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PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the “**Board**”) of Ping An Healthcare and Technology Company Limited (the “**Company**”) is pleased to announce that the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024. This announcement, containing the full text of the 2024 interim report (the “**Interim Report**”) of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results.

The Group’s interim results for the six months ended 30 June 2024 have been reviewed by the audit and risk management committee of the Company.

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.pagd.net. The Interim Report for the year ended 30 June 2024 will be published on the aforesaid websites of the Stock Exchange and the Company and will be sent to the Company’s shareholders in due course.

By order of the Board
Ping An Healthcare and Technology Company Limited
Mr. Dou Li
Chairman

Hong Kong, 20 August 2024

As at the date of this announcement, the Board comprises Mr. Dou Li as the Chairman and the executive Director and Mr. Jun Wu as the executive Director; Mr. Michael Guo, Ms. Fangfang Cai, Ms. Xin Fu and Mr. Ziyang Zhu as non-executive Directors; and Mr. Yunwei Tang, Mr. Tianyong Guo and Dr. Wing Kin Anthony Chow as independent non-executive Directors.

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Corporate Information

Directors

Executive Directors

Mr. Dou Li (Chairman)
Mr. Jun Wu

Non-executive Directors

Mr. Michael Guo
Ms. Fangfang Cai
Ms. Xin Fu
Mr. Ziyang Zhu

Independent Non-executive Directors

Mr. Yunwei Tang
Mr. Tianyong Guo
Dr. Wing Kin Anthony Chow

Audit and Risk Management Committee

Mr. Yunwei Tang (Chairman)
Mr. Tianyong Guo
Ms. Fangfang Cai

Nomination and Remuneration Committee

Mr. Tianyong Guo (Chairman)
Mr. Yunwei Tang
Dr. Wing Kin Anthony Chow
Mr. Michael Guo

Sustainable Development Committee

Dr. Wing Kin Anthony Chow (Chairman)
Mr. Dou Li
Ms. Xin Fu

Authorized Representatives

Mr. Dou Li
Mr. Cheng Liu

Company Secretary

Mr. Cheng Liu

Principal Share Registrar and Transfer Office

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Hong Kong Share Registrar

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Wanchai
Hong Kong

Auditor

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Certified Public Accountants and Registered PIE Auditor
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Principal Correspondent Bank

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Stock Code

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Listing Date

4 May 2018

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Chairman's Statement



MR. DOU LI

Chairman of the Board and Chief Executive Officer

The healthcare industry is a crucial component of the national economy of China and plays a vital role in safeguarding the health and life safety of the public. In recent years, the healthcare industry has been undergoing innovative transformations driven by new quality productive forces, and with technological advancements as its driving force, the healthcare industry is expecting even broader development. As people's living standards improve, their health awareness is evolving, updating, and upgrading, and health belief has shifted from a focus on treating existing diseases to preventing them. Such increased health literacy has led to a growing demand for healthcare services. China's aging population has entered a rapid development stage. According to projections by the National Health Commission of China, by 2035, the population aged 60 and above will exceed 400 million, accounting for over 30%¹ of the total population. As China's aging population grows at an accelerated pace and life expectancy lengthens due to improved living standards and technological advancements, people are paying more attention to the diverse survival security needs in the era of longevity. Against the backdrop of increasing market demand for health and senior care services and the continuous advancement of healthcare reforms, China's health and senior care industries are expected to maintain sustained and steady growth, with vast market potential, presenting valuable development opportunities for Ping An Health, and we believe that extensive engagement in the healthcare and home-based senior care sectors will bring continuous value growth to Ping An Health.

¹ The data is from the transcript of the press conference held by the National Health Commission of China on 20 September 2022.

Only by truly connecting with and understanding customers can we find the core solutions.

As customer needs expand from healthcare to health and senior care, as a flagship in Ping An Group's health and senior care ecosystem, Ping An Health boasts abundant health and senior care service payer resources (F-end commercial insurers/financial service providers, B-end enterprises, etc.), widespread service provider networks, well-developed service standards, and strong support from Ping An Group's ecosystem. Acting for payers and integrating providers, Ping An Health has become a professional, comprehensive, high-quality, one-stop health and senior care management service provider.

2024 is full of opportunities and challenges for Ping An Health.

In a highly volatile market environment, the public is becoming more rational in planning their health and senior care consumption. How to achieve long-term profitability and maintain sustainable development under such circumstances has become a key test of a company's strength. During the Reporting Period, we remained strategically determined, and reinforced our positioning as a flagship in Ping An Group's health and senior care ecosystem, unlocking more synergies between health care and insurance. With steady growth in F-end business, rapid development of B-end business, continuous optimization of resource allocation, as well as continuous improvements in operational efficiency driven by AI, informatization and other technologies, Ping An Health has achieved profitability during the Reporting Period. The significant turnaround in performance demonstrates the remarkable and encouraging results of the implementation of the Company's Strategy 2.0 Continuum, and is also attributable to the trust and continued support of all our shareholders.

During the Reporting Period, Ping An Health continued to focus on the development of family doctors and senior care concierges, and has now become a leading health and senior care service provider in China.

In June 2024, Ping An Health announced a comprehensive upgrade of its family doctor service brand, "Ping An Family Doctor." With upgrades in service teams, standards, models, and capabilities, the newly upgraded "Ping An Family Doctor" has formed a "1-1-3-12" one-stop, proactive health management services system, which includes 1 team of professional and authoritative family doctors, 1 world-class standard service process, 3 proactive health management service solutions, and 12 scarce medical resources. Driven by various factors such as an aging population, widespread adoption of mobile internet, improving living standards, and growing diversified and personalized health needs, people's health needs have long gone beyond diagnosis and treatment when they are sick. Instead, they seek a comprehensive one-stop healthcare service solution that covers health education, prevention, early diagnosis, treatment and rehabilitation. "Ping An Family Doctor" front-loads its proactive, end-to-end services while consolidating its family doctor service system, continuously enhancing its service capabilities, and remains committed to providing "proactive health management, effective chronic disease control, and whole-course disease management" for users. The upgrade of the "Ping An Family Doctor" brand is in pace with the times, in line with the direction of industry development and dedicated to continuously "solving problems" to meet diverse, unique customer needs. During the Reporting Period, the Company had over 14 million users with access to family doctor service benefits, and the annualized usages of family doctor services were over 4 times per capita, up by 8% from 31 December 2023. The proactive service rate reached 100%.

Chairman's Statement

During the Reporting Period, Ping An Health continued to strengthen the construction of service systems in medical care, housing, nursing and entertainment scenarios, empowering the principal business of Ping An Group and enhancing customer experience. In March 2024, Ping An Health, together with its partners, jointly established the “Ping An Concierge Senior Care Service Alliance (平安管家安全享老服務聯盟)” and launched the “5-7-3 Home Safety Renovation Service (573 居家安全改造服務)”. Parties involved jointly set up service standards and a supervision framework to meet the elderly's home safety needs, facilitating the further exploration in the “insurance + home-based senior care” model. On the one hand, Ping An Group's empowerment in the F-end financial payer resources is also where Ping An Health's unique competition lies. Based on user profiles and needs of different financial businesses, Ping An Health has conducted business cooperation with Ping An Life Insurance, Ping An Property & Casualty Insurance and Ping An Health Insurance, such as “product integration,” “benefit procurement,” and “value-added services,” which effectively attracted the customer base from Ping An Group's financial business and successfully converted them into Ping An Health's own users, enhancing customer stickiness. On the other hand, the comprehensive “3-in-1” senior care concierge system integrating smart concierges, daily life concierges, and doctor concierges provides 24/7 online assistance to customers, and expands the coverage of the high-quality “online, in-store and home/company delivered” service network, committing to delivering customers with the best cost-effective service and providing differentiated competitive strengths for Ping An Group, allowing customers easier access to and gain availability to insurance and helping Ping An Group's integrated finance business with user acquisition, retention, and conversion. Ping An Group's retail integrated financial customers using services from its health and senior care ecosystem had 1.6 times more contracts and 3.6 times² higher AUM per capita than the non-users of these services as of 31 March 2024.

During the Reporting Period, Ping An Health continued to deepen its managed care strategy and promoted the optimization and upgrading of business models and service processes through technological innovation, which enabled dual enhancement in operational efficiency and service quality, effectively enhanced the quality of health care services, improved operational efficiency and optimized patient experience. The application of the Ping An Medical Master (平安醫博通®), a self-developed large multi-modal medical AI model, enables Ping An Health's family doctors to promptly and accurately obtain key health information of users and prepare high-quality personalized healthcare service solutions. During the Reporting Period, we also upgraded the Ping An Doctor's Home™ (平安醫家人™), a doctor's workbench, on all fronts to continuously empower the improvement of health care service capabilities, which has now realized AI-enabled real-time medical insight assistance, AI-empowered data collection and user health profile generation, and quality control for key points in online consultations, such as risk warning for critically ill patients, cumulative medication risk warning for patients, prescription review, and medical record integration. Driven by technologies, the service operation efficiency, user experience and medical service capabilities were further enhanced, the satisfaction rate of users for online consultations exceeded 98%, and the proportion of Grade-A electronic medical records hit 99.8%, effectively resolving key problems such as knowledge update lag and poor health management continuity prevalent in traditional family doctor services. Looking ahead, Ping An Health will continue its efforts in developing AI and related use cases to raise the efficiency and quality of health care services, and to facilitate the digital and intelligent transformation of itself and industry peers.

2 The data is from Ping An Group's Q1 2024 Results.

With the mission of “bridging doctors and patients with professionalism and safeguarding everyone’s health”, Ping An Health has been pursuing the goal of providing every enterprise with a harmonious workplace, every family with a dedicated doctor, and every user with a safe and healthy life. Ping An Health, rooted in the health and senior care service sector, has been rated Grade A by MSCI ESG for three consecutive years, ranking among the top in the health care service industry. Adhering to business for good, we organically incorporated ESG concepts into our products and services, comprehensively upgraded “Ping An Family Doctor” (平安家醫), a family doctor service brand, and unveiled our one-stop active health management system and user service commitment. Such innovative service model meets the growing demand for medical and healthcare services from the public, and actively promotes the transformation and upgrading of medical and healthcare services from “treatment” to “management”, ushering in a new chapter for the coordinated development of health and senior care business and insurance business. Insisting on shouldering social responsibility and organically incorporating ESG concepts into the development of medical and healthcare ecosystems, Ping An Health has developed a health care services platform with unified interfaces that provides access to online health care for various partners to standardize service delivery and share capabilities with customers and fosters coordinated development of the industry. In April 2024, Ping An Health officially became a participant in the United Nations Global Compact, marking the international recognition of Ping An Health’s long-term efforts to actively fulfill its social responsibilities. Ping An Health’s participation not only underscores Ping An Health’s strong commitment to the global sustainable development goals, but also demonstrates its determination to integrate international best practices into its corporate culture and operations.

Our journey is abound with ambitious goals, with opportunities and challenges coexisted. What we can do is to continuously create value for shareholders by making continued efforts and insisting on innovation. As a flagship in Ping An Group’s health and senior care ecosystem, Ping An Health makes all-out efforts to implement the “integrated finance + health and senior care” strategy of Ping An Group, helps its customers realize the value proposition of “worry-free, time-saving and money-saving” by continuously developing a Chinese “managed care model”, builds solid barrier and moat in health and senior care resources, improves products with “ingenuity” and establishes reputation with quality to build a sustainable business model, ensuring sustained high-quality development. We believe that Ping An Health will enjoy a brighter future.

Mr. Dou Li

Chairman of the Board and Chief Executive Officer
Hong Kong, 20 August 2024

Management Discussion and Analysis

As a flagship in Ping An Group's health and senior care ecosystem, and an integral part of the Group's "managed care model," Ping An Health boasts abundant health and senior care service payer resources (F-end commercial insurers/financial service providers, B-end enterprises, etc.), widespread service provider networks, well-developed service standards, and strong support from Ping An Group's ecosystem. Acting for payers and integrating providers, Ping An Health has become a professional, comprehensive, high-quality, one-stop health and senior care management service provider.

In respect of providers, Ping An Health integrates online and offline health and senior care resources to further expand its service networks. By centering on family doctors and senior care concierges, Ping An Health strives to provide users with premium service experience featuring "fast diagnosis for minor illnesses, standardized management for chronic diseases, and precise referral for major illnesses."

In respect of payers, Ping An Health provides full-lifecycle health and senior care services for users (e.g. policyholders) of Ping An Group's integrated finance business (F-end payers) by integrating health and senior care service benefits with financial/insurance products, in an effort to improve their health. By doing so, Ping An Health facilitates Ping An Group's "heartwarming financial services," achieving synergistic development with Ping An Group's integrated finance business.

Meanwhile, Ping An Health provides professional, comprehensive, high-quality, one-stop corporate health management services for corporate clients (B-end payers). By improving health of their employees, Ping An Health helps cut health care expenses paid by its corporate clients. Thus, Ping An Health assists enterprises in creating healthy workplaces and enhancing employee productivity, which facilitates a shift in the value of corporate health management plans, from employee benefit cost reduction to worthwhile investments.

Key Financial Data

	Unaudited		Year-on-year change
	Six months ended 30 June		
	2024	2023	
	RMB'000	RMB'000	
Revenue	2,093,449	2,222,177	-5.8%
Cost of sales	(1,419,651)	(1,506,815)	-5.8%
Gross profit	673,798	715,362	-5.8%
Selling and marketing expenses	(366,722)	(450,346)	-18.6%
Administrative expenses	(394,613)	(756,671)	-47.8%
– Including: research and development expenses	(161,333)	(331,590)	-51.3%
Other income	18,284	55,274	-66.9%
Other gains – net	27,737	79,291	-65.0%
Finance income – net	102,436	115,242	-11.1%
Share of losses of associates and joint ventures	(268)	(2,415)	-88.9%
Profit/(loss) before income tax	60,652	(244,263)	N/A
Income tax expense	(23)	(604)	-96.2%
Net profit/(loss) for the period	60,629	(244,867)	N/A
Net profit/(loss) attributable to:			
– Owners of the Company	56,648	(244,618)	N/A
– Non-controlling interests	3,981	(249)	N/A
Non-IFRS measure:			
Adjusted net profit/(loss)	89,739	(249,267)	N/A

Management Discussion and Analysis

- During the Reporting Period, the Company recorded a total revenue of RMB2,093.4 million, representing a year-on-year decrease of 5.8% from RMB2,222.2 million in the first half of 2023. This was mainly attributable to changes in the model of certain business lines leading to delays in revenue recognition in the first half of 2024, as well as a high base in the first half of 2023 (ongoing realignment of the Company's business with low strategic synergies and contract fulfillment concentrated in the first half of 2023 due to some one-off factor).
- During the Reporting Period, the Company achieved steady growth in its strategic business, with revenue from F-end and B-end strategic business increasing by 19.7% year on year. Specifically, F-end revenue reached RMB1,115.2 million, representing a year-on-year increase of 3.4% from RMB1,078.1 million in the first half of 2023; B-end revenue reached RMB713.1 million, representing a year-on-year increase of 58.8% from RMB449.1 million in the first half of 2023.
- During the Reporting Period, gross margin recorded by the Company was 32.2%, on par with 32.2% in the first half of 2023.
- During the Reporting Period, the Company greatly boosted its productivity and cost efficiency. Expenses decreased markedly as the Company continued to optimize resource allocation and staffing, strengthen input-output management, and increase operational efficiency via informatization, digitization and AI empowerment. Specifically, administrative expenses reached RMB394.6 million, representing a year-on-year decrease of RMB362.1 million or 47.8%; and selling and marketing expenses reached RMB366.7 million, representing a year-on-year decrease of RMB83.6 million or 18.6%.
- During the Reporting Period, with steady growth in F-end business, rapid development of B-end business, continuous optimization of resource allocation, as well as continuous improvements in operational efficiency driven by AI, informatization and other technologies, the Company quickened its pace to achieve a turnaround, recording a profit of RMB60.6 million versus a loss of RMB244.9 million in the first half of 2023.

Key Operational Data

	Six months ended 30 June		
	2024	2023	Change
Paying users of strategic business (in million)	17.7	17.0	4%
Including: F-end paying users (in million)	14.8	13.9	7%
B-end paying users (in million)	2.6	2.6	2%
Number of B-end enterprises served	1,748	1,198	46%

Note: 1. Figures may not match the calculation due to rounding.

- During the Reporting Period, Ping An Health's paying users of strategic business reached about 17.70 million, representing a year-on-year increase of about 4%.
- Specifically, paying users of F-end strategic business reached about 14.80 million, representing a year-on-year increase of about 7%; paying users of B-end strategic business reached about 2.60 million, representing a year-on-year increase of about 2%.
- The number of B-end enterprises cumulatively served reached 1,748, representing a year-on-year increase of about 46%.

Management Discussion and Analysis

Analysis of Main Business Operations

During the Reporting Period, the Company reinforced its positioning as a flagship in Ping An Group's health and senior care ecosystem, unlocking more synergies between health care and insurance, and continuously improving strategic business. In addition, bolstered by continuously enhanced resource allocation efficiency and organizational efficiency, the Company achieved profitability.

1. Achieving steady business growth and profitability

During the Reporting Period, the Company saw a slight year-on-year decline in revenue. This was attributable to changes in the model of certain business lines leading to delays in revenue recognition in the first half of 2024 and a high revenue base in the first half of 2023 (ongoing realignment of business with low strategic synergies and contract fulfillment concentrated in the first half of 2023 due to some one-off factor). After the general completion of the realignment of business with low strategic synergies in 2023, the Company achieved sound development in its strategic business. Specifically, the Company achieved steady growth in F-end business, unlocking more synergies with Ping An Group; and rapid growth in B-end business, with strengthened cross-selling of products. In addition, benefiting from technology adoption of AI, informatization, etc. as well as optimization of resource allocation and input-output management, the Company saw continuous improvements in organizational productivity and operational efficiency, and a significant drop in expense ratio, and hence quickened its pace to achieve profitability.

2. Continuing to strengthen collaboration with Ping An Group and advance the managed care strategy

1) *Payers for Managed Care*

Ping An Group's integrated finance business (F-end)

Ping An Group continuously advances the strategy of "integrated finance + health and senior care." As a flagship in Ping An Group's health and senior care ecosystem, Ping An Health provides full-scenario health and senior care services for Ping An Group's integrated financial service customers, fostering closer collaboration with Ping An Group's integrated finance business, and advancing the managed care strategy.

On the whole, Ping An Health provides online/offline one-stop, 24/7 proactive health and senior care services for users of Ping An Group's integrated finance business including Ping An Life Insurance, Ping An Property & Casualty Insurance, Ping An Health Insurance, and Ping An Bank. In respect of products and services, Ping An Health diversifies its offerings in health and senior care based on user profiles and needs of different financial businesses. Through business models such as "product integration," "benefit procurement," and "value-added services," Ping An Health helps Ping An Group's integrated finance business with user acquisition, retention, and conversion. Ping An Group's retail integrated financial customers using services from its health and senior care ecosystem had 1.6 times more contracts and 3.6 times¹ higher AUM per capita than the non-users of these services as of 31 March 2024.

Under "insurance + service" and other models, Ping An Health works with Ping An Life Insurance to participate in policyholders' health management by further unlocking synergies between health and senior care services and the insurance business. During the Reporting Period, Ping An Health continuously expanded service scenarios and upgraded service capabilities, enhancing customer management through family doctors and senior care concierges. During the Reporting Period, paying users of the strategic business in cooperation with Ping An Life Insurance increased by about 20% year on year, with revenue rising by about 14% year on year.

¹ The data is from Ping An Group's Q1 2024 Results.

Management Discussion and Analysis

In respect of service scenarios, Ping An Health is developing “insurance + home-based senior care” in addition to “insurance + health care” to offer, in collaboration with Ping An Life Insurance, one-stop, differentiated home-based senior care solutions centered on senior care concierges, covering scenarios including “medical care, housing, nursing and entertainment”. Ping An Health officially launched the “Ping An Concierge Senior Care Service Alliance” jointly with partners and launched the “5-7-3 Home Safety Renovation Service” in March 2024. Parties involved jointly set up service standards and a supervision framework to meet the elderly’s home safety needs. As of 30 June 2024, home-based senior care benefits were available in 64 cities across China, up by 10 cities from 31 December 2023, and the number of users with access to the benefits increased by about 50% from 31 December 2023. In addition, Ping An Health constantly optimized user service experience, with NPS up by 8.4 pps year on year. In doing so, Ping An Health further empowered Ping An Life Insurance to acquire customers and increase customer value.

In respect of service capabilities and customer development, Ping An Health has further upgraded its service framework for Ping An Life Insurance’s users. Take “Ping An Zhen Xiang RUN Health Services Plan” for example. Ping An Health introduced a 6th tier of benefit in addition to the existing 5 tiers, leveraging exclusive family doctors to provide proactive, continuous health management services for Ping An Life Insurance’s users and their family members. These doctors generally have a background in 3A hospitals, with an average of over 20 years of clinical experience. Moreover, the Company continues to enhance the development of high-value customers by providing innovative services including at-home testing, life sciences and cancer screening, and proactive and targeted user operation centered on family doctors to improve stickiness and value of policyholders.

In addition, Ping An Health also strengthens collaboration with other payers including Ping An Health Insurance, Ping An Property & Casualty Insurance, and Ping An Bank to improve the breadth and depth of services for their users. For instance, Ping An Health is increasing the penetration and utilization of family doctor services among the policyholders of Ping An Health Insurance to help improve their stickiness and health outcomes. Meanwhile, Ping An Health has furthered collaboration with Ping An Property & Casualty Insurance on service scenarios by leveraging its strengths in online/offline health management service networks. Moreover, Ping An Health provides services including medical visit assistance for users of Ping An Bank and other integrated finance channels of Ping An Group, helping them with more effective customer acquisition and retention.

Thanks to the above improvements, the Company saw steady progress in its F-end strategic business. During the Reporting Period, paying users increased by 7% year on year. However, due to changes in the model of certain business lines leading to delays in revenue recognition, F-end revenue increased by 3.4% year on year to RMB1,115.2 million.

In the medium to long term, Ping An Health will further tap into the advantages of Ping An Group’s integrated finance business (F-end) in customer segments and resources to increase the penetration of Ping An Group’s integrated financial service customers, further expanding membership and enhancing customer operation. While helping Ping An Group’s integrated finance business with customer acquisition and retention, Ping An Health aims to help improve the health of retail financial service customers through proactive, long-term, and highly sticky services such as chronic disease management, thus empowering insurers to control costs. Furthermore, Ping An Health will constantly strengthen user development by centering on family doctors and senior care concierges to enhance customer stickiness and conversion, thereby facilitating the Company’s long-term development.

Management Discussion and Analysis

Corporate clients (B-end)

Ping An Health considers corporate health management a pivotal element within the Company's Strategy 2.0 Continuum and also a key engine of long-term growth. The Company is committed to providing professional, comprehensive, high-quality, one-stop corporate health management solutions to corporate clients (B-end), with the goal of enhancing employee health and wellbeing while helping enterprises to achieve better sustainable development.

In respect of customers and users, Ping An Health actively collaborates with corporate clients from Ping An Group's channels. The Company specifically targets the large and medium-sized enterprises that have substantial budget for corporate health management, clear employee health management plans, and a strong ability and willingness to pay. The Company offers comprehensive health management solutions tailored to their employees. Moreover, the Company proactively expands its own sales channels by leveraging experience and capability gained through collaboration with Ping An Group's channels.

As Ping An Health continues to expand its corporate client base through both Ping An Group's channels and the Company's own channels, the number of corporate clients served by the Company has grown rapidly. As of 30 June 2024, the number of enterprises cumulatively served increased year on year by about 46% to 1,748.

In respect of products and services, Ping An Health consistently improves its "Enterprise EZHealth" corporate health management product portfolio. The Company is committed to upgrading its offerings based on a deeper understanding of employees' health management needs. The Company aspires to meet diverse needs of various enterprises via a product and service matrix with differential advantages. Moreover, the Company continues to diversify online-merge-offline operations. For instance, the Company offers proactive health management and precisely recommends its products and services online based on employees' health records; the Company holds offline workplace health activities to provide specific medical and health services, making employees healthier and more satisfied.

With the "Health Checkup +" product as a pivotal entry point into the corporate health management sector, Ping An Health continues to enhance the market penetration of the "Health Management +" product via cross-selling initiatives. As of 30 June 2024, corporate clients using our "Health Checkup +" product increased by 48.2% year on year to 1,070 cumulatively, and corporate clients using our "Health Management +" product increased by 38.9% year on year to 771 cumulatively.

B-end strategic business development was strong thanks to the growth of high-quality corporate clients and the increase of product sales via cross-selling. Revenue from the B-end strategic business jumped by 58.8% year on year, reaching RMB713.1 million.

In addition, Ping An Health bolsters engagement and collaborations with Ping An Group's channels in the corporate business by adopting approaches such as the operation of an employee health benefit mall, thereby deepening its presence in the corporate health management sector.

Individual customers (C-end)

During the Reporting Period, the Company leveraged its upgraded family doctor services featuring family doctors and senior care concierges to strengthen tiered member development and increase both the number and the stickiness of members. Once user habits are formed, the Company is poised to make significant strides in its F2C/B2C strategy, thereby forging a second development curve.

2) Membership Manager

Focusing on family doctors and senior care concierges under the “online, in-store, and home/company-delivered” service network, Ping An Health provides full-scenario services throughout the entire user journey.

Family doctor membership has been the cornerstone of Ping An Health’s unique competitive edge. The Company upgraded its “Ping An Family Doctor” brand in June 2024, introducing the “1-1-3-12” one-stop, proactive health management services system, namely one team of professional family doctors certified by Peking University International Hospital and guided by the World Organization of Family Doctors (WONCA), one 5A standard service process guided by the General Practice Branch of the Chinese Medical Association, three health management service solutions tailored to the needs of sub-healthy individuals, patients with chronic diseases, and people with medical conditions, and 12 scarce medical resources provided to those in need. After brand upgrading, “Ping An Family Doctor” provides ex ante, proactive, end-to-end services while consolidating its family doctor service system. To meet diverse, unique customer needs, “Ping An Family Doctor” provides “proactive health management, effective chronic disease control, and whole-course disease management” for users. During the Reporting Period, the Company had over 14 million users with access to family doctor service benefits, and the annualized usages of family doctor services were over 4 times per capita, up by 8% from 31 December 2023. The proactive service rate reached 100%.

Moreover, Ping An Health has intensified its efforts to develop a comprehensive “3-in-1” senior care concierge system. The system integrates smart concierges, daily life concierges, and doctor concierges, providing 24/7 one-stop solutions across 10 home-based senior care scenarios. During the Reporting Period, the Company offered over 600 home-based senior care services.

As of 30 June 2024, Ping An Health had about 50,000 in-house doctors and contracted external doctors in 29 specialties, including about 2,900 contracted renowned doctors. They provided full-scenario, multi-tiered health and senior care services to meet users’ needs.

Ping An Health is dedicated to enhancing specialty services to bolster its medical service capabilities. The Company operates 23 specialty medical centers, covering 8 medical specialties, and standardizes solutions before, during and after medical consultation, ensuring refined management throughout the patient journey. For instance, in chronic disease management, the Company rolled out “three blockbusters”, namely blood sugar control, blood pressure control, and body weight loss, and provided users with health records, tailored solutions, and end-to-end monitoring and guidance to significantly improve their health outcomes.

Moreover, Ping An Health continuously improves its mechanisms to ensure the “rapid, precise, and efficient” delivery of medical services. The Company gauges fulfillment of its service commitments using metrics such as responsiveness, customer feedback, efficiency in fulfilling service contracts, and service satisfaction. During the Reporting Period, the Company got five-star reviews for its medical consultation service from more than 98% of users.

Management Discussion and Analysis

3) O2O Health Care and Senior Care Service Network

Ping An Health is steadfast in its effort to enhance the “online, in-store, and home/company-delivered” service network to improve service quality and user experience. While expanding the service network and improving service quality, the Company continuously consolidates its advantages in platform-based, large-scale service procurement to offer more cost-effective services. The Company undertakes to “provide immediate consultations and whole-process accompanying consultations, refund the price difference for over 300 common medicines if users overpay, and replace expired medicines”. By doing so, the Company fosters a broader, high-quality, cost-effective health care and senior care service network.

In respect of the medical service network, Ping An Health provides users with more integrated, superior, and cost-effective services by further pooling online and offline medical service resources and developing a one-stop service delivery system. As of 30 June 2024, the Company partnered with nearly 4,000 hospitals and 233 thousand pharmacies. Moreover, the Company actively supports China’s “internet+” health care initiatives. During the Reporting Period, the Company provided access to online social health insurance payment in cities such as Dongguan, improving the medical and drug purchase experience for users covered by social health insurance.

In respect of the health service network, Ping An Health partnered with 104,000 health service providers and nearly 2,500 health checkup service providers as of 30 June 2024 to offer various products and services including health checkups, senior care, dental care, anti-aging care, and health and wellbeing.

Regarding the senior care service network, the Company partnered with over 120 senior care service providers that can provide over 600 home-based senior care services as of 30 June 2024. The Company undertakes to refund the price difference if users overpay as the real-time price comparison system is applied to the Company’s core services.

3. Improving efficiency and experience with technology adoption

During the Reporting Period, Ping An Health further bolstered its capabilities in informatization, digitization, and AI empowerment by stepping up R&D and tapping into Ping An Group’s technological strengths. In doing so, the Company streamlined its business operation process and enhanced operational efficiency, thereby injecting fresh impetus into health and senior care management services.

Ping An Health keeps advancing its medical AI capabilities. During the Reporting Period, the Company developed a large multi-modal medical AI model Ping An Medical Master® based on five industry-leading medical databases on diseases, prescriptions, medical products, medical resources, and personal health covering about 37,000 diseases, 220,000 drug instructions, 1.43 million doctors, and 1.42 billion consultations. It also fully upgraded the doctor’s workbench Ping An Doctor’s Home™.

AI plays a critical role in Ping An Health’s medical quality assurance, medical insight assistance, and user health profile generation, continuously empowering the Company’s medical capability building and efficiency improvement. During the Reporting Period, AI-assisted chronic disease management improved by 90%, and the proportion of Grade-A electronic medical records hit 99.8%, and family doctors’ service efficiency rose by about 30%. Meanwhile, AI was deployed to facilitate 100%-coverage quality assurance of online consultations, electronic medical records, and prescriptions to, thereby, drive up health care service quality.

Looking ahead, Ping An Health will continue its efforts in developing AI and related use cases to raise the efficiency and quality of health care services, and to facilitate the digital and intelligent transformation and upgrades of itself and the industry as a whole.

Long-term Strategies and Management Outlook

Commercial insurers play an important role in “commercial insurance + health and senior care”, representing one of the major payers for medical and health expenditures in China. According to the Report to 20th National Congress of CPC, China will further integrate commercial insurance with the basic social medical insurance programs at different levels, improve critical illness insurance and medical assistance schemes, and vigorously develop commercial medical insurance. The Report on Work of Government delivered by the State Council at the Second Session of the 14th National People’s Congress in 2024 has pinpointed the priorities of health care services and medical insurance: to enhance social security and social services, to boost the silver economy, and to move ahead with establishing insurance schemes for long-term care. The Guiding Opinions of National Financial Regulatory Administration on Banking and Insurance Sectors’ Improving Five Financial Priority Areas released in May 2024 point out the needs to accelerate the development of senior care finance. Specifically, efforts should be made to advance the third pillar of pension insurance by supporting pension-like products such as deposit, wealth management, and insurance; to expand the scope of pilot commercial pension projects; to diversify health insurance offerings with preferential tax treatment; to explore commercial health insurance products including long-term care and health management services; and to ramp up financial support for the health sector, senior care sector, and silver economy.

In corporate health management, enterprises have become another major payer for medical and health expenditures in China. The government has been summarizing and promoting the experience and best practices in the process of building healthy enterprises to further healthy enterprise and occupational health protection actions. Currently, under the disbursement accounts of Chinese enterprises, 5% of wages are disburseable on supplementary medical insurance, 14% on employee benefits, and 2% on trade union funds. Theoretically, the corporate health management market in China is expected to reach a potential size of over RMB3 trillion in the long run.

Regarding family doctor and health management services, the National Health Commission issued the Notice on Initiating Three-year Plan to Raise Health Literacy for All Citizens (2024-2027) in May 2024. Following that, the government of Shanghai released the Notice on Building Health Management Centers at Community Health Service Centers in Shanghai. Specific measures include improving the set-up of health management platforms, promoting the construction of the family doctor contract-signing service centers and chronic disease management support centers, and encouraging the introduction of third-party health management institutions. Likewise, Guangzhou Municipal Health Commission has been building a family doctor workshop to vigorously promote the Hong Kong model of family doctor training.

Seizing the opportunities presented by the above industry trends and national policies, Ping An Health will strengthen synergies with Ping An Group in further implementing the “managed care” strategy to develop a Chinese “managed care model”. The Company will strengthen its synergies and mutual empowerment with Ping An Group by fully utilizing Ping An Group’s strengths in customer base and resources in integrated finance (F-end) and corporate clients (B-end), and, more specifically, by reaching the vast commercial insurers, corporate clients, and retail customers of Ping An Group with service offerings. The Company is becoming increasingly valuable in empowering F-end payers to improve customer acquisition, customer retention, and expense control, and in empowering B-end enterprises to enhance employee health, thereby improving customer penetration, stickiness, and conversion (into paying users).

Meanwhile, Ping An Health will further strengthen the role of family doctors and senior care concierges as service hubs in providing users with one-stop health care services integrating quality online and offline resources, and adopt a more proactive approach towards the tiered development of members. The Company will continue

Management Discussion and Analysis

to upgrade “Ping An Family Doctors”, and proactively reach and serve users from F-end and B-end payers, to improve users’ awareness and experience. The Company will also work with Ping An Group to step up home-based senior care business in an effort to further integrate health and senior care with commercial insurance. In the future, as user habits get formed, the Company will take more actions to boost F2C/B2C conversion to forge a second growth curve. In its pursuit of a broader service network and better service quality, the Company will consolidate its advantages in the “online, in-store, and home/company-delivered” service network to strengthen its bargaining power derived from the upscaling of services. By doing so, the Company will develop a broader, high-quality, cost-effective health and senior care service network. In addition, Ping An Health will improve resource allocation and organizational efficiency through further optimization of operational processes and progressive implementation of digitization and AI technology.

Going forward, Ping An Health will keep striving to create sustained long-term value for users, shareholders, and the society. The Company will provide users with high-quality health and senior care services, deliver steady returns to shareholders, and unwaveringly support the Digital China and the Healthy China initiatives.

Revenue and Gross Profit by Segment

	Six months ended 30 June		
	2024 RMB'000	2023* RMB'000	Year-on-year change
Revenue:			
Medical services	1,062,743	1,031,559	+3.0%
Health services	983,392	1,175,093	-16.3%
Senior care services	47,314	15,525	+204.8%
Total of revenue	2,093,449	2,222,177	-5.8%
Gross profit:			
Medical services	422,236	443,888	-4.9%
Health services	243,573	270,957	-10.1%
Senior care services	7,989	517	+1,445.3%
Total of gross profit	673,798	715,362	-5.8%
Gross margin:			
Medical services	39.7%	43.0%	-3.3 pps
Health services	24.8%	23.1%	+1.7 pps
Senior care services	16.9%	3.3%	+13.6 pps
Total of gross margin	32.2%	32.2%	-

* In the context of Ping An Group’s consistent pursuit of the “integrated finance + health and senior care” strategy, as a flagship in Ping An Group’s health and senior care ecosystem, Ping An Health is the integrator and provider of senior care services. The senior care services business is an important part of the Company’s strategic layout, which contributes to a new business growth. The Company disclosed its revenue by segment (including three segments, namely medical services, health services and senior care services) to better reflect the Company’s business strategy. Segment information in the same period of 2023 has been restated.

Management Discussion and Analysis

Medical Services:

During the Reporting Period, revenue from medical services recorded RMB1,062.7 million, representing an increase of 3% from RMB1,031.6 million in the same period of 2023. The slight increase in revenue from medical services was mainly because Ping An Health continuously deepened synergy with Ping An Group's integrated finance business for the purpose of diversifying medical services centered on family doctors, including medical consultation, chronic disease management and medical visit assistance.

During the Reporting Period, gross margin of medical services recorded 39.7%, representing a slight decrease of 3.3 pps year on year. This was mainly due to structural changes in the medical business.

	Six months ended 30 June		
	2024 RMB'000	2023* RMB'000	Year-on-year change
Revenue	1,062,743	1,031,559	+3.0%
Gross profit	422,236	443,888	-4.9%
Gross margin	39.7%	43.0%	-3.3 pps

Health Services:

During the Reporting Period, revenue from health services recorded RMB983.4 million, representing a decrease of 16.3% from RMB1,175.1 million in the same period of 2023. The decrease was mainly attributable to ongoing realignment of the business of some physical products that is less correlated with the managed care strategy and has low profitability, and contract fulfillment concentrated due to some one-off factor in the first half of 2023.

During the Reporting Period, gross margin of health services recorded 24.8%, with a steady increase of 1.7 pps. This was mainly due to the declined proportion of revenue from business with low profitability.

	Six months ended 30 June		
	2024 RMB'000	2023* RMB'000	Year-on-year change
Revenue	983,392	1,175,093	-16.3%
Gross profit	243,573	270,957	-10.1%
Gross margin	24.8%	23.1%	+1.7 pps

Management Discussion and Analysis

Senior Care Services:

During the Reporting Period, Ping An Health continued to promote and deepen the in-depth integration with Ping An Group's commercial insurance, and actively deployed the senior care services business centered on senior care concierges. The revenue from senior care services for the first half of 2024 recorded RMB47.3 million, compared to RMB15.5 million for the same period in 2023.

During the Reporting Period, the gross profit margin of the senior care services recorded 16.9%, representing a year-on-year increase of 13.6 pps. This was mainly due to the Company's intensified efforts to develop a comprehensive "3-in-1" senior care concierge system integrating smart concierges, daily life concierges, and doctor concierges, covering multi-scenario service experience, thus comprehensively improving the gross profit margin.

	Six months ended 30 June		
	2024	2023*	Year-on-year change
	RMB'000	RMB'000	
Revenue	47,314	15,525	+204.8%
Gross profit	7,989	517	+1,445.3%
Gross margin	16.9%	3.3%	+13.6 pps

Selling and Marketing Expenses

Selling and marketing expenses amounted to RMB366.7 million in the first half of 2024, representing a decrease of 18.6% from RMB450.3 million in the first half of 2023. The decrease was mainly due to continuously strengthened input-output management and enhanced resource allocation efficiency.

Administrative Expenses

Administrative expenses amounted to RMB394.6 million in the first half of 2024, representing a decrease of 47.8% from RMB756.7 million in the first half of 2023. The decrease was mainly attributable to the decrease in manpower and related expenses as a result of continuous optimization in staffing efficiency.

Other Income

Other income amounted to RMB18.3 million in the first half of 2024, representing a decrease of 66.9% from RMB55.3 million in the first half of 2023, which was mainly attributable to the decrease in government grants during the period.

Other Gains - Net

Other net gains amounted to RMB27.7 million in the first half of 2024, representing a decrease of RMB51.6 million from RMB79.3 million in the first half of 2023, which was mainly attributable to the change in impairment amount of receivables.

Finance Income - Net

Net finance income amounted to RMB102.4 million in the first half of 2024, representing a decrease of 11.1% from RMB115.2 million in the first half of 2023, which was mainly attributable to a decrease in interest income of the Company.

Net Profit/Loss for the Period and the Non-IFRS Measure: Adjusted Net Profit/Loss

Our net profit for the first half of 2024 amounted to RMB60.6 million, compared with net loss of RMB244.9 million recorded in the first half of 2023. To supplement our consolidated financial information presented in accordance with IFRS, we also adopted the “adjusted net profit/loss” which is not a required standard under IFRS or which is presented not in accordance with IFRS requirements as an additional financial measure. For the purpose of this interim report and future interim reports, the “adjusted net profit/loss” may be used in exchange with the “net profit/loss not under GAAP”. We believe that this additional financial measure is useful for comparing our operating performance between different periods and different companies by eliminating the potential impact of items which, in the opinion of our management, are not indicative of our operating performance. We also believe that the additional measure can provide investors and other individuals with meaningful information, allowing them to understand and assess our consolidated operating results in the same way as our management. However, the “adjusted net profit/loss” presented by us may not necessarily be comparable with the similar measures presented by other companies. Such non-IFRS measure has a limitation as an analytical tool. Thus, a view should not be held that it is independent from or can replace the analysis of our operating results or financial position presented in accordance with IFRS. After excluding the impact of share-based payments and net foreign exchange (gains)/losses, the adjusted net profit in the first half of 2024 amounted to RMB89.7 million, compared with the adjusted net loss of RMB249.3 million in the first half of 2023. The following table sets forth the adjusted net profit/loss for the six months ended 30 June 2024 and 2023 as the most directly comparable financial measure (namely, net profit/loss for the period) calculated and presented in accordance with IFRS:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Net profit/(loss) for the period	60,629	(244,867)
Excluding:		
Share-based payments	29,833	5,912
Net foreign exchange (gains)/losses	(723)	1,899
Net gains on disposal of a joint venture	-	(12,211)
Adjusted net profit/(loss)	89,739	(249,267)

Management Discussion and Analysis

Liquidity and Financial Resources

Our cash and other liquid financial resources as of 30 June 2024 and 31 December 2023 were as follows:

	30 June 2024	31 December 2023
	RMB'000	RMB'000
RMB	2,922,821	1,776,663
USD	63,351	65,902
HKD	22,483	23,946
	3,008,655	1,866,511

Cash and cash equivalents include cash in hand and at banks, bank deposits, and other short-term highly liquid deposits with original maturities of three months or less. Our cash and cash equivalents are mostly denominated in RMB.

As of 30 June 2024, our total available funds were RMB12,644.8 million, including cash and cash equivalents of RMB3,008.7 million, restricted cash of RMB75.1 million, term deposits of RMB3,622.1 million, and financial assets for wealth management of RMB5,938.9 million. The financial assets for wealth management, purchased mainly from Ping An Bank, Ping An Wealth Management and others, have effectively improved the yields and liquidity of the Company's idle funds.

Cash flows for the six months ended 30 June 2024 and six months ended 30 June 2023 were as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Net cash used in operating activities	(135,007)	(67,262)
Net cash generated from investing activities	1,295,072	984,553
Net cash used in financing activities	(18,740)	(28,733)
Net increase in cash and cash equivalents	1,141,325	888,558
Cash and cash equivalents at the beginning of the period	1,866,511	3,700,689
Effects of exchange rate changes on cash and cash equivalents	819	6,011
Cash and cash equivalents at the end of the period	3,008,655	4,595,258

Net cash generated from investing activities mainly included proceeds of RMB9,135.1 million from redemption of wealth management products and term deposits, and subscription of wealth management products and term deposits of RMB7,830.1 million.

Treasury Policy

Our cash arises almost exclusively from equity funding. Such cash can only be invested in relatively liquid and low-risk instruments such as bank deposits or money market instruments. The primary objective of our investments is to generate finance income at a yield higher than the interest rate of current bank deposits, and to maintain liquidity.

Capital Expenditure

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Purchase of property, plant and equipment, intangible assets and other assets	10,536	17,138

Our capital expenditures primarily comprised the expenditure for the purchase of property, plant and equipment (mainly office and telecommunication equipment) as well as intangible assets (mainly software).

Foreign Exchange Risk

For the six months ended 30 June 2024, we mainly operated our businesses in China with most of the transactions settled in RMB, the functional currency of our Company. Foreign exchange risk is the risk of incurring losses due to changes in foreign exchange rates. Fluctuations in the exchange rates between RMB and other currencies that we use to conduct our business operations may affect our financial position and operating results. The foreign exchange risk assumed by us primarily arises from movements in the USD/RMB exchange rates. Considering the foreign exchange risks potentially brought by the fluctuations in the exchange rates, the Company would adopt financial instruments in response to the fluctuations in the exchange rates at any time.

Pledge of Assets

As of 30 June 2024, none of our assets were pledged.

Provisions

For the provisions, please refer to note 27 "Provisions" to the interim condensed consolidated financial information.

Dividend

For the six months ended 30 June 2024, we did not pay or declare any dividend.

Bank Loans and Other Borrowings

As at 30 June 2024, except for the borrowings with a fixed rate of RMB10,500,000 obtained by Pingan Yingjian, a subsidiary of the Company, from its shareholder, Yingjian Enterprise Management Consulting, we did not have any outstanding loans. As at 30 June 2024, the Group's gearing ratio was 17.47%, which was calculated by dividing the Group's total liabilities by its total assets as at 30 June 2024.

Management Discussion and Analysis

Significant Investments Held

As at 30 June 2024, we did not hold any material investments with a value of 5% or more of the Group's total assets.

Material Investment and Future Plans of Capital Assets

As of 30 June 2024, we did not have any material investment and other plans of capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint ventures

For the six months ended 30 June 2024, we did not carry out any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Employee and Remuneration Policy

The Group had a total of 1,446 employees as of 30 June 2024, the majority of whom were based in various cities in the PRC, including Shanghai, Guangzhou, Shenzhen, Hefei, Qingdao and Beijing. The Group has established a remuneration system of "cash salary + benefit + long-term incentive." Remuneration is determined with reference to market conditions and individual employees' performance, qualifications and experience. In line with the performance of the Company and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and benefit plans. Employees of the Company are eligible participants of the Pre-IPO employee share option scheme, details of which are set out in the Prospectus. In addition to on-the-job training, we have also adopted training policies to provide a wide range of in-house and external trainings for employees. During the Reporting Period, the relationship between the Company and our employees was always stable. We did not experience any strikes or other labor disputes which materially affected our business activities.

Other Information

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at 30 June 2024, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), or were recorded in the register required to be maintained by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions/short positions in the Shares of the Company

Name of Director	Nature of interest	Number of Shares held	Long positions/ short positions	Approximate percentage of interest in the Company ⁽¹⁾
Mr. Dou Li ⁽²⁾	Beneficial owner	300,000	Long positions	0.03%
Mr. Jun Wu ⁽³⁾	Beneficial owner	328,345	Long positions	0.03%

Notes:

- (1) The calculation is based on the total number of Shares in issue of 1,118,812,900 Shares as of 30 June 2024.
- (2) As of 30 June 2024, Mr. Dou Li was entitled to 300,000 Shares pursuant to the Employee Incentive Scheme, where no Share was held upon exercise of EIS Options under the Employee Incentive Scheme.
- (3) As of 30 June 2024, Mr. Jun Wu was entitled to 328,345 Shares pursuant to the Employee Incentive Scheme, where no Share was held upon exercise of EIS Options under the Employee Incentive Scheme.

Save as disclosed above, as of 30 June 2024, so far as known to the Directors, none of the Directors or chief executives of the Company had or was deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or were recorded in the register required to be maintained by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As of 30 June 2024, so far as known to the Directors, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or were, directly or indirectly, interested in 5% or more of the Shares of the Company:

Other Information

Long positions/short positions in the Shares of the Company

Name of Shareholder	Nature of interest	Number of Shares held	Long positions/short positions	Approximate percentage of interest in the Company ⁽¹⁾
Glorious Peace ⁽²⁾	Beneficial owner	441,000,000	Long positions	39.41%
An Ke Technology Company Limited ⁽²⁾	Interest in controlled corporations	441,000,000	Long positions	39.41%
Ping An ⁽²⁾	Interest in controlled corporations	441,000,000	Long positions	39.41%
Hopson Development Holdings Limited ⁽³⁾	Interest in controlled corporations	97,726,100	Long positions	8.73%
Sounda Properties Limited ⁽³⁾	Interest in controlled corporations	97,726,100	Long positions	8.78%
Mang Yee Chu ⁽³⁾	Beneficial owner	504,700	Long positions	
	Interest in controlled corporations	98,230,800	Long positions	8.78%

Notes:

- (1) The calculation is based on the total number of Shares in issue of 1,118,812,900 Shares as of 30 June 2024.
- (2) As of 30 June 2024, Glorious Peace directly held a total of 441,000,000 Shares. Glorious Peace was wholly-owned by An Ke Technology Company Limited, which in turn was wholly-owned by Ping An. As such, each of Ping An and An Ke Technology Company Limited was deemed to be interested in the Shares held by Glorious Peace.
- (3) According to the form of disclosure of interest (the "form of disclosure of interest") dated 5 February 2024 filed by Hopson Development Holdings Limited ("Hopson Development") in relation to the relevant event on 31 January 2024, Hopson Development, through a series of corporations controlled by it, was interested in an aggregate of 97,726,100 Shares of the Company. According to the form of disclosure of interest filed by Sounda Properties Limited ("Sounda") dated 5 February 2024 in relation to the relevant event on 31 January 2024, Sounda was deemed to hold 98,230,800 Shares, comprising 97,726,100 Shares indirectly held through Hopson Development which was controlled by Sounda, and 504,700 Shares directly held by Sounda. According to the form of disclosure of interest filed by Mr. Mang Yee Chu dated 5 February 2024 in relation to the relevant event on 31 January 2024, Sounda was wholly-owned by Mr. Mang Yee Chu. As such, Mr. Mang Yee Chu was deemed to be interested in the interest held by Sounda.
- (4) Pursuant to section 336 of the SFO, the Shareholders are required to file forms of disclosure of interests when certain criteria are fulfilled and the full details of the requirements are available on the Stock Exchange's official website. When a Shareholder's shareholding in the Company changes, it is not necessary to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, substantial Shareholders' latest shareholdings in the Company may be different to the shareholdings filed with the Company and the Stock Exchange. The above statements of substantial Shareholders' interests are prepared based on the information in the forms of disclosure of interest for the relevant events as of 30 June 2024 filed by substantial Shareholders. The Company may not have sufficient information on the breakdown of the relevant interests and cannot verify the accuracy of information in the forms of disclosure of interest.

Save as disclosed above, as of 30 June 2024, the Directors were not aware of any person (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the Shares of the Company.

Employee Incentive Scheme

The Employee Incentive Scheme was approved by the Board on 26 December 2014 and amended by the Board from time to time. The purpose of the Employee Incentive Scheme is to attract and retain talents, and promote the long-term sustainable development of the Company and related entities, so as to realize the maximization of value for Shareholders, and achieve mutual benefits of the Shareholders, the Company and the employees.

The EIS Shares had been issued, which were directly held by Le An Xin. Given the EIS Shares had already been issued, there will not be any dilution effect to the proportion of shareholding upon the exercise of the options granted under the EIS. In addition, the grant of the EIS Options by the Company or transfer upon vesting of the EIS Options of any of the EIS Shares pursuant to the Employee Incentive Scheme by any trustee or trust holding entities to a connected person of the Company should not be subject to the requirements of Chapter 14A of the Listing Rules. As of 30 June 2024, the aggregate number of outstanding Shares underlying the EIS Options as granted by the Company under the Employee Incentive Scheme was 10,985,645, representing 0.98% of the Company's issued share capital. All such Shares underlying the EIS Options have been issued.

The following table shows details of the options granted under the EIS for the six months ended 30 June 2024:

Name	Position	Date of grant ¹	Number of grants (Shares)	Vesting period ²	Exercise price (HK\$/share)	Outstanding	Exercised	Cancelled/	Outstanding
						as of 1 January 2024 (Shares)	during the Reporting Period ³ (Shares)	Lapsed during the Reporting Period (Shares)	as of 30 June 2024 (Shares)
Mr. Dou Li	Executive Director, chairman of the Board and chief executive officer	1 December 2023	300,000	1 December 2024 to 1 December 2027	-	300,000	-	-	300,000
Mr. Jun Wu	Executive Director and president	26 October 2021	300,000	26 October 2022 to 26 October 2025	-	228,345	-	-	228,345
		23 October 2022	100,000	23 October 2023 to 23 October 2026	-	100,000	-	-	100,000
Five highest paid individuals in aggregate		21 October 2020	140,000	21 October 2021 to 21 October 2024	-	71,561	-	-	71,561
		26 October 2021	300,000	26 October 2022 to 26 October 2025	-	228,345	-	-	228,345
		29 January 2022	188,000	29 January 2023 to 29 January 2026	-	143,095	-	-	143,095
		15 March 2022	250,000	15 March 2023 to 15 March 2026	-	250,000	-	-	250,000
	23 October 2022	200,000	23 October 2023 to 23 October 2026	-	200,000	-	-	200,000	

Other Information

Name	Position	Date of grant ¹	Number of grants (Shares)	Vesting period ²	Exercise price (HK\$/share)	Outstanding as of 1 January 2024 (Shares)	Exercised during the Reporting Period ³ (Shares)	Cancelled/ Lapsed during the Reporting Period (Shares)	Outstanding as of 30 June 2024 (Shares)
		19 December 2022	80,000	19 December 2023 to 19 December 2026	-	80,000	-	-	80,000
		1 December 2023	300,000	1 December 2024 to 1 December 2027	-	300,000	-	-	300,000
Other grantees		31 December 2014	4,917,500	31 December 2015 to 31 December 2018	0.63	-	-	-	-
		31 March 2015	280,000	31 March 2016 to 31 March 2019	0.63	27,500	-	-	27,500
		30 June 2015	148,000	30 June 2016 to 30 June 2019	0.63	-	-	-	-
		1 October 2015	11,534,500	1 October 2016 to 1 October 2019	0.91	57,674	-	-	57,674
		25 February 2016	3,923,000	25 February 2017 to 25 February 2020	5.95	105,300	7,200	-	98,100
		31 March 2017	16,475,800	31 March 2018 to 31 March 2021	26.47	875,979	-	-	875,979
		30 November 2017	14,287,098	30 November 2018 to 30 November 2021	37.84	1,237,702	-	1,685	1,236,017
		31 December 2017	840,000	31 December 2018 to 31 December 2021	37.84	-	-	-	-
		28 February 2019	3,867,694	28 February 2020 to 28 February 2023	0-36.21	719,631	9,829	1,440	708,362
		31 May 2019	188,335	31 May 2020 to 31 May 2023	-	8,459	-	-	8,459
		31 August 2019	110,713	31 August 2020 to 31 August 2023	-	19,038	-	-	19,038
		8 September 2019	100,000	8 September 2020 to 8 September 2023	-	24,865	-	-	24,865
		30 November 2019	25,575	30 November 2020 to 30 November 2023	-	-	-	-	-
		21 October 2020	1,812,100	21 October 2021 to 21 October 2024	-	600,496	10,046	24,999	565,451
		31 December 2020	166,600	31 December 2021 to 31 December 2024	-	35,854	6,740	6,783	22,331
		11 January 2021	300,000	21 October 2021 to 21 October 2024	-	153,345	-	-	153,345
		31 May 2021	260,000	31 May 2022 to 31 May 2025	-	212,500	-	-	212,500
		24 August 2021	3,284,700	24 August 2022 to 24 August 2025	-	184,904	-	-	184,904
		26 October 2021	248,600	26 October 2022 to 26 October 2025	-	10,656	-	-	10,656

Name	Position	Date of grant ¹	Number of grants (Shares)	Vesting period ²	Exercise price (HK\$/share)	Outstanding	Exercised	Cancelled/	Outstanding
						as of 1 January 2024 (Shares)	during the Reporting Period ³ (Shares)	Lapsed during the Reporting Period (Shares)	as of 30 June 2024 (Shares)
		29 January 2022	3,041,200	29 January 2023 to 29 January 2026	-	1,777,494	13,556	88,650	1,675,288
		20 May 2022	230,000	20 May 2023 to 20 May 2026	-	30,000	-	-	30,000
		26 July 2022	25,000	26 July 2023 to 26 July 2026	-	6,250	-	-	6,250
		23 October 2022	375,000	23 October 2023 to 23 October 2026	-	243,750	-	-	243,750
		19 December 2022	5,432,000	19 December 2023 to 19 December 2026	-	4,046,750	-	494,575	3,552,175
Total⁴			73,331,415⁵			11,651,148	47,371	618,132	10,985,645

Notes:

- The performance of the EIS Options granted during the year depended on the degree of satisfaction of specific performance, including fulfillment of the key performance indicators by the Group as a whole and the grantees;
- The EIS Options may be exercised once vested, subject to a period of 10 years commencing from the date of grant;
- The weighted average closing price immediately before the date on which the EIS Options were exercised was HK\$11.23/share;
- For the avoidance of double counting, it represents the sum of the options of the five highest paid individuals (including the Directors Mr. Dou Li and Mr. Jun Wu) and other grantees;
- The number of shares granted was the number of shares originally granted, including the number of shares canceled/lapsed and re-granted.

Purchase, Sale or Redemption of the Company's Listed Securities

For the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares).

Other Information

Changes of Directors and Chief Executives and Their Information

During the Reporting Period, pursuant to the disclosure requirement under Rule 13.51B(1) of the Listing Rules, the changes in personal information of the Directors are as follows:

1. Mr. Michael Guo, a non-executive Director, has served as a director of Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司) since 15 May 2024.

Save as disclosed above, as of the date of this interim report, there was no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Audit and Risk Management Committee

The Company has established an Audit and Risk Management Committee in compliance with the Corporate Governance Code. The primary duties of the Audit and Risk Management Committee are to review and supervise the financial reporting process and internal control system of the Group, review the financial information of the Group and consider issues relating to the external auditors and their appointment.

The Audit and Risk Management Committee comprises two independent non-executive Directors, namely, Mr. Yunwei Tang and Mr. Tianyong Guo and one non-executive Director, namely, Ms. Fangfang Cai. Mr. Yunwei Tang, being the chairman of the Audit and Risk Management Committee, is appropriately qualified as required.

The Audit and Risk Management Committee has reviewed the unaudited interim financial accounts of the Group for the six months ended 30 June 2024. The Audit and Risk Management Committee has also discussed with management of the Company the accounting policies and practices and internal controls adopted by the Company. Based on the above review and discussion with management, the Audit and Risk Management Committee is satisfied that the unaudited interim financial information of the Group has been prepared in accordance with the applicable accounting standards.

Compliance with the Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted the Model Code as the code of conduct regarding Directors' dealings in the securities of the Company. Having made specific enquiry to all the Directors, all the Directors confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2024.

The Board has also established written guidelines to regulate all dealings by informed persons who are likely to be in possession of inside information in respect of the Company's securities and unpublished information as referred to in code provision C.1.3 of the Corporate Governance Code.

Compliance with the Corporate Governance Code

The Directors confirmed that the Company had complied with all the applicable code provisions as set out in the Corporate Governance Code for the six months ended 30 June 2024, except for code provision C.2.1.

Code provision C.2.1 of the Corporate Governance Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Dou Li concurrently holds the positions of both the chairman and the chief executive officer of the Company. However, the Board is of the opinion that the Company has built up a structure of the Board and has developed a very structured and strict operation system and a set of procedural rules for the meeting of the Board. The chairman does not have any special power different from that of other Directors of the Company in relation to the decision-making process of the Company. Also, in the day-to-day operation of the Company, the Company has put in place an integrated system and structure. Decisions on all material matters will be subject to complete and stringent deliberation and decision-making procedures in order to ensure that the chief executive officer can perform his duties in a compliant and effective manner. At the same time, based on the actual situation of the Company and considering Mr. Dou Li's professional competence and extensive experience in various fields such as medicine, fast-moving consumer goods, insurance and senior care, vesting the roles of both chairman and chief executive officer in the same person is beneficial to the implementation and execution of the strategies and business of the Company. Based on the above reasons, the Board is of the opinion that the Company's management structure is superior to the arrangements under the code provision and is able to provide the Company with efficient management and at the same time, protect all Shareholders' rights and interests to the greatest extent.

Therefore, the Company does not currently intend to separate the roles of the chairman and the chief executive officer.

Other Information

Use of Proceeds

Use of Net Proceeds from the Listing

The Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK\$8,564.0 million after deducting underwriting commissions and all related expenses. The proceeds from the Listing were used and are proposed to be used according to the intentions previously disclosed by the Company. The following table sets forth the Group's intended timetable for use of proceeds from the Listing as of 30 June 2024.

Intended use of net proceeds	Allocation of net proceeds	Amount of net proceeds utilized for the six months ended 30 June 2024 (HK\$ in million)	Balance of net proceeds unutilized as of 30 June 2024	Intended timetable for use of the unutilized net proceeds
(i) Business expansion	3,425.6	396.8	404.0	Before 31 December 2024
(ii) Funding our potential investments, acquisitions of domestic companies and the strategic alliances with domestic companies as well as our overseas expansion plan	2,569.2	-	1,537.9	Before 31 December 2025
(iii) Research and development	1,712.8	-	-	Before 31 December 2026
(iv) Working capital and general corporate purposes	856.4	-	-	N/A

Use of Net Proceeds from the Placing

References are made to the announcements of the Company dated 30 September 2020 and 9 October 2020 (the "Announcements"), and for the purposes of seizing market opportunities, solidifying the Company's leading position in the industry and laying a solid foundation for business expansion, on 30 September 2020, the Company entered into a placing agreement with the placing agents in relation to the placing of an aggregate of 80,000,000 new Shares with the aggregate nominal value of USD400, at a placing price of HK\$98.20 per placing share on the terms and conditions set out in the placing agreement. The market price of the placing shares was HK\$99.25 on the date of the placing agreement.

Other Information

On 9 October 2020, the Company completed the placing of 80,000,000 ordinary shares to no less than six places who are Independent Third Parties of the Company at a price of HK\$98.20 per placing share with net proceeds received by the Company from the placing in the amount of approximately HK\$7,828.0 million after deducting the commission, incentive fee and expense, representing a net issue price of approximately HK\$97.85 per placing share. The proceeds from the placing are proposed to be used according to the intentions previously disclosed by the Company. The following table sets forth the Group's intended timetable for use of proceeds from the placing as of 30 June 2024.

Intended use of net proceeds	Allocation of net proceeds	Amount of net proceeds utilized for the six months ended 30 June 2024 (HK\$ in million)	Balance of net proceeds unutilized as of 30 June 2024	Intended timetable for use of the unutilized net proceeds
Further developing core businesses of the Group	7,828.0	-	7,828.0	Before 31 December 2030

Report on Review of Interim Financial Information

To the Board of Directors of Ping An Healthcare and Technology Company Limited

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 33 to 72, which comprises the interim condensed consolidated statement of financial position of Ping An Healthcare and Technology Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2024 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 20 August 2024

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)
Revenue	6	2,093,449	2,222,177
Cost of sales	6,7	(1,419,651)	(1,506,815)
Gross profit		673,798	715,362
Selling and marketing expenses	7	(366,722)	(450,346)
Administrative expenses	7	(394,613)	(756,671)
Other income	8	18,284	55,274
Other gains - net	9	27,737	79,291
Operating loss		(41,516)	(357,090)
Finance income	10	103,977	119,285
Finance costs	10	(1,541)	(4,043)
Finance income - net	10	102,436	115,242
Share of losses of associates and joint ventures		(268)	(2,415)
Profit/(Loss) before income tax		60,652	(244,263)
Income tax expense	11	(23)	(604)
Profit/(Loss) for the period		60,629	(244,867)
Profit/(Loss) attributable to:			
- Owners of the Company		56,648	(244,618)
- Non-controlling interests		3,981	(249)
		60,629	(244,867)
Earnings/(Loss) per share attributable to owners of the Company			
- Basic (RMB yuan)	12	0.05	(0.23)
- Diluted (RMB yuan)	12	0.05	(0.23)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)
Profit/(Loss) for the period		60,629	(244,867)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		8,392	52,139
Other comprehensive income for the period, net of tax		8,392	52,139
Total comprehensive income/(loss) for the period		69,021	(192,728)
Total comprehensive income/(loss) attributable to:			
- Owners of the Company		65,040	(192,479)
- Non-controlling interests		3,981	(249)
		69,021	(192,728)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	As at 30 June 2024 (unaudited)	As at 31 December 2023
ASSETS			
Non-current assets			
Goodwill	13	1,677,692	1,677,692
Right-of-use assets	14	43,841	80,951
Property, plant and equipment	15	73,405	85,682
Other intangible assets	16	32,170	42,489
Investments in associates and joint ventures	17	108,944	109,212
Term deposits	22(c)	1,412,320	1,196,614
Total non-current assets		3,348,372	3,192,640
Current assets			
Inventories	18	125,934	198,575
Trade receivables	19	956,683	1,190,392
Contract related assets	6	190,411	159,215
Prepayments and other receivables	20	341,389	347,919
Financial assets at fair value through profit or loss	21	5,938,934	5,330,666
Restricted cash	22(b)	75,074	84,796
Term deposits	22(c)	2,209,771	4,149,327
Cash and cash equivalents	22(a)	3,008,655	1,866,511
Total current assets		12,846,851	13,327,401
Total assets		16,195,223	16,520,041

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	As at 30 June 2024 (unaudited)	As at 31 December 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	23	35	35
Treasury shares		(1)	(1)
Reserves	24	20,536,152	20,497,766
Accumulated losses		(7,157,522)	(7,214,170)
Total equity attributable to owners of the Company		13,378,664	13,283,630
Non-controlling interests		(12,663)	(16,644)
Total equity		13,366,001	13,266,986
Liabilities			
Non-current liabilities			
Lease liabilities	14	19,734	49,989
Trade and other payables	26	11,242	10,990
Provisions	27	95,000	95,000
Total non-current liabilities		125,976	155,979
Current liabilities			
Trade and other payables	26	1,707,102	2,201,371
Contract liabilities	6	967,128	852,084
Lease liabilities	14	29,016	43,621
Total current liabilities		2,703,246	3,097,076
Total liabilities		2,829,222	3,253,055
Total equity and liabilities		16,195,223	16,520,041

The interim condensed consolidated financial information and the accompanying notes starting from page 33 to page 72 are signed by:

LI Dou
(Director)

WU Jun
(Director)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

	For the six months ended 30 June 2024 (unaudited)							
	Attributable to owners of the Company							
	Note	Share capital	Reserves	Treasury shares	Accumulated losses	Total	Non-controlling interests	Total equity
As at 1 January 2024		35	20,497,766	(1)	(7,214,170)	13,283,630	(16,644)	13,266,986
Profit for the period		-	-	-	56,648	56,648	3,981	60,629
Other comprehensive income for the period		-	8,392	-	-	8,392	-	8,392
Share-based payments	25	-	29,833	-	-	29,833	-	29,833
Exercise of share options	25	-	161	-	-	161	-	161
As at 30 June 2024		35	20,536,152	(1)	(7,157,522)	13,378,664	(12,663)	13,366,001

	For the six months ended 30 June 2023 (unaudited)							
	Attributable to owners of the Company							
	Note	Share capital	Reserves	Treasury shares	Accumulated losses	Total	Non-controlling interests	Total equity
As at 1 January 2023 as originally presented		35	20,423,914	(1)	(6,964,368)	13,459,580	(1,072)	13,458,508
Change in accounting policy		-	-	-	72,792	72,792	-	72,792
As at 1 January 2023 restated		35	20,423,914	(1)	(6,891,576)	13,532,372	(1,072)	13,531,300
Loss for the period		-	-	-	(244,618)	(244,618)	(249)	(244,867)
Other comprehensive income for the period		-	52,139	-	-	52,139	-	52,139
Share-based payments	25	-	5,912	-	-	5,912	-	5,912
Exercise of share options	25	-	4,606	-	-	4,606	-	4,606
Disposal of equity interests in a joint venture		-	(1,823)	-	-	(1,823)	-	(1,823)
Share of other reserves of associates		-	2,434	-	-	2,434	-	2,434
As at 30 June 2023		35	20,487,182	(1)	(7,136,194)	13,351,022	(1,321)	13,349,701

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)
Cash flows from operating activities			
Cash used in operations		(134,694)	(65,504)
Income tax paid		(313)	(1,758)
Net cash used in operating activities		(135,007)	(67,262)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment and intangible assets		618	248
Payments for property, plant and equipment and intangible assets		(10,536)	(17,138)
Payments for acquisition of subsidiaries, net of cash acquired		-	(69,944)
Payments for financial assets at fair value through profit or loss		(6,517,000)	(2,754,705)
Proceeds from sales of financial assets at fair value through profit or loss		6,008,615	4,627,499
Proceeds from sales of financial assets at amortized cost		-	511,987
Payments for term deposits with initial term of over three months		(1,313,123)	(1,665,901)
Interest received from term deposits with initial term of over three months		237,717	42,119
Proceeds from term deposits with initial term of over three months		2,888,781	300,000
Proceeds from disposal of investments in a joint venture		-	10,388
Net cash generated from investing activities		1,295,072	984,553
Cash flows from financing activities			
Payments for lease liabilities		(18,901)	(39,839)
Proceeds from exercise of share options		161	4,606
Proceeds from borrowings		-	10,500
Repayments for borrowings		-	(4,000)
Net cash used in financing activities		(18,740)	(28,733)
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	22	1,866,511	3,700,689
Effects of exchange rate changes on cash and cash equivalents		819	6,011
Cash and cash equivalents at the end of the period	22	3,008,655	4,595,258

The accompanying notes form an integral part of the interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

1 GENERAL INFORMATION

Ping An Healthcare and Technology Company Limited (formerly known as “Glorious Health Limited”) (the “Company”) was incorporated in the Cayman Islands on 12 November 2014 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 4 May 2018 by way of its initial public offering.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in offering medical and health services through the Group’s mobile platform in the People’s Republic of China (the “PRC”).

Glorious Peace Limited (“Glorious Peace”) is the major shareholder of the Company, holding 39.41% of the shareholding interest in the Company as at 30 June 2024.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”), as part of the International Financial Reporting Standards (“IFRS Accounting Standards”).

This interim condensed consolidated financial information does not include all the information and disclosures normally included in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023 and any public announcements made by the Group during the interim reporting period.

2.2 Material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2023, except for the adoption of new or amended standards and interpretations since 1 January 2024.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time to financial reporting periods commencing 1 January 2024.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current Non-current liabilities with covenants
Amendments to IFRS 16	Lease liability in sale and leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Material accounting policies (Continued)

(b) *New and amended standards issued but not yet adopted by the Group*

Standards, amendments and interpretations that have been issued but not yet effective for the financial year beginning 1 January 2024 and not been early adopted by the Group as at the reporting period are as follows:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group has already commenced an assessment of the impact of the new or revised standards that have been issued but either not yet effective for the financial period beginning 1 January 2024 or not been early adopted by the Group which are relevant to the Group's operation. The adoption of IFRS 18 is expected to impact presentation and disclosure in financial information.

Apart from IFRS 18, the Group believes that the application of other amendments to IFRSs, amendments to IASs and the new interpretations is unlikely to have a material impact on the Group's statement of financial position and performance as well as disclosure in the future.

3 ESTIMATES

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2023.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

4 MANAGEMENT OF FINANCIAL RISK

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

There have been no changes in the risk management policies for the Group since year end.

4.2 Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents and marketable securities to mitigate its liquidity risk. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate cash and cash equivalents.

The table below analyzes the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are undiscounted contractual cash flows.

	As at 30 June 2024					Undated	Total
	On demand	Within 1 year	1 to 5 years	Over 5 years			
Liabilities:							
Lease liabilities	-	29,141	20,412	-	-	-	49,553
Trade and other payables	-	1,156,170	11,996	-	48		1,168,214
	-	1,185,311	32,408	-	48		1,217,767

	As at 31 December 2023					Undated	Total
	On demand	Within 1 year	1 to 5 years	Over 5 years			
Liabilities:							
Lease liabilities	-	44,952	52,381	-	-	-	97,333
Trade and other payables	-	1,525,259	11,996	-	48		1,537,303
	-	1,570,211	64,377	-	48		1,634,636

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

4 MANAGEMENT OF FINANCIAL RISK (Continued)

4.3 Fair value estimation

Fair value estimates are made at a specific point in time based on relevant market information and information about financial instruments. When an active market exists, such as an authorized securities exchange, the market value is the best reflection of the fair values of financial instruments. For financial instruments that there is no active market, fair value is determined using valuation techniques.

The Group's financial assets mainly include financial assets at fair value through profit or loss.

Determination of fair value and fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchies. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The levels of the fair value hierarchy are as follows:

- (a) Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1");
- (b) Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ("Level 2"); and
- (c) Fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) ("Level 3").

The level of fair value calculation is determined by the lowest level input that is significant in the overall calculation. As such, the significance of the input should be considered from an overall perspective in the calculation of fair value.

For Level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyze and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities.

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determinations to classify fair value measurement within Level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors to the overall fair value measurement, and valuation methodologies such as discounted cash flow models and other similar techniques.

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

4 MANAGEMENT OF FINANCIAL RISK (Continued)

4.3 Fair value estimation (Continued)

Determination of fair value and fair value hierarchy (Continued)

The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

	As at 30 June 2024			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value				
Financial assets at fair value through profit or loss	-	4,303,831	1,635,103	5,938,934

	As at 31 December 2023			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value				
Financial assets at fair value through profit or loss	-	4,361,129	969,537	5,330,666

For the period, there were no transfers among different levels of fair values measurement.

Valuation techniques

The fair value of the unquoted equity investments has been determined using valuation techniques such as comparable company valuation multiples, recent transaction prices of the same or similar instruments, with appropriate adjustments made where applicable, for example, for lack of liquidity using option pricing models. The valuation requires management to make certain assumptions about unobservable inputs to the model, which mainly include historical volatility and estimated time period prior to the listing of the unquoted equity instruments, etc. The fair value of the unquoted equity investments is immaterial to the Group.

Notes to the Interim Condensed Consolidated Financial Information

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(All amounts expressed in RMB thousand unless otherwise stated)

5 SCOPE OF CONSOLIDATION

Particulars of the subsidiaries and entities in the scope of consolidation of the Group at 30 June 2024 are set out below:

(a) Subsidiaries

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group		Principal activities/ Place of operations	Notes
			30 June 2024	31 December 2023		
Directly owned:						
Glorious Delight Limited	Hong Kong/ 14 November 2014	USD931,574,773	100%	100%	Investment Holding/ Hong Kong	
Le An Xin (PTC) Limited ("Le An Xin") (Note 25)	British Virgin Islands ("BVI")/ 17 October 2017	USD0	-	-	Investment Holding/ BVI	
Good Doctor Online Healthcare Limited	Cayman Islands/ 23 July 2018	USD21,950,001	100%	100%	Investment Holding/ Cayman Islands	
Yu Kang Limited	Hong Kong/ 12 December 2018	HKD1 USD21,000,000	100%	100%	Investment Holding/ Hong Kong	
Indirectly owned:						
Scientia Smart Health Technologies Limited	Cayman Islands/ 18 May 2022	USD280	100%	100%	Investment Holding/ Cayman Islands	
Scientia Smart Health Technologies (BVI) Limited	BVI/ 25 May 2022	USD0	100%	100%	Investment Holding/ BVI	
Scientia Smart Health Technologies (HK) Limited	Hong Kong/ 30 May 2022	HKD0	100%	100%	Investment Holding/ Hong Kong	
Shenzhen Ping An Intelligent Medical Technology Co., Ltd.	the PRC/ 27 July 2022	RMB0	100%	100%	Technology Service/ the PRC	
Kang Jian Information Technology (Shenzhen) Co., Ltd ("Kang Jian")	the PRC/ 13 February 2015	USD1,430,921,643	100%	100%	Investment Holding/ the PRC	
Jiangsu Zhongyikang Pharmaceutical Company Limited	the PRC/ 14 December 2006	RMB5,000,000	100%	100%	Medicine Marketing/ the PRC	
Shanghai Yiteng Enterprise Management Consulting Co., Ltd	the PRC/ 21 November 2016	RMB3,000,000	100%	100%	Technology Service/ the PRC	
Shanghai Kangrong Pharmacy Co., Ltd.	the PRC/ 21 May 2019	RMB10,000,000	100%	100%	Medicine Marketing/ the PRC	
Hefei Yunshantang Nuoke Pharmacy Co., Ltd.	the PRC/ 4 November 2021	RMB1,260,000	100%	100%	Medicine Marketing/ the PRC	
Hefei Yunshantang Nuorui Pharmacy Co., Ltd.	the PRC/ 4 November 2021	RMB1,210,000	100%	100%	Medicine Marketing/ the PRC	
Hefei Yunshantang Pharmacy Co., Ltd.	the PRC/ 25 April 2022	RMB1,210,000	100%	100%	Medicine Marketing/ the PRC	

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For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

5 SCOPE OF CONSOLIDATION (Continued)

(a) Subsidiaries (Continued)

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group		Principal activities/ Place of operations	Notes
			30 June 2024	31 December 2023		
Controlled by the Company pursuant to the Contractual Agreements:						
Ping An Health Cloud Company Limited ("PAHC")	the PRC/ 20 August 2014	RMB350,000,000	100%	100%	Development and operation of apps/ the PRC	
Jiangxi Pingan Health Pharmacy Company Limited	the PRC/ 24 January 2014	RMB2,000,000	100%	100%	Medicine Marketing/ the PRC	
Tianjin Kuaiyijie Medical Electronic Commerce Company Limited	the PRC/ 29 March 2005	RMB15,000,000	100%	100%	Technology Development/ the PRC	
Qingdao Ping An Kangjian Internet Hospital Co., Ltd.	the PRC/ 24 April 2017	RMB10,000,000	100%	100%	Internet Hospital/ the PRC	
Hefei Ping An Kangjian Internet Hospital Company Limited	the PRC/ 21 September 2017	RMB7,810,000	100%	100%	Internet Hospital/ the PRC	
Jiangsu Nabaite Pharmacy Company Limited	the PRC/ 11 October 2017	RMB10,000,000	100%	100%	Medicine Marketing/ the PRC	
Yinchuan Pingan Kangjian Internet Hospital Company Limited	the PRC/ 12 March 2018	RMB5,500,000	100%	100%	Internet Hospital/ the PRC	
Pingan Wanjia Healthcare Management Company Limited ("Wanjia Healthcare")	the PRC/ 4 July 2016	RMB400,000,000	100%	100%	Technology Development/ the PRC	
Shanghai Pingan Wanjia Healthcare Management Company Limited	the PRC/ 8 December 2016	RMB100,000,000	100%	100%	Technology Development/ the PRC	

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

5 SCOPE OF CONSOLIDATION (Continued)

(a) Subsidiaries (Continued)

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group		Principal activities/ Place of operations	Notes
			30 June 2024	31 December 2023		
Controlled by the Company pursuant to the Contractual Agreements (Continued):						
Shenzhen Pingan Wanjia Healthcare Investment Company Limited	the PRC/ 11 August 2016	RMB 30,000,000	100%	100%	Investment Holding/ the PRC	
Xiamen Wanjia Healthcare Investment Company Limited	the PRC/ 6 December 2016	RMB 20,000,000	100%	100%	Investment Holding/ the PRC	
Xiamen Siming Wanjia TCM Outpatient Department Co., Ltd.	the PRC/ 26 July 2017	RMB 11,000,000	100%	100%	Clinic/ the PRC	
Shenzhen Anan Outpatient Service Department	the PRC/ 20 June 2017	RMB 400,000	100%	100%	Clinic/ the PRC	
Pingan Health Insurance Agency Co. Ltd	the PRC/ 10 February 2011	RMB 50,000,000	70%	70%	Insurance Agency/ the PRC	
Guangzhou Jifan Biotechnology Company Limited	the PRC/ 23 July 2015	RMB 10,000,000	100%	100%	Medicine Marketing/ the PRC	
Hainan Ping An Health and Technology Company Limited	the PRC/ 15 October 2019	RMB 5,110,000	100%	100%	Technology Development/ the PRC	
Hebei Nabaite Pharmacy Company Limited	the PRC/ 28 December 2019	RMB 10,000,000	100%	100%	Medicine Marketing/ the PRC	
Pingan Yingjian Medical Management (Shanghai) Limited ("Pingan Yingjian")	the PRC/ 24 April 2015	RMB 35,000,000	50%	50%	Medical Service/ the PRC	
Shanghai Yingjian Clinics Co., Ltd	the PRC/ 12 December 2016	RMB 10,000,000	50%	50%	Clinic/ the PRC	

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For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

5 SCOPE OF CONSOLIDATION (Continued)

(a) Subsidiaries (Continued)

Company name	Place and date of incorporation/ establishment	Issued and paid-in capital	Attributable economic interest to the Group		Principal activities/ Place of operations	Notes
			30 June 2024	31 December 2023		
Controlled by the Company pursuant to the Contractual Agreements (Continued):						
Guangxi Pingan Good Doctor Internet Hospital Company Limited	the PRC/ 13 April 2020	RMB 3,670,000	51%	51%	Internet Hospital/ the PRC	
Chengdu Ping An Kangjian Internet Hospital Management Company Limited	the PRC/ 14 January 2020	RMB 50,000,000	100%	100%	Internet Hospital/ the PRC	
Shanghai No. 8 Ping An Good Doctor Internet Hospital Co., Ltd.	the PRC/ 11 June 2020	RMB 20,000,000	100%	100%	Internet Hospital/ the PRC	
Tianjin Pingan Kangjian Internet Hospital Co., Ltd.	the PRC/ 27 September 2020	RMB 831,000	100%	100%	Internet Hospital/ the PRC	
Guangzhou Kangjian Internet Hospital Co., Ltd.	the PRC/ 2 December 2020	RMB 0	100%	100%	Internet Hospital/ the PRC	
Ping An Health (Jiangsu) Internet Co., Ltd.	the PRC/ 17 November 2020	RMB 30,000,000	100%	100%	Internet Hospital/ the PRC	
Ping An Yingxiang (Jiaxing) Software Co., Ltd.	the PRC/ 22 March 2011	RMB 650,480	100%	100%	Technology Development/ the PRC	
Shanghai Mengchong Information Technology Co., Ltd.	the PRC/ 21 October 2021	RMB 80,000,000	100%	100%	Technology Development/ the PRC	

* All of the subsidiaries of the Company established in the PRC were limited liability company, with registered Chinese name.

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For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

6 REVENUE AND SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by Chief Operation Decision Maker ("CODM"). CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company that make strategic decisions. As a result of this evaluation, the Group determined that it has operating segments as follows:

- Medical services
- Health services
- Senior care services

CODM has changed the structure of internal organization in a manner that causes the composition of the Group's reportable segments to change. During the reporting period, the Group separated Senior care services segment as an independent segment to better reflect the Group's operating strategy. The corresponding items of segment information for earlier period has been restated.

CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment which is used by management as a basis for the purpose of resource allocation and assessment of segment performance. The selling and marketing expenses and administrative expenses are not included in the measurement of the segments' performance. Other income, other gains - net, finance income - net, share of losses of associates and joint ventures, and income tax expense are also not allocated to individual operating segments.

Revenues from external customers reported to CODM are measured as segment revenue, which is derived from the customers in each segment. Cost of revenue primarily comprises cost of medical service fee, inventories consumed, salary and compensation expenses, and others.

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

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information reported to CODM for the reporting period is as follows:

For the period ended of 30 June 2024	Medical services	Health services	Senior care services	Total
Revenue from customers	1,062,743	983,392	47,314	2,093,449
Cost of sales	(640,507)	(739,819)	(39,325)	(1,419,651)
Gross Profit	422,236	243,573	7,989	673,798

For the period ended of 30 June 2023	Medical services	Health services	Senior care services	Total
Revenue from customers	1,031,559	1,175,093	15,525	2,222,177
Cost of sales	(587,671)	(904,136)	(15,008)	(1,506,815)
Gross Profit	443,888	270,957	517	715,362

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenues from external customers in the PRC.

As at 30 June 2024 and 31 December 2023, most of the non-current assets of the Group were located in the PRC.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

6 REVENUE AND SEGMENT INFORMATION (Continued)

(a) Disaggregation of revenue from contracts with customers

For the period ended of 30 June 2024	Medical services	Health services	Senior care services	Total
By nature				
Services and Sales of goods	986,779	954,393	47,314	1,988,486
Commission income	75,964	28,999	-	104,963
	1,062,743	983,392	47,314	2,093,449
Timing of revenue recognition				
At a point in time	888,474	971,267	46,866	1,906,607
Overtime	174,269	12,125	448	186,842
	1,062,743	983,392	47,314	2,093,449
For the period ended of 30 June 2023	Medical services	Health services	Senior care services	Total
By nature				
Services and Sales of goods	955,186	1,151,744	15,525	2,122,455
Commission income	76,373	23,349	-	99,722
	1,031,559	1,175,093	15,525	2,222,177
Timing of revenue recognition				
At a point in time	719,934	1,153,347	15,525	1,888,806
Overtime	311,625	21,746	-	333,371
	1,031,559	1,175,093	15,525	2,222,177

(b) Contract related assets and liabilities

The Group has recognized the following revenue-related contract related assets and liabilities.

	As at 30 June 2024	As at 31 December 2023
Contract assets		
Medical services	117,581	110,195
Health services	72,830	49,020
	190,411	159,215
Contract liabilities		
Medical services	423,121	406,043
Health services	543,944	446,041
Senior care services	63	-
	967,128	852,084

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

7 EXPENSES BY NATURE

	For the six months ended 30 June	
	2024	2023
Cost of merchandise	708,737	744,261
Cost for service fee paid to vendors	652,444	659,694
Employee benefit expenses	343,921	707,402
Direct sale and business development fee (Note a)	245,138	291,678
Consulting expenses	67,021	84,847
Depreciation of right-of-use assets	21,887	35,203
Travelling, entertainment and general office expenses	20,626	30,045
Depreciation of property, plant and equipment	20,323	31,634
Labour outsourcing expenses	20,190	22,534
Postage and communication expenses	20,113	25,891
Settlement expenses	11,674	7,667
Amortization of other intangible assets	10,319	18,289
Leasing expenses	4,190	5,551
Tax and surcharges	3,101	6,463
Remuneration of the auditors	2,200	2,250
Others	29,102	40,423
	2,180,986	2,713,832

Note:

(a) The direct sale and business development fee includes commission expenses, advertising expenses and promotion expenses.

8 OTHER INCOME

	For the six months ended 30 June	
	2024	2023
Investment income on short-term investments placed with banks	16,674	13,214
Government grants	1,610	29,983
Interest on financial assets at amortized cost	-	12,077
	18,284	55,274

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

9 OTHER GAINS - NET

	For the six months ended 30 June	
	2024	2023
Net fair value gains on financial assets at fair value through profit or loss	80,469	56,148
Net foreign exchange gains/(losses)	723	(1,899)
Net gains on disposals of a joint venture	-	12,211
Impairment (provision)/reversal for financial assets	(63,576)	5,272
Others	10,121	7,559
	27,737	79,291

10 FINANCE INCOME - NET

	For the six months ended 30 June	
	2024	2023
Finance income		
Interest income	103,977	119,285
Finance costs		
Interest expenses on lease liabilities	(1,289)	(3,798)
Interest expenses on borrowings	(252)	(245)
	102,436	115,242

11 INCOME TAX EXPENSE

The income tax expense of the Group for the period ended 30 June 2024 is analyzed as follows:

	For the six months ended 30 June	
	2024	2023
Current income tax	23	604

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

11 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to loss of the consolidated entities as follows:

	For the six months ended 30 June	
	2024	2023
Profit/(Loss) before income tax	60,652	(244,263)
Tax calculated at PRC statutory income tax rate of 25%	15,163	(61,066)
Tax effects of		
- Differential income tax rates applicable to subsidiaries (Note a) (Note b)	(18,959)	(10,924)
- Tax losses and temporary differences for which no deferred income tax asset was recognized	48,059	23,433
- Expense not deductible for tax purposes	61,144	52,253
- PRC withholding income tax	21	999
- Previously unrecognized tax losses now recouped to reduce current tax expense	(104,274)	(1,420)
- Super deduction for research and development expenses	(1,131)	(2,671)
Income tax expense	23	604

Notes:

(a) *Cayman Islands Income Tax*

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

(b) *Hong Kong Income Tax*

Hong Kong income tax rate is 16.5%. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the six months ended 30 June 2024 and 30 June 2023.

(c) *PRC Corporate Income Tax ("CIT")*

The income tax provision of the Group in respect of its operations in PRC was calculated at the tax rate of 25% on the assessable profits, based on the existing legislation, interpretations and practices in respect thereof. According to the relevant tax circulars issued by the PRC tax authorities, some subsidiaries of the Group are entitled to certain tax concessions because they are small and micro enterprises.

(d) *PRC withholding Tax ("WHT")*

According to the New Corporate Income Tax Law ("New CIT Law"), distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies. WHT of the Group was levied on the interests generated from term deposits and the loans advanced to related companies located in PRC.

The Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was accrued as at 30 June 2024 (as at 31 December 2023: nil).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

12 EARNINGS/(LOSS) PER SHARE

- (a) Basic earnings/(loss) per share for the six months ended 30 June 2024 and 2023 are calculated by dividing the earnings/(loss) attributable to the Company's equity holder by the weighted average number of ordinary shares in issue during the periods.

The calculation of earnings/(loss) per share is based on the following:

	For the six months ended 30 June	
	2024	2023
Profit/(Loss) attributable to owners of the Company for the period	56,648	(244,618)
Weighted average number of ordinary shares in issue ('000)	1,083,504	1,079,651
Basic earnings/(loss) per share (RMB yuan)	0.05	(0.23)

- (b) Diluted earnings or loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended 30 June 2024, the Group has share options as potential dilutive ordinary shares which was included in the calculation of diluted earnings per share. As the Group incurred losses for the six months ended 30 June 2023, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive.

13 GOODWILL

	As at 1 January 2024 and 30 June 2024
Wanjia Healthcare	961,644
Smart Health Business	707,284
Jiangxi Pingan Health Pharmacy Company Limited	5,119
Pingan Yingjian	3,166
Shanghai Mengchong Information Technology Co., Ltd.	479
Total	1,677,692
Less: impairment losses	-
Net book value	1,677,692

As at 30 June 2024, management reviewed the cash flow projections which was based on business plan and used to prepare goodwill impairment testing as at 31 December 2023. Management found no significant change on the business plan and did not identify any impairment indicators on goodwill.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

14 LEASES

(a) Amounts recognized in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	As at 30 June 2024	As at 31 December 2023
Right-of-use assets		
Properties	43,841	80,951
Lease liabilities		
Current	29,016	43,621
Non-current	19,734	49,989
	48,750	93,610

Additions to the cost of right-of-use assets during the six months ended 30 June 2024 were RMB4,156 thousand (during the six months ended 30 June 2023: RMB12,178 thousand).

(b) Amounts recognized in the income statement

The income statement shows the following amounts relating to leases:

	For the six months ended 30 June 2024	2023
Depreciation of right-of-use assets		
Properties	(21,887)	(35,203)
Finance costs	(1,289)	(3,798)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

15 PROPERTY, PLANT AND EQUIPMENT

	Office and telecommunication equipment	Leasehold improvements	Total
As at 1 January 2024			
Cost	328,365	135,181	463,546
Accumulated depreciation	(270,495)	(107,369)	(377,864)
Net book amount	57,870	27,812	85,682
Six months ended 30 June 2024			
Opening net book amount	57,870	27,812	85,682
Additions	8,291	2,073	10,364
Disposal	(2,318)	-	(2,318)
Depreciation charge	(10,789)	(9,534)	(20,323)
Closing net book amount	53,054	20,351	73,405
As at 30 June 2024			
Cost	322,748	137,254	460,002
Accumulated depreciation	(269,694)	(116,903)	(386,597)
Net book amount	53,054	20,351	73,405
As at 1 January 2023			
Cost	321,970	124,812	446,782
Accumulated depreciation	(249,903)	(85,411)	(335,314)
Net book amount	72,067	39,401	111,468
Six months ended 30 June 2023			
Opening net book amount	72,067	39,401	111,468
Additions	7,702	7,738	15,440
Disposal	(1,818)	-	(1,818)
Depreciation charge	(20,684)	(10,950)	(31,634)
Closing net book amount	57,267	36,189	93,456
As at 30 June 2023			
Cost	327,223	132,550	459,773
Accumulated depreciation	(269,956)	(96,361)	(366,317)
Net book amount	57,267	36,189	93,456

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

16 OTHER INTANGIBLE ASSETS

	Software	Licences	Total
As at 1 January 2024			
Cost	149,715	64,437	214,152
Accumulated amortisation	(110,892)	(41,202)	(152,094)
Accumulated impairment	-	(19,569)	(19,569)
Net book amount	38,823	3,666	42,489
Six months ended 30 June 2024			
Opening net book amount	38,823	3,666	42,489
Amortisation	(10,043)	(276)	(10,319)
Closing net book amount	28,780	3,390	32,170
As at 30 June 2024			
Cost	149,715	64,437	214,152
Accumulated amortisation	(120,935)	(41,478)	(162,413)
Accumulated impairment	-	(19,569)	(19,569)
Net book amount	28,780	3,390	32,170
As at 1 January 2023			
Cost	146,868	64,437	211,305
Accumulated amortisation	(83,539)	(33,619)	(117,158)
Accumulated impairment	-	(19,569)	(19,569)
Net book amount	63,329	11,249	74,578
Six months ended 30 June 2023			
Opening net book amount	63,329	11,249	74,578
Additions	1,253	-	1,253
Amortisation	(14,032)	(4,257)	(18,289)
Closing net book amount	50,550	6,992	57,542
As at 30 June 2023			
Cost	148,121	64,437	212,558
Accumulated amortisation	(97,571)	(37,876)	(135,447)
Accumulated impairment	-	(19,569)	(19,569)
Net book amount	50,550	6,992	57,542

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

17 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at 30 June 2024	As at 31 December 2023
Investments in associates (a)	108,944	109,212
Investments in joint ventures (b)	-	-
	108,944	109,212

(a) Investments in associates

	For the six months ended 30 June	
	2024	2023
At the beginning of the period	109,212	355,595
Share of losses in associates	(268)	(1,395)
Share of other reserves of associates	-	2,434
At the end of the period	108,944	356,634

(i) As at 30 June 2024, the Group made an aggregate impairment provision of approximately RMB23,665 thousand (as at 31 December 2023: RMB23,665 thousand).

(b) Investments in joint ventures

As at 30 June 2024, the Group holds 51% equity interest of Ping An Haoyi (Xi'an Xincheng District) Comprehensive Outpatient Department Co., Ltd..

	For the six months ended 30 June	
	2024	2023
At the beginning of the period	-	1,020
Share of losses of joint ventures	-	(1,020)
At the end of the period	-	-

18 INVENTORIES

	As at 30 June 2024	As at 31 December 2023
Inventories stored in third parties	81,547	46,426
Goods in transit	38,879	66,142
Inventories in warehouse	22,371	104,460
Less: impairment provision	(16,863)	(18,453)
	125,934	198,575

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

19 TRADE RECEIVABLES

	As at 30 June 2024	As at 31 December 2023
Medical services	811,834	786,744
Health services	273,190	518,953
Senior care services	25,565	15,797
	1,110,589	1,321,494
Less: loss allowance	(153,906)	(131,102)
	956,683	1,190,392

(a) Aging analysis of trade receivables based on invoice date is as follows:

	As at 30 June 2024	As at 31 December 2023
Up to 3 months	738,284	1,051,927
3 to 6 months	138,996	51,803
6 months to 1 year	66,679	70,933
1 to 2 years	44,300	65,066
More than 2 years	122,330	81,765
	1,110,589	1,321,494
Less: loss allowance	(153,906)	(131,102)
	956,683	1,190,392

As at 30 June 2024, approximately 9% of trade receivables aged more than one year are due from related parties.

(b) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(c) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

20 PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2024	As at 31 December 2023
Included in current assets		
Advance payments	116,873	106,052
Recoverable value-added tax	113,508	116,167
Deposits	67,658	68,618
Amounts due from related parties (Note a)	21,201	32,072
Others	64,750	25,010
	383,990	347,919
Less: loss allowance	(42,601)	-
	341,389	347,919

Notes:

(a) During the period, the amounts due from related parties were of a non-trade nature.

(b) As at 30 June 2024, the carrying amounts of deposits and other assets (excludes advance payments and recoverable value-added tax), were approximate to their fair values. The Group consider significant changes in the expected performance and behavior of the third party in business when assessed expected credit losses.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2024	As at 31 December 2023
Included in current assets		
Wealth management products	5,383,595	4,788,394
Investment funds	555,339	542,272
	5,938,934	5,330,666

22 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

(a) Cash and cash equivalents

	As at 30 June 2024	As at 31 December 2023
Cash	225	17
Cash at bank	2,161,765	1,596,509
Short-term bank deposits with initial term within three months	754,862	201,360
Other cash equivalents	91,803	68,625
	3,008,655	1,866,511

Cash and cash equivalents are denominated in the following currencies:

	As at 30 June 2024	As at 31 December 2023
RMB	2,922,821	1,776,663
USD	63,351	65,902
HKD	22,483	23,946
	3,008,655	1,866,511

(b) Restricted cash

As at 30 June 2024, restricted deposits held at banks amounted to RMB75,074 thousand, of which RMB70,000 thousand is legally frozen due to litigation (Note 27).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

22 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS (Continued)

(c) Term deposits

	As at 30 June 2024	As at 31 December 2023
Term deposits with initial term of over three months that will mature within one year	2,141,383	3,910,825
Term deposits with initial term of over three months that will mature over one year	1,370,000	1,170,000
Interest receivable	111,919	268,156
Less: loss allowance of term deposits	(1,211)	(3,040)
	3,622,091	5,345,941

Term deposits are denominated in the following currencies:

	As at 30 June 2024	As at 31 December 2023
RMB	2,768,086	4,501,714
USD	855,216	847,267
	3,623,302	5,348,981

The weighted average effective interest rate of the term deposits of the Group as at 30 June 2024 is 3.91% (as at 31 December 2023: 3.95%).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

23 SHARE CAPITAL

	Number of shares	USD
Authorised		
Ordinary shares of USD0.000005 each at 1 January 2024 and 30 June 2024	10,000,000,000	50,000

	Number of shares	USD	Equivalent to RMB yuan
Issued			
Ordinary shares of USD0.000005 each at 1 January 2024 and 30 June 2024	1,118,812,900	5,594	35,067

24 RESERVES

	As at 30 June 2024	As at 31 December 2023
Other reserves		
- share-based payments - value of employee services	274,387	246,063
Reorganization (Note a)	350,000	350,000
Share premium		
- share premium from capital injection	19,662,022	19,662,022
- share-based payments - value of employee services	286,476	284,967
- proceeds from exercise of share options	395,383	395,222
Cancellation of shares	(593,985)	(593,985)
Currency translation differences	147,767	139,375
Partial disposal of equity interests of subsidiary	13,526	13,526
Other	576	576
	20,536,152	20,497,766

Notes:

(a) PAHC was incorporated on 20 August 2014 with issued share capital of RMB350,000,000 divided into 350,000,000 ordinary shares of RMB1 each. For the purpose of introduction of overseas investors and preparation for a listing of the Company's shares on overseas capital markets, the Company and its shareholders underwent a series of reorganization (the "Reorganization"). After the Reorganization, PAHC is controlled by Kang Jian through the Contractual Arrangements. The share capital of RMB350,000,000 is treated as a deemed distribution from the owners.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

25 SHARE-BASED PAYMENTS

On 26 December 2014, an equity-settled share-based compensation plan was granted to employees with the objective to recognize and reward the contribution of the the eligible directors, employees and other persons (collectively, the “Grantees”) for the growth and development of the Group (the “Share Option Plan”). The Share Option Plan is valid and effective for 10 years from the grant date. Upon the establishment of the Share Option Plan, 35,000,000 shares have been reserved by two shareholders of the Company, Glorious Peace and Bang Qi Jian Limited (“Bang Qi Jian”). Under the Share Option Plan, a special purpose vehicle named Hong Qi Jian Limited (“Hong Qi Jian”), was set up by Glorious Peace and Bang Qi Jian to hold shares contributed by Glorious Peace and Bang Qi Jian.

Le An Xin was incorporated on 17 October 2017 as a vehicle to replace Hong Qi Jian to hold the 35,000,000 ordinary shares for the Company’s employees under the Share Option Plan, with no changes to the rest of the conditions and the Grantees of the Share Option Plan. As the Company has the power to govern the relevant activities of Le An Xin and can derive benefits from the services to be rendered by the Grantees, the directors of the Company consider it is appropriate to consolidate Le An Xin. The total number of shares pursuant to the Share Option Plan is 70,000,000 after considering the effect of the share subdivision upon the completion of the Listing.

Subject to the Grantees continuing to be a service provider, 100% of these options will be vested over 4 years upon fulfilling the service conditions and non-market performance conditions prescribed in the share option agreement.

The options should be exercised no earlier than 180 days before the Company successfully completes an initial public offering and the Company’s shares listed in the stock exchange (“IPO and Listing”) and no later than 30 days after the IPO and Listing. The vesting date is determined by the Board of Directors of the Company. On 20 January 2018, amendments to the Share Option Plan were approved by the directors of the Company and the vesting date was changed to no earlier than 180 days before IPO and Listing or no earlier than 12 months after IPO and Listing. On 27 February 2019, amendments to the Share Option Plan were approved by the directors of the Company: (1) the vesting date was changed to no earlier than 12 months after Listing; and (2) the vesting conditions of the nil-priced share options granted after 27 February 2019 were modified. The options vest in full or in part depending on the satisfaction of specified performance conditions, including growth rate of the share price of the Company and KPIs achievement of the Group as a whole and of the Grantees. The amendments impact the grant date fair value of nil-priced share option since the market condition needs to be considered.

Movements in the number of share options granted to employees are as follows:

	Number of share options For the six months ended 30 June	
	2024	2023
At the beginning of the period	11,651,148	26,260,813
Exercised (Note a)	(47,371)	(746,745)
Forfeited	(618,132)	(6,612,290)
At the end of the period	10,985,645	18,901,778

Notes:

(a) During the six months ended 30 June 2024, 47,371 ordinary shares were exercised (six months ended 30 June 2023: 746,745 ordinary shares) at the total consideration of approximately RMB161 thousand (six months ended 30 June 2023: RMB4,606 thousand). The exercise prices range from RMB0 each to RMB5 each.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

25 SHARE-BASED PAYMENTS (continued)

Share options outstanding at the end of the period/year have the following expiry dates and exercise prices:

Grant Year	Expiry Year	Exercise price (RMB yuan)	Number of share options	
			As at 30 June 2024	As at 31 December 2023
2014	2024	0.50	-	-
2015	2025	0.50-0.75	85,174	85,174
2016	2026	5.00	98,100	105,300
2017	2027	23.50-32.00	2,111,996	2,113,681
2019	2029	0-30.95	760,724	771,993
2020	2030	0	659,343	707,911
2021	2031	0	789,750	789,750
2022	2032	0	6,180,558	6,777,339
2023	2033	0	300,000	300,000
			10,985,645	11,651,148

Before the Listing, the Company used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as discount rate and projections of future performance, were required to be determined by the Company with best estimate. Based on fair value of the underlying ordinary shares, the Company used Binomial option-pricing model to determine the fair value of the share options on the grant date.

After the Listing, the fair value of the awarded share options was calculated by reference to the market price of the Company's shares at the respective grant date. For those nil-priced options with market-based performance conditions, the fair value is calculated using a Monte-Carlo simulation model. The Monte-Carlo simulation model reflected the historical volatility of the Company's share price and those of all other companies to which the Company's performance would be compared, over a period equal to the vesting period of the awards.

During the six months ended 30 June 2024, the Group recorded share-based payments of approximately RMB29,833 thousand (six months ended 30 June 2023: RMB5,912 thousand) related to the Share Option Plan.

The average remaining contractual life of share options outstanding as at 30 June 2024 and 31 December 2023 is 6.7 years and 7.3 years respectively.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

26 TRADE AND OTHER PAYABLES

	As at 30 June 2024	As at 31 December 2023
Included in current liabilities		
Trade payables (Note a)	542,352	741,453
Wages payables	434,603	573,155
Accrued expenses	256,288	388,693
Amounts due to suppliers	143,457	147,365
Tax payables	116,329	102,957
Amounts due to related parties	59,270	46,201
Agent business related payables	53,075	30,158
Others	101,728	171,389
	1,707,102	2,201,371
Included in non-current liabilities		
Amounts due to related parties (Note b)	11,242	10,990

(a) Aging analysis of trade payables based on recorded date is as follows:

	As at 30 June 2024	As at 31 December 2023
Up to 3 months	426,529	690,571
3 to 6 months	15,042	21,799
6 months to 1 year	80,165	12,132
1 to 2 years	17,092	12,547
More than 2 years	3,524	4,404
	542,352	741,453

(b) As at 30 June 2024, Pingan Yingjian, a subsidiary of the Group, has a long-term borrowing of RMB10,500 thousand with original duration of 36 months from its shareholder Yingjian Enterprise Management Consulting (Shanghai) Co., Ltd. (“Yingjian Enterprise Management Consulting”), which is unsecured and bears interest rate of 4.75%.

27 PROVISIONS

	As at 30 June 2024	As at 31 December 2023
Provision for litigations (Note a)	95,000	95,000

(a) As at 30 June 2024, the Group was the defendant in certain outstanding litigations. Combining with fact and the progress, as well as the opinions of the internal and external legal counsels, the Group recognized the estimated losses from such litigations and disputes as provisions. The Group believes that the provisions are reasonable and sufficient. The above cases are still under trial and the Group considers that the disclosure of case details will have an uncertain impact on the outstanding cases, and therefore has not disclosed the case details. Although the above provision was made, it does not represent the recognition of losses by the Group. The Group will spare no effort to maintain the overall interests of the company and shareholders.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

28 DIVIDENDS

No dividends have been paid or declared by the Company during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

29 RELATED PARTY TRANSACTIONS

Save as those disclosed in the other notes, the following significant transactions were carried out between the Group and its related parties. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. The Group's pricing policies of the transactions with related parties are determined on the basis of mutual negotiations between the relevant parties.

(a) Names of and relationships with related parties

Name of related parties	Relationship with the Company
Glorious Peace	A shareholder that has significant influence over the Group
Ping An	Ultimate parent company of Glorious Peace
Ping An Life Insurance Company of China, Ltd. ("Ping An Life Insurance")	Controlled by Ping An
Ping An Health Insurance Company of China, Ltd. ("Ping An Health Insurance")	Controlled by Ping An
Ping An Property & Casualty Insurance Company of China, Ltd. ("Ping An Property & Casualty Insurance")	Controlled by Ping An
Ping An Bank Co., Ltd. ("Ping An Bank")	Controlled by Ping An
Ping An Annuity Insurance Company of China, Ltd. ("Ping An Annuity Insurance")	Controlled by Ping An
Shenzhen Ping An Financial Services Co., Ltd. ("Ping An Financial Services")	Controlled by Ping An
Shenzhen Wanlitong Network Information Technology Co., Ltd. ("Shenzhen Wanlitong")	Controlled by Ping An
Ping An Pay Technology Service Co., Ltd. ("Ping An Pay Tech")	Controlled by Ping An
Ping An Technology (Shenzhen) Co., Ltd. ("Ping An Technology")	Controlled by Ping An
Shanghai An Yi Tong Electronic Commerce Co., Ltd. ("Shanghai An Yi Tong")	Controlled by Ping An
Ping An Yi Qian Bao Electronic Commerce Co., Ltd. ("Ping An Yiqianbao")	Controlled by Ping An
Shenzhen Ping An Communication Technology Co., Ltd. ("Ping An Communication Technology")	Controlled by Ping An
Shanghai Zean Investment Management Co., Ltd. ("Zean Investment")	Controlled by Ping An
Ping An International Financial Leasing Company Limited ("Ping An Financial Leasing")	Controlled by Ping An

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

29 RELATED PARTY TRANSACTIONS (Continued)

(a) Names of and relationships with related parties (Continued)

Name of related parties	Relationship with the Company
Shenzhen Ping An Properties Investment Co., Ltd. (“Ping An Properties”)	Controlled by Ping An
Ping An Fund Management Co., Ltd (“Ping An Fund”)	Controlled by Ping An
Ping An Asset Management Co. Ltd (“Ping An Asset Management”)	Controlled by Ping An
Ping An Wealth Management Co. Ltd (“Ping An Wealth Management”)	Controlled by Ping An
Ping An Haoyi (Wuhan) Comprehensive Outpatient Department Co., Ltd. (“Haoyi (Wuhan)”)	Controlled by Ping An
Chongqing Pingan Haoyi Jingwei Comprehensive Outpatient Service Co., Ltd. (“Chongqing Haoyi”)	Controlled by Ping An
Nanchang Ping’an Haoyi Health Examination Center Co., Ltd. (“Nanchang Haoyi”)	Controlled by Ping An
Shanghai Ping An Haoyi Chuangzhi Outpatient Department Co., Ltd. (“Shanghai Haoyi”)	Controlled by Ping An
Guangzhou Pingan Haoyi Health Examination Center Co., Ltd. (“Guangzhou Haoyi”)	Controlled by Ping An
Xiamen Ping An Haoyi Outpatient Department Co., Ltd. (“Xiamen Haoyi”)	Controlled by Ping An
Shenyang Heping Ping An Haoyi Comprehensive Outpatient Department Co., Ltd. (“Shenyang Haoyi”)	Controlled by Ping An
Ping An Haoyi (Qingdao) Comprehensive Outpatient Department Co., Ltd. (“Haoyi (Qingdao)”)	Controlled by Ping An
Shanghai Geying Enterprise Management Co., Ltd. (“Shanghai Geying”)	Controlled by Ping An
Beijing Jinkun Lize Real Estate Co., Ltd. (“Beijing Jinkun Lize”)	Controlled by Ping An
Yingjian Enterprise Management Consulting	Shareholder of the subsidiary of the Group

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

29 RELATED PARTY TRANSACTIONS (Continued)

(b) Significant transactions with related parties

	For the six months ended 30 June	
	2024	2023
Trademark licensing		
Ping An	-	-
Provision of products and services		
Ping An Life Insurance	213,111	186,782
Ping An Property & Casualty Insurance	85,422	206,809
Ping An Health Insurance	66,963	40,348
Ping An Bank	40,168	92,120
Ping An Annuity Insurance	16,417	11,409
Shanghai An Yi Tong	11,139	24,265
Shenzhen Wanlitong	7,057	4,385
Ping An Financial Leasing	3,677	4,998
Ping An Financial Services	1,608	2,710
Ping An Fund	1,232	1,591
Services purchasing		
Ping An Pay Tech	61,895	48,065
Ping An Health Insurance	29,295	28,941
Ping An Property & Casualty Insurance	23,326	27,046
Ping An Communication Technology	21,639	29,042
Ping An Financial Services	16,859	11,993
Ping An Technology	16,365	14,668
Chongqing Haoyi	9,007	8,740
Haoyi (Qingdao)	8,527	4,186
Shanghai Haoyi	7,883	1,723
Ping An Bank	7,686	30,316
Xiamen Haoyi	7,552	7,713
Haoyi (Wuhan)	6,531	7,024
Shenzhen Wanlitong	5,722	13,171
Shenyang Haoyi	5,703	4,188
Guangzhou Haoyi	5,041	4,822
Nanchang Haoyi	4,252	3,484
Ping An	3,123	3,255

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

29 RELATED PARTY TRANSACTIONS (Continued)

(b) Significant transactions with related parties (Continued)

	For the six months ended 30 June	
	2024	2023
Deposit interests		
Ping An Bank	14,094	25,981
Investment income		
Ping An Wealth Management	17,014	-
Ping An Bank	11,989	8,528
Ping An Asset Management	7,371	26,406
Ping An Properties	-	12,077
Property leasing expenses paid		
Zean Investment	2,131	12,146
Shanghai Geying	1,575	1,889
Beijing Jinkun Lize	1,166	1,422

(c) Period/Year end balances with related parties

	As at 30 June	As at 31 December
	2024	2023
Cash and cash equivalents and term deposits		
Ping An Bank	2,126,198	2,419,348
Ping An Pay Tech	66,736	58,151
Restricted cash		
Ping An Bank	75,074	84,796
Financial assets at fair value through profit or loss		
Ping An Bank	1,635,103	200,146
Ping An Wealth Management	1,252,382	601,390
Ping An Asset Management	-	801,865
Ping An Fund	-	503,316
Trade receivables		
Ping An Property & Casualty Insurance	215,175	323,162
Ping An Life Insurance	187,668	159,814
Ping An Health Insurance	96,891	21,750
Ping An Yiqianbao	50,626	283,155
Ping An Bank	33,791	114,536
Ping An Annuity Insurance	19,314	11,724
Ping An Financial Leasing	13,302	13,611

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

29 RELATED PARTY TRANSACTIONS (Continued)

(c) Period/Year end balances with related parties (Continued)

	As at 30 June 2024	As at 31 December 2023
Prepayments and other receivables		
Advance payments		
Ping An Health Insurance	593	1,193
Deposits in security		
Ping An Technology	40,275	40,275
Zean Investment	3,011	3,120
Ping An Life Insurance	2,947	3,042
Amounts due from related parties		
Ping An Health Insurance	7,276	7,279
Ping An Property & Casualty Insurance	2,473	2,463
Ping An Life Insurance	1,494	1,494
Trade and other payables		
Ping An Technology	15,251	14,917
Ping An Communication Technology	14,584	4,823
Yingjian Enterprise Management Consulting	11,194	10,942
Ping An Property & Casualty Insurance	8,275	8,148
Ping An Financial Services	4,440	3,154
Ping An Pay Tech	3,124	560

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts expressed in RMB thousand unless otherwise stated)

29 RELATED PARTY TRANSACTIONS (Continued)

(c) Period/Year end balances with related parties (Continued)

Apart from the interest receivables generated from term deposits and financial assets at fair value through profit or loss due from Ping An Bank calculated based on deposit interest rates, the other balances including other prepayments and other receivables, trade receivables and deposits due from related parties are unsecured, interest-free and repayable on demand.

Apart from the borrowing from Yingjian Enterprise Management Consulting, the balances of trade and other payables due to related parties are unsecured, interest-free and repayable on demand.

30 CONTINGENCIES

Save as the provisions disclosed in Note 27, there were no other material contingencies need to be disclosed as at 30 June 2024.

31 SUBSEQUENT EVENTS

There were no material subsequent events need to be disclosed during the period from 30 June 2024 to the approval date of the interim consolidated financial information by the Board of Directors on 20 August 2024.

32 COMPARATIVE FIGURES

Certain comparative figures have been reclassified or restated to conform to the interim condensed consolidated financial information's presentation.

33 APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the Board of Directors of the Company on 20 August 2024.

Definitions

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

“Audit and Risk Management Committee”	Audit and Risk Management Committee under the Board
“Bang Qi Jian”	Bang Qi Jian Limited (幫騏健有限公司), a company incorporated under the laws of BVI on 10 November 2014
“Bank”/“Ping An Bank”	Ping An Bank Co., Ltd. (平安銀行股份有限公司), a company incorporated under the laws of the PRC on 22 December 1987 whose shares are listed on the Shenzhen Stock Exchange (SZSE: 000001), and a subsidiary of Ping An
“Board”	the board of directors of the Company
“Company”, “the Company” or “Ping An Health”	Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 12 November 2014
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“EIS Option(s)”	the option(s) granted and to be granted to the Directors and employees of the Group under the Employee Incentive Scheme
“EIS Share(s)”	the Share(s) under the EIS Options which are directly held by Le An Xin
“Employee Incentive Scheme” or “EIS”	the scheme adopted by the Company on 26 December 2014, as amended or otherwise modified from time to time, to grant options to the incentive targets

Definitions

“Glorious Peace”	Glorious Peace Limited (安鑫有限公司), a company incorporated under the laws of BVI on 10 November 2014, an indirect wholly-owned subsidiary of Ping An and our Controlling Shareholder
“Group”, “the Group”, “we”, “us” or “our”	the Company, its subsidiaries and the Operating Entities or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“Health Insurance”/“Ping An Health Insurance”	Ping An Health Insurance Company Ltd. (平安健康保險股份有限公司), a company incorporated under the laws of the PRC on 13 June 2005 and a subsidiary of Ping An
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standard
“Independent Third Party(ies)”	has the meaning ascribed to it under the Listing Rules
“Kang Jian”	Kang Jian Information Technology (Shenzhen) Co., Ltd. (康鍵信息技術(深圳)有限公司), a company incorporated under the laws of the PRC on 13 February 2015 and a wholly-owned subsidiary of the Company
“Le An Xin”	Le An Xin (PTC) Limited, a company incorporated under the laws of BVI on 17 October 2017
“Life Insurance”/“Ping An Life Insurance”	Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司), a company incorporated under the laws of the PRC on 17 December 2002 and a subsidiary of Ping An
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	4 May 2018, the date on which the Shares were listed and on which dealings in the Shares were first permitted to take place on 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

“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Managed Care”	providing particular individual with comprehensive healthcare services in exchange for fixed pre-paid premiums
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“Nomination and Remuneration Committee”	Nomination and Remuneration Committee under the Board
“O2O”	“Online to Offline” and “Offline to Online”
“Operating Entities”	the entities we control through the contractual arrangements, namely Ping An Health Cloud and its subsidiaries
“Paying users”	users who purchase products and/or services on our platform via apps, WAP (Wireless Application Protocol) or plug-ins at least once during a period of time
“Ping An”/“Ping An Insurance (Group)”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company incorporated under the laws of the PRC whose shares are dually listed on the Shanghai Stock Exchange and the Stock Exchange (SSE: 601318; SEHK: 2318). It is our Controlling Shareholder
“Ping An Annuity”	Ping An Annuity Insurance Company Ltd. (平安養老保險股份有限公司), a company incorporated under the laws of the PRC on 13 December 2004 and a subsidiary of Ping An
“Ping An Asset Management”	Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司), a company incorporated under the laws of the PRC on 27 May 2005, a subsidiary of Ping An
“Ping An Group”	Ping An and its subsidiaries
“Ping An Health Cloud” or “PAHC”	Ping An Health Cloud Company Limited (平安健康互聯網股份有限公司), a company incorporated under the laws of the PRC on 20 August 2014 and one of our Operating Entities

Definitions

“Pingan Yingjian”	Pingan Yingjian Medical Management (Shanghai) Limited (平安盈健醫療管理(上海)有限公司), a company incorporated under the laws of the PRC on 24 April 2015, a subsidiary of Ping An Health Cloud and one of our Operating Entities
“Property & Casualty Insurance”/ “Ping An Property & Casualty Insurance”	Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), a company incorporated under the laws of the PRC on 24 December 2002 and a subsidiary of Ping An
“Prospectus”	the prospectus of the Company dated 23 April 2018
“Reporting Period”	the six months ended 30 June 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of USD0.00001 each before share subdivision and with a par value of USD0.000005 each after share subdivision
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“USD”	United States dollars, the lawful currency of the United States
“Yingjian Enterprise Management Consulting”	Yingjian Enterprise Management Consulting (Shanghai) Co., Ltd. (盈健企業管理諮詢(上海)有限公司), a company incorporated under the laws of the PRC on 19 December 2014 and one of the shareholders of Pingan Yingjian
“%”	per cent