ernst & Young, the Company’s auditor. These interim results have also been reviewed and confirmed by the Board and the Audit Committee. Unless otherwise stated, the financial data of the Company are presented in RMB.

2025 FIRST HALF HIGHLIGHTS

In the first half of 2025, the Group made significant progress in its strategic transformation and upgrading. Building on the strategic plan established in the fourth quarter of 2024, the Group is committed to evolving into a commercial medical payment solution and healthcare service network, anchored by its health insurance brokerage business. The Group focuses on addressing the healthcare coverage and wellness management needs of enterprise employees, while offering nationwide medical service networks and pharmaceutical supply chains, to provide specialized healthcare solutions and high-quality medical services to employees and their families, creating a one-stop closed-loop service model that integrates medical care, pharmaceuticals, wellness management and insurance.

At the strategic execution level, the Group has realigned its resources to support the growth of its health insurance services business (the “**Health Insurance Services**”). On one hand, the Company focused its resources on scaling up its enterprise health insurance^{Note} business. It has concentrated its strengths to drive scalable growth in corporate client segments and the development of its service network. On the other hand, it has implemented structural reforms and operational optimizations to enhance efficiency. During the Reporting Period, the Group carried out a strategic restructuring of its specialty pharmacy business (the “**Specialty Pharmacy Business**”) and Hui Min Insurance business segment (a sub-segment under the Health Insurance Services business), which resulting a period-on-period increase of approximately 4.7 percentage points in gross margin to approximately 14.4% and a period-on-period decrease of approximately 59.6% in normalized net loss. These improvements have marked a clearer path to profitability and laid a solid foundation for high-quality and sustainable development.

Note: the Chinese name of enterprise health insurance has been changed from “企業健康保” to “企業健康保險” mainly due to business decision of the Company. The business substance remains unchanged.

FINANCIAL SUMMARY

	For the six months ended June 30, 2025 <i>RMB'000</i> (Unaudited)	For the six months ended June 30, 2024 <i>RMB'000</i> (Unaudited)	Period- On-period Change (%)
Total Revenue	1,224,064	2,363,780	-48.2
Health Insurance Services Business	83,118	109,648	-24.2
– <i>Enterprise Health Insurance</i>	42,809	38,840	10.2
– <i>Hui Min Insurance</i>	40,309	70,808	-43.1
Physician Research Assistance Business	215,121	187,371	14.8
Specialty Pharmacy Business	925,825	2,066,761	-55.2
Total Gross Profit	176,099	228,931	-23.1
Health Insurance Services Business	64,015	77,601	-17.5
Physician Research Assistance Business	61,990	57,665	7.5
Specialty Pharmacy Business	50,094	93,665	-46.5
Gross Margin	14.4%	9.7%	4.7
Operating Loss¹	(60,398)	(85,787)	-29.6
Normalized Net Loss²	(11,996)	(29,694)	-59.6
IFRS Net Loss	(81,139)	(74,651)	8.7
Cash and Selected Financial Assets³	850,606	1,338,734	-36.5

Notes:

1. The operating loss is calculated as IFRS gross profit deducting selling and marketing expenses, administrative expenses and research and development expenses.
2. The normalized net loss is calculated as IFRS net loss deducting non-recurring and non-operational items that we believe do not reflect the ongoing operating performance. Such items mainly includes (i) share-based payment compensation; (ii) restructuring cost; (iii) loss on disposal of subsidiaries; and (iv) non-recurring government grant. For detailed elaboration and reconciliation, please refer to the subsection headed “Normalized Net Loss” on pages 12 of this annual results announcement.
3. Cash and selected financial assets include cash and cash equivalents, time deposits over three months, pledged deposits, and wealth management products which are presented in financial assets at fair value through profit or loss (“FVTPL”) in financial statement.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Environment and Trends

With the continued implementation of the “Healthy China 2030” strategy, China’s multi-level healthcare security system development continues to accelerate. The health insurance market is entering a high-quality development phase (3.0 era), serving as a “second pillar” to the public beyond basic medical to alleviate healthcare burdens and enhance coverage.

In 2025, the government has introduced multiple policies to support the high-quality development of commercial health insurance, not only to promote multi-level protection systems, but also to facilitate innovation and development in the biopharmaceutical industry. These measures present historic opportunities for the growth of commercial health insurance sector in China.

Company Strategy and Differentiated Advantages

The Company has always been aligning with industry trends to address market pain point and capture emerging opportunities. With such forward-looking visions and long-term mindset, the Company has gained a first-mover advantage in the past few years in the corporate group health insurance sector. In the first half of 2025, the Company further deepened its “Health Insurance + Healthcare Management” service model aiming to transform into a leading commercial medical payment and healthcare service network provider in China.

By leveraging its professional insurance brokerage capabilities, healthcare service delivery capabilities, and data- and AI-driven operations, the Group connects patients, doctors, medical institutions, pharmaceutical companies, and payers, forming a value-creating ecosystem.

Compared to other health insurance providers, the Group’s key differentiation lies in its deep integration of high-quality medical services and data insights into insurance solutions, creating a unique “medical-pharmacy-wellness-insurance” closed-loop service model.

Business Progress and Operational Highlights

1. *Health insurance brokerage leads growth, with full-chain service capabilities strengthened and scale continuing to grow*

In the first half of 2025, the Company focused on its core Health Insurance Services business, accelerating the integration of its medical service network and pharmaceutical supply chain to enhance service delivery capabilities and customer loyalty.

- In terms of the Health Insurance Services, the Company leverages insurance brokerage capabilities to precisely address the healthcare needs of corporate clients, offering customized solutions including supplementary health insurance, medical welfare funds, health checkups, and wellness management for corporate employees and their families. The Company offers comprehensive services covering the entire process from insurance plan design, solution delivery, to claims settlement. By leveraging its extensive data accumulation and large-scale model capabilities, the Company has collaborated with multiple major insurance companies to develop differentiated insurance plans, including corporate-customized specialty drug programs and million-dollar medical insurance products. As of June 30, 2025, the Company served 526 leading enterprises nationwide, covering over 1.49 million members, managing premiums of approximately RMB863 million, representing an increase of approximately 34.8% as compared to the premiums under management as of June 30, 2024. Premium renewal rate was approximately 105.3%, reflecting strong client trust in the Company's comprehensive strength and service value.

On June 16, 2025, the Company entered into a five-year strategic cooperation framework agreement with Arthur J. Gallagher (Singapore) Pte. Ltd. (“**Gallagher**”), whose holding company is one of the world's leading insurance brokerage, risk management, and consulting firms. Both parties aim to enhance customer insurance service experience by integrating the Group's customer resources with Gallagher's product design and reinsurance capabilities. For details, please refer to the announcement of the Company dated June 16, 2025.

- In terms of healthcare services delivery capabilities, the Company continues to expand its corporate clinic network and high-quality commercial medical institutions partnership, strengthening its capabilities in general practice, referrals, specialty medications, and overseas medical services to meet the diverse and multi-tiered healthcare needs of corporate employees. As of June 30, 2025, the Company operated a total of 65 corporate medical clinics, providing diagnosis and treatment for common illnesses and chronic conditions among corporate employees. During the first half of 2025, these clinics handled approximately 87,000 consultations (during the year ended December 31, 2024: approximately 120,000). Additionally, the Company has entered into partnership with 23 high-quality commercial medical institutions, covering 118 service networks and facilitating 2,723 diagnostic services.

- In terms of pharmaceutical supply chain capabilities, the Company provides members with innovative and high-quality branded medications through partnership with major pharmacy chains. As of June 30, 2025, the Company has covered over 10,000 service locations.

In addition to Health Insurance Services, the Company also offers physician research assistance business (the “**Physician Research Assistance Business**”) and Specialty Pharmacy Business.

The Physician Research Assistance Business provides professional support to pharmaceutical companies at various clinical stages, while also offering the hospital and expert resource network for the commercial health insurance business. As of June 30, 2025, the Company has completed 1,009 SMO projects, with an additional 854 projects in progress. Clients include all ten listed pharmaceutical companies in China’s innovative drug R&D sector, achieving a 100% retention rate among the top ten clients.

The Specialty Pharmacy Business focuses on the supply of innovative drugs for oncology and critical illnesses, while providing a stable pharmaceutical supply chain for our health insurance business. As of the end of the Reporting Period, the Company operated 22 specialty pharmacies in major provincial capitals and economically developed regions across the country, and established direct payment mechanisms with major insurance companies to offer patients with diversified payment methods.

2. *Strategic restructuring drives profitability improvement*

To reinforce its strategy focusing on the Health Insurance Services Business as well as to enhance the Group’s operational efficiency and profitability, the Group initiated restructuring plan for its Specialty Pharmacy Business line and the Hui Min Insurance business segment in 2024.

The Group achieved significant improvement in its overall profitability as planned thanks to such structural reforms:

- Gross margin expansion: the overall gross margin increased by approximately 4.7 percentage points to approximately 14.4% from approximately 9.7% in the same period of 2024; the gross margin of the Health Insurance Services business increased from approximately 70.8% to approximately 77.0%, and the gross margin of the Specialty Pharmacy Business increased from approximately 4.5% to approximately 5.4%.
- Significant narrowing of losses: during the Reporting Period, the Group’s normalized net loss decreased by approximately 59.6% to approximately RMB12.0 million (for the six months ended June 30, 2024: approximately RMB29.7 million), which was mainly driven by (1) business mix optimization towards higher-margin health insurance business; (2) operational efficiency gains through enhanced network synergy and continued investment into digitalization operation; and (3) prioritized core businesses through increased investments and concentrated resources on high-growth and high-return areas.

Outlook

Looking ahead the second half of 2025 and going forward, the Group is confident in sustaining growth momentum and profitability improvements. On one hand, policy tailwinds (e.g., commercial health insurance integration into multi-tiered systems) provide a favorable macro environment for stable growth; on the other hand, first-mover advantages (scaling data assets, AI-driven product design, expanding service networks) will further enhance product customization efficiency and client experience, driving higher-margin business growth. The Company expects that this “policy-led + competency-driven” dual-engine model will support the scalable growth of the Group’s core businesses, profit structural optimization and cash flow improvements in the long run.

Moving forward, the Group will steadily progress toward sustainable profitability by continuing to deepen its strategic focus and consolidate its leadership in integrated health insurance and healthcare management sector, while accelerating digital and intelligent transformation to boost operational efficiency and customer experience.

FINANCIAL REVIEW

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

Revenue

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

Revenue	For the six months ended June 30, 2025 (Unaudited) RMB'000	For the six months ended June 30, 2024 (Unaudited) RMB'000	Period- on-period Change RMB'000	Period- on-period Change %
Health Insurance Services Business	83,118	109,648	(26,530)	-24.2
– Enterprise Health Insurance	42,809	38,840	3,969	10.2
– Hui Min Insurance	40,309	70,808	(30,499)	-43.1
Physician Research Assistance Business	215,121	187,371	27,750	14.8
Specialty Pharmacy Business	925,825	2,066,761	(1,140,936)	-55.2
Total	1,224,064	2,363,780	(1,139,716)	-48.2

The revenue generated from Enterprise Health Insurance segment under the Health Insurance Services business increased by approximately 10.2% to approximately RMB42.8 million for the six months ended June 30, 2025, mainly attributable to the vigorous growth in the number of customers and members insured thanks to the Company's competitive edge in healthcare management capabilities and successful implementation of business development plans. Meanwhile, revenue generated from Health Insurance Services business in total decreased by approximately 24.2% from approximately RMB109.6 million for the six months ended June 30, 2024 to approximately RMB83.1 million for the six months ended June 30, 2025, which was mainly due to the restructuring of Hui Min Insurance business segment.

Revenue generated from Physician Research Assistance business increased by approximately 14.8% from approximately RMB187.4 million for the six months ended June 30, 2024 to approximately RMB215.1 million for the six months ended June 30, 2025, mainly due to the growing market demand.

Revenue generated from Specialty Pharmacy Business decreased by approximately 55.2% from approximately RMB2,066.8 million for the six months ended June 30, 2024 to approximately RMB925.8 million for the six months ended June 30, 2025, which was mainly attributable to the strategic restructure of Specialty Pharmacy Business.

Cost of Sales

	For the six months ended June 30, 2025 RMB'000	For the six months ended June 30, 2024 RMB'000	Period- on-period Change RMB'000	Period- on-period Change %
Cost of sales				
Health Insurance Services Business	19,103	32,047	(12,944)	-40.4
Physician Research Assistance Business	153,131	129,706	23,425	18.1
Specialty Pharmacy Business	875,731	1,973,096	(1,097,365)	-55.6
Total	<u>1,047,965</u>	<u>2,134,849</u>	<u>(1,086,884)</u>	<u>-50.9</u>

During the Reporting Period, the Group's cost of sales decreased by approximately 50.9% from approximately RMB2,134.8 million for the six months ended June 30, 2024 to approximately RMB1,048.0 million for the six months ended June 30, 2025, which aligned with the decrease of revenue, due to the strategic restructure of Specialty Pharmacy Business and Hui Min Insurance business segment.

Gross Profit and Gross Margin

	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
Gross Profit and Gross Margin	Gross Profit RMB'000	Gross Margin %	Gross Profit RMB'000	Gross Margin %
Health Insurance Services Business	64,015	77.0	77,601	70.8
Physician Research Assistance Business	61,990	28.8	57,665	30.8
Specialty Pharmacy Business	50,094	5.4	93,665	4.5
Total	<u>176,099</u>	<u>14.4</u>	<u>228,931</u>	<u>9.7</u>

During the Reporting Period, the Group's total gross profit was approximately RMB176.1 million, gross margin showed a significant increase from approximately 9.7% for the six months ended June 30, 2024 to approximately 14.4% for the six months ended June 30, 2025, mainly due to the increase in gross margin from Health Insurance Services Business which was strong at approximately 77.0%.

Selling and Marketing Expenses

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

During the Reporting Period, selling and marketing expenses decreased by approximately 41.3% to approximately RMB80.9 million, mainly resulting from the efficiency improvement initiatives related to Health Insurance Services business and the strategic restructure of Specialty Pharmacy Business.

Administrative Expenses

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

During the Reporting Period, administrative expenses decreased by approximately 7.0% to approximately RMB150.5 million, mainly resulting from the improvement of the administrative efficiency through organizational optimization and digitalization.

Research and Development Expenses

During the Reporting Period, the Group's research and development expenses decreased significantly by approximately 66.1% to approximately RMB5.1 million as compared to the corresponding period in 2024, mainly due to the corresponding reduction in research and development expenditure as the upfront research and development investment has been paid off.

Restructuring Cost

Restructuring cost was approximately RMB13.5 million which primarily arose from the strategic transformation of Specialty Pharmacy Business and Hui Min Insurance business segment, including (1) employee optimization severance cost of approximately RMB12.4 million, of which approximately RMB9.1 million for the Specialty Pharmacy Business and approximately RMB3.3 million for the Hui Min Insurance business segment; and (2) losses on other assets of approximately RMB1.1 million, including disposal of property, plant and equipment, termination of lease etc.

Other expenses

Other expenses increased by approximately RMB16.7 million to approximately RMB20.1 million for the six months ended June 30, 2025, primarily due to (1) increase in loss on disposal of subsidiaries; and (2) increase in net value of foreign exchange differences.

Income Tax

During the Reporting Period, we had income tax credit of approximately RMB1.2 million as compared to RMB0.5 million for the corresponding period in 2024. For details of income tax calculation, please refer to “Note 8 Income Tax” of the condensed consolidated financial statements on page 25 of this interim results announcement.

Normalized Net Loss

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

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

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

	For the six months ended June 30, 2025 (Unaudited) RMB'000	For the six months ended June 30, 2024 (Unaudited) RMB'000
Normalized net loss:		
Loss for the year	(81,139)	(74,651)
<i>Add</i>		
Share-based payment compensation	42,804	45,857
Including: Selling and marketing expenses	(607)	2,596
Administrative expenses	43,156	42,563
Research and development expenses	255	698
Restructuring cost	13,523	—
Adjusted loss (non-IFRS measure) for the year	(24,812)	(28,794)
<i>Add/(deduct)</i>		
Government grants	(1,163)	(900)
Impact from refunding and penalty in relation to national basic medical insurance scheme	1,802	—
Loss on disposal of subsidiaries	12,177	—
Normalized net loss for the year	(11,996)	(29,694)

Capital Management

During the Reporting Period, we primarily funded our working capital requirements through operating cash flow generation. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. For the six months ended June 30, 2025, our net cash outflows used in operating activities was approximately RMB63.5 million.

Liquidity, Financial Resources and Gearing Ratio

As of June 30, 2025, we recorded net current assets of approximately RMB674.3 million. As at June 30, 2025, the gearing ratio, calculated as total liabilities over total assets, was approximately 47.8%, as compared with approximately 47.0% as at December 31, 2024.

As our business develops and expands, we expect to generate net cash flows from our operating activities, through the sales revenue of our future commercialized products. Going forward, we believe our liquidity requirements will be satisfied by using our cash and cash equivalents. As of June 30, 2025, we had cash and selected financial assets of approximately RMB850.6 million.

Significant Investments, Material Acquisitions and Disposals

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

On June 26, 2025, the Company entered into a subscription agreement with JPM, pursuant to which, the Company agreed to subscribe for wealth management product offered by JPM, with the principal amount of US\$30,000,000 for treasury management purpose.

As at June 30, 2025, the Group held wealth management product from JPM with a fair value of approximately US\$30.1 million, which accounted for approximately 11.7% of the total assets of the Group. The fair value gain from such wealth management product during the Reporting Period was approximately US\$0.1 million. As at June 30, 2025, the outstanding principal amount of the wealth management product subscribed from JPM was US\$30 million.

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

Disposal of Equity Interest in Non-Wholly Owned Subsidiaries

On June 6, 2025, Sipai Wisdom Technology (Guangzhou) Co., Ltd. (思派智慧科技(廣州)有限公司) (“**Sipai Wisdom**”), a wholly-owned subsidiary of the Company (as seller) entered into the Equity Transfer Agreements with Shengyang Yijiachen Pharmaceutical Co., Ltd. (瀋陽億珈辰醫藥有限公司) (“**Shengyang Yijiachen**”) and Shenyang Hengruisheng Pharmaceutical Co., Ltd. (瀋陽恒瑞昇醫藥有限公司) (“**Shenyang Hengruisheng**”) (each as a purchaser), whereby Sipai Wisdom conditionally agreed to dispose its entire equity interest in the Target Companies at the aggregate Consideration of RMB5,899,786, each of the Target Companies are non-wholly owned subsidiaries of the Company. For details of the above the disposal of equity interest in non-wholly owned subsidiaries, please refer to the announcements of the Company dated June 6, 2025 and June 18, 2025.

Save as disclosed above, during the Reporting Period and up to the date of this interim results announcement, there were no significant investments, and material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group.

Capital Expenditure

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

	For the six months ended June 30, 2025 RMB'000 (Unaudited)	For the six months ended June 30, 2024 RMB'000 (Unaudited)
Purchases of property, plant and equipment	(1,516)	(6,625)
Purchases of other intangible assets	<u>—</u>	<u>(2,185)</u>
Total	<u>(1,516)</u>	<u>(8,810)</u>

Currency Risk

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

Pledge of Assets

The pledged deposits of the Group decreased from approximately RMB105.4 million as of December 31, 2024 to approximately RMB37.9 million as of June 30, 2025.

Contingent Liabilities

The Group had no material contingent liabilities as at June 30, 2025.

Employees and Remuneration Policies

As of June 30, 2025, we had 2,950 employees in total. Most of them are stationed in China. We recruit our employees based on a number of factors, including work experience, educational background and the requirements of a relevant vacancy. We assess our employees based on their performance to determine their salary, promotion and career development.

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

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

Future Investment Plans and Expected Funding

As of June 30, 2025, we did not have other plans for material investments and capital assets.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Change of Hong Kong Branch Share Registrar and Transfer Office

With effect from August 1, 2025, the Hong Kong branch share registrar and transfer office of the Company has been changed to TRICOR INVESTOR SERVICES LIMITED. For details, please refer to the announcement of the Company dated July 18, 2025.

Termination of the RSU Scheme

As of the date of this interim results announcement, all of the RSUs under the restricted share unit scheme adopted by the Company in 2021 (the “**RSU Scheme**”), representing a total of 10,004,000 underlying Shares had been duly vested, no underlying Shares remaining outstanding. Pursuant to the RSU Scheme, on August 18, 2025, by considering that all the underlying Shares under the RSU Scheme have been duly vested pursuant to the RSU Scheme and the trustee did not hold any funds or properties, the Board resolved to early terminate (i) the RSU Scheme, (ii) the trustee appointment, and (iii) the trust arrangement which were set up pursuant to the RSU Scheme previously.

Save as disclosed above, as at the date of this interim results announcement, the Group has no significant events occurred after the Reporting Period that require additional disclosure or adjustments.

USE OF NET PROCEEDS FROM LISTING

The Group has fully utilized the net proceeds raised from the Global Offering by the end of 2024 in accordance with the planned schedule.

DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	5	1,224,064	2,363,780
Cost of sales		<u>(1,047,965)</u>	<u>(2,134,849)</u>
Gross profit		176,099	228,931
Other income and gains		15,103	19,033
Selling and marketing expenses		(80,892)	(137,816)
Administrative expenses		(150,522)	(161,889)
Research and development expenses		(5,083)	(15,013)
Impairment losses on financial assets and contract assets, net		(2,583)	(3,291)
Other expenses		(20,063)	(3,406)
Finance costs		(847)	(1,551)
Restructuring costs	6	(13,523)	—
Share of profits and losses of an associate		<u>(58)</u>	<u>(157)</u>
LOSS BEFORE TAX	7	(82,369)	(75,159)
Income tax credit	8	<u>1,230</u>	<u>508</u>
LOSS FOR THE PERIOD		<u>(81,139)</u>	<u>(74,651)</u>
Attributable to:			
Owners of the parent		(71,985)	(78,202)
Non-controlling interests		<u>(9,154)</u>	<u>3,551</u>
		<u>(81,139)</u>	<u>(74,651)</u>

		2025	2024
	Notes	(Unaudited) RMB'000	(Unaudited) RMB'000
OTHER COMPREHENSIVE (LOSS)/INCOME			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		—	2
Items that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company		<u>(2,196)</u>	<u>338</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		<u>(2,196)</u>	<u>340</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(83,335)</u>	<u>(74,311)</u>
Attributable to			
Owners of the parent		(74,181)	(77,862)
Non-controlling interests		<u>(9,154)</u>	<u>3,551</u>
		<u>(83,335)</u>	<u>(74,311)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
For loss for the period	10	<u>(0.12)</u>	<u>(0.12)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025

		June 30, 2025 (Unaudited) RMB'000	December 31, 2024 (Audited) RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		7,686	10,301
Other intangible assets		25,053	27,337
Prepayments, other receivables and other assets		6,900	7,413
Right-of-use assets		25,223	47,440
Investment in an associate		8,268	8,326
Goodwill		4,793	16,555
Deferred tax assets		155	1,059
Time deposits		-	106,471
Financial assets at fair value through profit or loss ("FVTPL")		214,866	60,263
		<u>292,944</u>	<u>285,165</u>
Total non-current assets			
CURRENT ASSETS			
Inventories		92,204	193,525
Contract cost		-	164
Trade and bills receivables	11	215,201	276,048
Contract assets		196,338	180,116
Prepayments, other receivables and other assets		99,044	154,621
Amounts due from related parties		7,829	1,755
Financial assets at FVTPL		150,772	571,518
Pledged deposits		37,890	105,439
Time deposits		188,989	95,336
Cash held on behalf of clients		293,025	148,688
Cash and cash equivalents		258,089	252,917
		<u>1,539,381</u>	<u>1,980,127</u>
Total current assets			

		June 30, 2025 (Unaudited) RMB'000	December 31, 2024 (Audited) RMB'000
	Notes		
CURRENT LIABILITIES			
Trade and bills payables	12	151,962	412,803
Other payables and accruals		495,148	413,713
Amounts due to related parties		46	126
Contract liabilities		203,943	188,746
Lease liabilities		13,917	19,730
Income tax payable		114	1,495
		<u>865,130</u>	<u>1,036,613</u>
NET CURRENT ASSETS		<u>674,251</u>	<u>943,514</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>967,195</u>	<u>1,228,679</u>
NON-CURRENT LIABILITIES			
Lease liabilities		10,780	25,762
Deferred tax liabilities		101	1,331
		<u>10,881</u>	<u>27,093</u>
Total non-current liabilities		<u>10,881</u>	<u>27,093</u>
Net assets		<u><u>956,314</u></u>	<u><u>1,201,586</u></u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	13	518	518
Reserves		995,361	1,225,359
		<u>995,879</u>	<u>1,225,877</u>
Non-controlling interests		<u>(39,565)</u>	<u>(24,291)</u>
Total equity		<u><u>956,314</u></u>	<u><u>1,201,586</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Sipai Health Technology Co., Ltd. (the “**Company**”, formerly known as Medbanks Health Technology Co., Ltd. and ThinkGeek Network Technology Co., Ltd.) is a limited liability company incorporated in the Cayman Islands (“**Cayman**”) under the laws of the Cayman Islands. The registered office of the Company is located at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

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

The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on December 23, 2022.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“**IAS 34**”). 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 December 31, 2024. The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES

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 December 31, 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

- (a) Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

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

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment gross profit. No analysis of segment assets and liabilities is presented as management does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Six months ended June 30, 2025

	Specialty Pharmacy Business RMB'000 (Unaudited)	Physician Research Assistance Business RMB'000 (Unaudited)	Health Insurance Services Business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue	925,825	215,121	83,118	1,224,064
Segment results	50,094	61,990	64,015	176,099
Reconciliation:				
Other income and gains				15,103
Selling and marketing expenses				(80,892)
Administrative expenses				(150,522)
Research and development expenses				(5,083)
Impairment losses recognized on financial assets and contract assets, net				(2,583)
Other expenses				(20,063)
Finance costs				(847)
Restructuring costs				(13,523)
Share of profits and losses of an associate				(58)
Group's loss before tax				(82,369)

Six months ended June 30, 2024

	Specialty Pharmacy Business <i>RMB'000</i> (Unaudited)	Physician Research Assistance Business <i>RMB'000</i> (Unaudited)	Health Insurance Services Business <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Segment revenue	2,066,761	187,371	109,648	2,363,780
Segment results	<u>93,665</u>	<u>57,665</u>	<u>77,601</u>	<u>228,931</u>

Reconciliation:

Other income and gains	19,033
Selling and marketing expenses	(137,816)
Administrative expenses	(161,889)
Research and development expenses	(15,013)
Impairment losses recognized on financial assets and contract assets, net	(3,291)
Other expenses	(3,406)
Finance costs	(1,551)
Share of profits and losses of an associate	<u>(157)</u>
Group's loss before tax	<u><u>(75,159)</u></u>

Geographical information

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

Information about major customers

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

5. REVENUE

An analysis of revenue is as follows:

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods or services		
Specialty Pharmacy Business	925,825	2,066,761
Physician Research Assistance Business	215,121	187,371
Health Insurance Services Business	83,118	109,648
Total	<u>1,224,064</u>	<u>2,363,780</u>
Timing of revenue recognition		
Recognized at a point in time	1,003,571	2,172,143
Recognized over time	220,493	191,637
Total	<u>1,224,064</u>	<u>2,363,780</u>

6. RESTRUCTURING COST

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Employee-related expenses	12,427	-
Other losses	1,096	-
Total	<u>13,523</u>	<u>-</u>

During 2024, the management has decided, after profound study, to reorganize its resources and organizational structure to restructure and upgrade the Specialty Pharmacy Business in order to further enhance business synergies and operation efficiency. The Company initiated the restructuring process of the Specialty Pharmacy Business by ceasing the operations of certain specialty pharmacy stores at the third quarter of 2024 and expects to complete the restructuring in 2025. For the six months ended June 30, 2025 the Group incurred a restructuring cost of RMB13,523,000, mainly including employee-related expenses and other losses from disposal of properties and penalty for early termination of leases as a result of closing the specialty pharmacy stores.

7. LOSS BEFORE TAX

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

	For the six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of inventories sold	875,731	1,973,097
Cost of services provided	172,234	161,752
Depreciation of property, plant and equipment*	2,115	3,829
Depreciation of right-of-use assets*	10,518	15,926
Amortisation of other intangible assets*	2,822	4,098
Government grants	(1,163)	(900)
Interest income	(5,154)	(10,212)
Foreign exchange difference, net	3,556	—
Impairment losses on financial assets and contract assets, net	2,583	3,291
Impairment loss recognized on inventories, net of reversal	686	2,197
Auditor's remuneration	680	700
Expense relating to short-term and low-value assets	811	4,859
Gains on financial assets at FVTPL	(7,349)	(7,227)
Loss on disposal of subsidiaries	12,177	—
Loss on disposal of property, plant and equipment	66	656
Restructuring costs	13,523	—
Staff cost (excluding directors' and chief executive's remuneration):		
– Wages and salaries	213,298	281,012
– Pension scheme contributions	24,377	24,366
– Share-based payment compensation	42,804	45,857

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

8. INCOME TAX

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

Cayman Islands

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

Hong Kong

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

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

Mainland China

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

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

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
– Charge for the period	174	816
– (Over provision)/under provision in previous periods	(1,078)	441
Deferred income tax	(326)	(1,765)
	<hr/>	<hr/>
Tax credit for the period	(1,230)	(508)
	<hr/> <hr/>	<hr/> <hr/>

9. DIVIDENDS

No dividend has been paid or declared by the Company during the period (for the six months ended June 30, 2024: Nil).

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

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the periods. The calculation of weighted average number of ordinary shares has excluded the treasury shares held in trust of the Company. As the impact of the share option scheme and the conversion of preferred shares had an anti-dilutive effect on the basic loss per share amounts presented, no adjustment has been made on the basic loss per share amounts presented for the periods.

The calculation of basic loss per share is based on:

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent (RMB'000)	<u>(71,985)</u>	<u>(78,202)</u>
Ordinary shares		
Weighted average number of ordinary shares outstanding during the period used in the basic loss per share calculation	612,954,181	644,308,040
Loss per share (RMB per share)	<u>(0.12)</u>	<u>(0.12)</u>

11. TRADE AND BILLS RECEIVABLES

	June 30,	December 31,
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Bills receivables	619	14,729
Trade receivables	244,115	294,254
Allowance for credit losses	<u>(29,533)</u>	<u>(32,935)</u>
Total	<u>215,201</u>	<u>276,048</u>

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

	June 30, 2025	December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 6 months	169,929	249,638
6 to 12 months	45,272	26,410
	<hr/>	<hr/>
Total	215,201	276,048
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE AND BILLS PAYABLES

	June 30, 2025	December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade and bills payables	151,962	412,803
	<hr/> <hr/>	<hr/> <hr/>

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

	June 30, 2025	December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 1 month	61,814	216,625
1 to 3 months	45,244	98,870
3 to 6 months	24,795	64,077
Over 6 months	20,109	33,231
	<hr/>	<hr/>
Total	151,962	412,803
	<hr/> <hr/>	<hr/> <hr/>

13. SHARE CAPITAL

The Company was incorporated in May 2015 with an authorised share capital of USD10,000 divided into 100,000,000 ordinary shares (“**ordinary shares**”) with a par value of USD0.0001 each.

A summary of movements in the Company’s issued and fully paid share capital is as follows:

Shares

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Issued and fully paid:		
764,420,514 (2024: 764,182,114) ordinary shares of USD0.0001 each	<u>518</u>	<u>518</u>
	Number of shares in issue	Share capital RMB'000
At January 1, 2024 (audited)	761,500,114	516
Exercise of share options (<i>note a</i>)	<u>2,682,000</u>	<u>2</u>
At December 31, 2024 (audited)	<u>764,182,114</u>	<u>518</u>
Exercise of share options (<i>note a</i>)	<u>238,400</u>	<u>—</u>
At June 30, 2025 (unaudited)	<u>764,420,514</u>	<u>518</u>

Note a: During the six months ended June 30, 2025, 238,400 ordinary shares with a par value of USD0.0001 were issued upon exercise of share options at total consideration of RMB301,000.

CORPORATE GOVERNANCE

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

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

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

Code provision F.1.1 of the CG Code provides that the issuer should have a policy on payment of dividends. As the Company intends to retain most, if not all, of the Company's available funds and any future earnings to fund the development and growth of the Company's business and has not yet adopted a dividend policy to declare or pay any dividends in the near future, the Board will review the Company's status periodically and consider adopting a dividend policy if and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code.

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

During the six months ended June 30, 2025, the Company repurchased a total of 14,299,800 Shares with an aggregate consideration of approximately HK\$64,407,389 on the Stock Exchange and held as treasury Shares. Particulars of the Shares repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price Paid per Share		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January	1,329,400	5.28	4.62	6,540,142
February	2,481,200	5.14	4.67	12,402,318
March	252,000	5.12	5.01	1,278,048
April	4,791,600	5.23	3.34	22,048,221
May	4,935,000	4.60	3.39	20,002,072
June	510,600	5.23	3.69	2,136,588
Total	14,299,800			64,407,389

Save as disclosed above, during the six months ended June 30, 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities or sold any treasury Shares (as defined under the Listing Rules). As at June 30, 2025, the Company holds 14,299,800 treasury Shares (as defined under the Listing Rules).

AUDIT COMMITTEE

The Audit Committee had, together with the Board and external auditor of the Company, reviewed the accounting standards and practices adopted by the Group and the interim results for the six months ended June 30, 2025.

SCOPE OF WORK OF AUDITOR

The independent auditor of the Company, Ernst & Young, has also reviewed the Group's interim financial information for the six months ended June 30, 2025 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

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

DEFINITIONS AND GLOSSARY

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

"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China", "Mainland China" or "PRC"	the People's Republic of China, which, for the purpose of this interim results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company" or "our Company"	Sipai Health Technology Co., Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 19, 2015
"Director(s)"	the director(s) of the Company or any one of them
"Global Offering"	the Hong Kong Public Offering and the International Offering as defined in the Prospectus

“Group”, “our Group”, “our”, “we”, or “us”	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“IASB”	International Accounting Standards Board
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“Reporting Period”	for the six months ended June 30, 2025
“Prospectus”	the prospectus of the Company dated December 12, 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with nominal value of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

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

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

Hong Kong, August 18, 2025

As at the date of this announcement, the Board of Directors comprises Mr. MA Xuguang and Mr. LI Ji as executive directors, Mr. YAO Leiwen as non-executive director, as well as Mr. FAN Xin, Mr. HE Haijian and Ms. HUANG Bei as independent non-executive directors.