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

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

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

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

## FINANCIAL SUMMARY

	For the six months ended June 30, 2023 <i>RMB'000</i> (Unaudited)	For the six months ended June 30, 2022 <i>RMB'000</i> (Audited)	Period- on-period Change
<b>Revenue</b>	<b>2,437,956</b>	1,887,652	29.2%
Specialty Pharmacy Business	<b>2,158,757</b>	1,646,388	31.1%
Physician Research Assistance Business	<b>170,506</b>	149,154	14.3%
Health Insurance Services Business	<b>108,693</b>	92,110	18.0%
<b>Gross Profit</b>	<b>218,090</b>	176,944	23.3%
Specialty Pharmacy Business	<b>97,585</b>	88,749	10.0%
Physician Research Assistance Business	<b>47,408</b>	26,463	79.1%
Health Insurance Services Business	<b>73,097</b>	61,732	18.4%
<b>Selling and Marketing Expenses<sup>1</sup></b>	<b>150,969</b>	158,251	-4.6%
As a percentage of revenue	<b>6.2%</b>	8.4%	
<b>Administrative Expenses<sup>1</sup></b>	<b>123,986</b>	138,096	-10.2%
As a percentage of revenue	<b>5.1%</b>	7.3%	
<b>Research and Development Expenses<sup>1</sup></b>	<b>22,220</b>	33,106	-32.9%
As a percentage of revenue	<b>0.9%</b>	1.8%	
<b>Adjusted Net Loss<sup>2</sup></b>	<b>(33,189)</b>	(143,110)	-76.8%
Less: Fair value loss on convertible redeemable preferred shares	–	85,101	n/m <sup>5</sup>
Less: Share-based payment compensation <sup>3</sup>	<b>54,118</b>	105,662	-48.8%
Including: Selling and marketing expenses	<b>1,081</b>	2,363	-54.3%
Administrative expenses	<b>51,394</b>	102,119	-49.7%
Research and development expenses	<b>1,643</b>	1,180	39.2%
Less: Listing expense	–	12,114	n/m <sup>5</sup>
<b>IFRS Net Loss</b>	<b>(87,307)</b>	(345,987)	-74.8%
<b>Cash and Selected Financial Assets<sup>4</sup></b>	<b>1,492,344</b>	1,444,720	

*Notes:*

1. Items (non-IFRS measure) exclude share-based payment compensation and Listing expense.
2. We do not consider fair value loss on convertible redeemable preferred shares, share-based payment compensation, and Listing expenses (as non-operational or non-recurring expenses) will affect our ongoing operating performance. This is presented in accordance with the non-IFRS measures, for details, please refer to the subsection headed “Non-IFRS Measures” in this interim results announcement.
3. Items include share-based payment compensation in selling and marketing expenses, administrative expenses, and research and development expenses.
4. Cash and selected financial assets include cash and cash equivalents, time deposits over three months, pledged deposits, and wealth management products which are presented in financial assets at fair value through profit or loss (“FVTPL”) in financial statement.
5. “n/m” denotes “not meaningful”.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

During the first half of 2023, we continued to focus on achieving organic growth and operational efficiency improvement in our core business, while maintaining our ongoing investment in overall digitalization and synergy development. The Group's unaudited revenue for the six months ended June 30, 2023 increased by approximately 29.2% to approximately RMB2,437.96 million as compared to the corresponding period of last year, while loss attributable to ordinary equity holders of the parent for the six months ended June 30, 2023 decreased by approximately 73.3% to approximately RMB92.32 million as compared to the corresponding period of last year. The Group's non-IFRS loss attributable to ordinary equity holders of the parent for the six months ended June 30, 2023 decreased by approximately 73.4% to approximately RMB38.20 million as compared to the corresponding period of last year.

#### Our Services

We currently run three business lines, including specialty pharmacy business (the “**Specialty Pharmacy Business**”), physician research assistance (the “**Physician Research Assistance**”), and health insurance services (the “**Health Insurance Services**”).

#### *Specialty Pharmacy Business*

Our Specialty Pharmacy Business line consists of specialty pharmacies and value-add professional pharmacist services, focusing on specialty medicines for the treatment of oncology and other critical diseases. As of June 30, 2023, we operated 100 specialty pharmacies in 68 cities across all provincial administrative regions in Mainland China, except for Tibet and Qinghai. Among them, 77 of our specialty pharmacies are designated pharmacies for social medical insurance (國家醫保). In addition, 55 of our specialty pharmacies have obtained the social medical insurance “dual-channel” qualification for major diseases (大病醫保雙通道資質). Our pharmacies specialize in prescription drugs for cancer and other critical illnesses. We provide a wide selection of specialty medicines, including innovative drugs newly introduced to the market. Our professional pharmacist services ensure patients to have better medication adherence and treatment efficacy. Collaborating with the payer side, our specialty pharmacies also provide direct billing with social medical insurance and major insurance carriers, offering additional payment solutions to patients.

#### *Physician Research Assistance*

In our Physician Research Assistance business line, we are mainly engaged in SMO business to support pharmaceutical companies in their drug research and development process from phase I to phase IV clinical trials with our extensive experience and expertise in oncology drug clinical trials. Notably, we have achieved 100% coverage of 27 provincial specialized oncology hospitals and five national cancer treatment centers. As of June 30, 2023, we had completed 560 SMO projects, and 725 SMO projects were ongoing. We proudly serve all top ten public pharmaceutical companies in China that engage in research and development of innovative drugs. During the Reporting Period, we achieved a 100% client retention rate with respect to our top ten SMO clients. Over 95% of our SMO clients engage in research and development of oncology drugs and typically contract our services for three to five years.

## *Health Insurance Services*

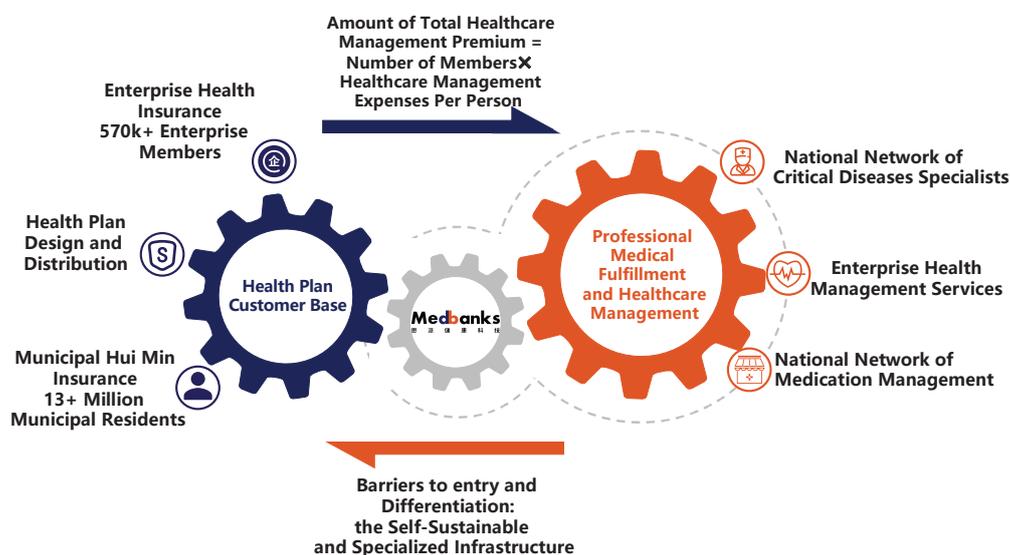
Our Health Insurance Services business line is mainly engaged in the municipal hui min insurance business (the “**Hui Min Insurance**”) and the enterprise health insurance business (the “**Enterprise Health Insurance**”), and strives to take part in the multi-tiered health insurance system.

Our Hui Min Insurance was a supplement to the national basic medical insurance, providing additional coverage for critical illnesses, medical services and specialty drugs at affordable prices to the general public. As of June 30, 2023, our Hui Min Insurance business provided services to residents of one province and 19 major cities in China through partnerships with local governments and major insurance carriers, with more than 13 million individual members insured, representing an increase of approximately 14.2% as compared to approximately over 11 million individual members insured as of June 30, 2022. Revenue from Hui Min Insurance increased by approximately 2.7% from approximately RMB79.50 million for the six months ended June 30, 2022 to approximately RMB81.65 million for the six months ended June 30, 2023.

Our robust health service provider network, together with various service capabilities such as our Specialty Pharmacy Business provided our members with high-quality health management services such as preventive care, GP service, and specialist referral. Leveraging our data insights and actuarial capabilities, we have co-developed differentiated health insurance plans with major insurance carriers. As of June 30, 2023, there were more than 570,000 individual members insured under Enterprise Health Insurance, representing an increase of approximately 122.5% as compared to approximately 260,000 individual members insured as of June 30, 2022. Revenue from Enterprise Health Insurance increased by approximately 114.4% from approximately RMB12.61 million for the six months ended June 30, 2022 to approximately RMB27.05 million for the six months ended June 30, 2023.

### *Preliminary formulation of “dual-drivers” model*

Through the organic development of our businesses, we have initially established a “dual-drivers” system of “health insurance plus healthcare management”. The system on one hand, improves the design of health insurance products to attract larger customer base, and on the other hand, provides professional consulting and services to help enterprises, employees and insurance payers better manage their healthcare expenditures and more proactively participate in preventive care and value-based care.



Note: The above operating data is as of June 30, 2023

## FINANCIAL REVIEW

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

### Revenue

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

Revenue	For the six months ended June 30, 2023 (unaudited) RMB '000	For the six months ended June 30, 2022 (Audited) RMB '000	Period- on-period Change RMB '000	Period- on-period Change
Specialty Pharmacy Business	2,158,757	1,646,388	512,369	31.1%
Physician Research Assistance Business	170,506	149,154	21,352	14.3%
Health Insurance Services Business	108,693	92,110	16,583	18.0%
<b>Total</b>	<b>2,437,956</b>	<b>1,887,652</b>	<b>550,304</b>	<b>29.2%</b>

Revenue from our Specialty Pharmacy Business increased by approximately 31.1% from approximately RMB1,646.39 million for the six months ended June 30, 2022 to approximately RMB2,158.76 million for the six months ended June 30, 2023, which was mainly attributable to the growing market demand and the growth in some pharmaceuticals wholesale business.

Revenue from our Physician Research Assistance business increased by approximately 14.3% from approximately RMB149.15 million for the six months ended June 30, 2022 to approximately RMB170.51 million for the six months ended June 30, 2023.

Revenue from our Health Insurance Services business increased by approximately 18.0% from approximately RMB92.11 million for the six months ended June 30, 2022 to approximately RMB108.69 million for the six months ended June 30, 2023, mainly due to the rapid growth of enterprise health insurance, which amounted to approximately RMB27.05 million for the six months ended June 30, 2023, representing a period-on-period increase of approximately 114.4% from the six months ended June 30, 2022.

## Cost of Sales

	<b>For the six months ended June 30, 2023 (unaudited) RMB'000</b>	For the six months ended June 30, 2022 (Audited) RMB'000	Period- on-period Change RMB'000	Period- on-period Change
<b>Cost of sales</b>				
Specialty Pharmacy Business	<b>2,061,172</b>	1,557,639	503,533	32.3%
Physician Research Assistance Business	<b>123,098</b>	122,691	407	0.3%
Health Insurance Services Business	<b>35,596</b>	30,378	5,218	17.2%
<b>Total</b>	<b><u>2,219,866</u></b>	<u>1,710,708</u>	<u>509,158</u>	<u>29.8%</u>

During the Reporting Period, our cost of sales increased by approximately 29.8% from approximately RMB1,710.71 million for the six months ended June 30, 2022 to approximately RMB2,219.87 million for the six months ended June 30, 2023, primarily due to an increase in procurement cost for medicines relating to our Specialty Pharmacy Business.

## Gross Profit and Gross Margin

	For the six months ended June 30, 2023 (Unaudited)			For the six months ended June 30, 2022 (Audited)			Period- on-period Change	Period- on-period Change
	Gross Profit RMB'000	Gross Margin	Percentage of gross profit	Gross Profit RMB'000	Gross Margin	Percentage of gross profit	RMB'000	
<b>Gross Profit and Gross Margin</b>								
Specialty Pharmacy Business	<b>97,585</b>	<b>4.5%</b>	<b>44.8%</b>	88,749	5.4%	50.1%	8,836	10.0%
Physician Research Assistance Business	<b>47,408</b>	<b>27.8%</b>	<b>21.7%</b>	26,463	17.7%	15.0%	20,945	79.1%
Health Insurance Services Business	<b>73,097</b>	<b>67.3%</b>	<b>33.5%</b>	61,732	67.0%	34.9%	11,365	18.4%
<b>Total</b>	<b><u>218,090</u></b>	<b><u>8.9%</u></b>	<b><u>100.0%</u></b>	<u>176,944</u>	<u>9.4%</u>	<u>100.0%</u>	<u>41,146</u>	<u>23.3%</u>

During the Reporting Period, our gross profit increased by approximately 23.3% from approximately RMB176.94 million for the six months ended June 30, 2022 to approximately RMB218.09 million for the six months ended June 30, 2023, while the gross margin decreased slightly by approximately 0.5% from approximately 9.4% for the six months ended June 30, 2022 to approximately 8.9% for the six months ended June 30, 2023. During the Reporting Period, the gross margin of the Specialty Pharmacy Business recorded a slight decrease, mainly due to the lower gross margin of the wholesale business which increased significantly during the period. During the Reporting Period, we also recorded a significant increase of the gross margin of the Physician Research Assistance Services business and a relatively flat gross margin of the Health Insurance Services business.

The corresponding gross profit contributions of our three business segments have changed: the gross profit contribution from our Specialty Pharmacy Business decreased from approximately 50.1% for the six months ended June 30, 2022 to approximately 44.8% for the six months ended June 30, 2023, and the gross profit contribution from our Physician Research Assistance business and Health Insurance business together increased from approximately 49.9% for the six months ended June 30, 2022 to approximately 55.2% for the six months ended June 30, 2023.

### **Selling and Marketing Expenses**

During the Reporting Period, our selling and marketing expenses decreased by approximately 5.3% from approximately RMB160.61 million for the six months ended June 30, 2022 to approximately RMB152.05 million for the six months ended June 30, 2023.

### **Administrative Expenses**

During the Reporting Period, our administrative expenses consist primarily of staff costs, consulting and professional service fees, travel and business-related expenses, depreciation and amortization expenses, and others. Our administrative expenses decreased significantly by approximately 30.5% from approximately RMB252.33 million for the six months ended June 30, 2022 to approximately RMB175.38 million for the six months ended June 30, 2023, mainly resulting from (i) the decrease in staff costs which was primarily due to the functional adjustment of the administrative team and the improvement of the administrative efficiency; (ii) the discontinuation of Listing expenses; and (iii) the decrease of the share-based payment compensation.

### **Research and Development Expenses**

During the Reporting Period, our research and development expenses decreased by approximately 30.4% from approximately RMB34.29 million for the six months ended June 30, 2022 to approximately RMB23.86 million for the six months ended June 30, 2023, mainly due to the corresponding reduction in research and development expenditure as the upfront research and development investment has paid off.

## **Fair value changes of convertible redeemable preferred shares**

The fair value loss on convertible redeemable preferred shares decreased from approximately RMB85.1 million for the six months ended June 30, 2022 to nil for the six months ended June 30, 2023. These preferred shares were automatically converted into ordinary shares of the Company on a 1:1 basis upon completion of the Global Offering by the Company on December 23, 2022, and no further loss or gain on fair value changes are expected to be recognized thereafter.

## **Income Tax**

During the Reporting Period, our income tax expense decreased to approximately RMB0.6 million for the six months ended June 30, 2023 from approximately RMB1.55 million for the corresponding period in 2022.

## **Non-IFRS Measures**

To supplement our interim condensed consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRSs. We believe adjusted loss (non-IFRS measure) facilitates comparisons of company to company by eliminating potential impacts of items.

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

We define adjusted loss for the period (non-IFRS measure) as profit/(loss) for the period, excluding (i) fair value changes of convertible redeemable preferred shares; (ii) share-based payment compensation; and (iii) Listing expenses.

The convertible preferred shares have been converted into ordinary shares of the Company on a 1:1 basis after the completion of the Global Offering, and no further loss or gain on fair value changes is expected to be recognized afterwards.

The following table reconciles our adjusted loss (non-IFRS measure) for the period presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is loss for the period indicated:

	<b>For the six months ended June 30, 2023 (Unaudited) RMB'000</b>	For the six months ended June 30, 2022 (Audited) RMB'000
<b>Reconciliation of loss to adjusted loss (non-IFRS measure):</b>		
Loss for the period	<b>(87,307)</b>	(345,987)
<i>Add:</i>		
Fair value loss on convertible redeemable preferred shares	–	85,101
Share-based payment compensation	<b>54,118</b>	105,662
Listing expense	–	12,114
	<u>–</u>	<u>12,114</u>
Adjusted loss (non-IFRS measure) for the period	<b><u>(33,189)</u></b>	<b><u>(143,110)</u></b>

## Capital Management

During the Reporting Period, we primarily funded our working capital requirements through capital contributions from our Shareholders including net proceeds from the Global Offering. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. For the six months ended June 30, 2023, our net cash flows used in operating activities was approximately RMB145.98 million.

## Liquidity, Financial Resources and Gearing Ratio

As of June 30, 2023, we recorded net current assets of approximately RMB1,441.59 million. As at June 30, 2023, the gearing ratio, calculated as total liabilities over total assets, was approximately 38.5%, as compared with approximately 37.4% as at December 31, 2022.

As our business develops and expands, we expect to generate net cash flows from our operating activities, through the sales revenue of our future commercialized products. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of our cash and cash equivalents and net proceeds from the Global Offering. As of June 30, 2023, our cash and cash equivalents amounted to approximately RMB434.75 million, together with time deposits over three months, pledged deposits and wealth management products which are presented in financial assets at fair value through profit or loss (“FVTPL”) amounted to approximately RMB1,492.34 million in total.

The Group did not have any bank loans or other borrowings as at June 30, 2023 (as at December 31, 2022: nil).

### Significant Investments, Material Acquisitions and Disposals

During the Reporting Period, there were no significant investments, material acquisitions and disposals by the Group.

### Capital Expenditure

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

	<b>For the six months ended June 30, 2023 RMB'000 (Unaudited)</b>	For the six months ended June 30, 2022 RMB'000 (Audited)
Purchases of property, plant and equipment	(3,229)	(3,919)
Purchases of other intangible assets	<u>(388)</u>	<u>(7,495)</u>
Total	<u><u>(3,617)</u></u>	<u><u>(11,414)</u></u>

### Currency Risk

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

### Pledge of Assets

The pledged deposits pledged by the Group for letters of credit increased from approximately RMB76.17 million as of December 31, 2022 to approximately RMB104.66 million as of June 30, 2023.

## **Contingent Liabilities**

The Group had no material contingent liabilities as at June 30, 2023.

## **Employees and Remuneration Policies**

As of June 30, 2023, we had 3,174 employees in total. Most of them are stationed in China. We recruit our employees based on a number of factors, including work experience, educational background and the requirements of a relevant vacancy. We assess our employees based on their performance to determine their salary, promotion and career development.

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

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

## **Future Investment Plans and Expected Funding**

As of June 30, 2023, we did not have other plans for material investments and capital assets.

## **SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**

After the Reporting Period, the Company repurchased an aggregate of 420,000 Shares for a total amount of HK\$3,192,840 on July 21, July 24, July 25, July 27 and July 28, 2023 respectively on the Stock Exchange. As at the date of this interim results announcement, the Company has not canceled these repurchased Shares.

On August 30, 2023, the Board has resolved to adopt a Scheme to (i) recognize the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and it will be funded by the existing Shares of the Company. For capitalized terms and details, please refer to the announcement of the Company dated August 30, 2023.

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

## USE OF NET PROCEEDS FROM LISTING

The Shares of the Company commenced Listing on the Main Board of the Stock Exchange on December 23, 2022 by way of Global Offering, and the total net proceeds (the “**Net Proceeds**”) received by the Company from the Global Offering amounted to approximately HK\$120.4 million after deducting professional fees, underwriting commissions and other related Listing expenses.

The intended uses and the balance of the Net Proceeds as at June 30, 2023 are set out below:

Intended use of proceeds as stated in the Prospectus	Percentage to total amount %	Net proceeds <i>HK\$'000</i>	Utilized	Unutilized	Expected timeline for unutilized amount
			amount as at June 30, 2023 <i>HK\$'000</i>	amount as at June 30, 2023 <i>HK\$'000</i>	
(a) Business expansion:	87	104,800	11,825	92,975	2024
(i) Further expansion of Specialty Pharmacy Business	35	42,200	6,333	35,867	2024
(ii) Further expansion of Physician Research Assistance Business	28	33,700	2,984	30,716	2024
(iii) Further expansion of Health Insurance Services Business	24	28,900	2,508	26,392	2024
(b) Technology research and development	13	15,600	1,600	14,000	2024
(i) Improvement of the capability of system/application development team	10	12,000	1,367	10,633	2024
(ii) Further investment in research and development of improving our technology infrastructure and new solutions	3	3,600	233	3,367	2024

The Group will utilize the Net Proceeds in accordance with the intended purposes as set out in the Prospectus. The Board is not aware of any material change to the planned use of the Net Proceeds as at the date of this interim results announcement.

## DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2023.

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

		<b>For the six months ended June 30, 2023</b>	For the six months ended June 30, 2022
	<i>Notes</i>	<b>(Unaudited)</b>	(Audited)
		<b>RMB'000</b>	<b>RMB'000</b>
<b>REVENUE</b>	5	<b>2,437,956</b>	1,887,652
Cost of sales		<u>(2,219,866)</u>	<u>(1,710,708)</u>
Gross profit		<b>218,090</b>	176,944
Other income and gains		<b>52,303</b>	22,351
Selling and marketing expenses		<b>(152,050)</b>	(160,614)
Administrative expenses		<b>(175,380)</b>	(252,329)
Research and development expenses		<b>(23,863)</b>	(34,286)
Impairment losses on financial assets and contract assets under expected credit loss model (“ECL”), net		<b>(1,829)</b>	(5,003)
Other expenses		<b>(2,145)</b>	(4,528)
Finance costs		<b>(1,824)</b>	(1,956)
Share of profits and losses of an associate		<u>—</u>	<u>81</u>
Loss before fair value losses on convertible redeemable preferred shares		<b>(86,698)</b>	(259,340)
Fair value changes of convertible redeemable preferred shares		<u>—</u>	<u>(85,101)</u>
<b>LOSS BEFORE TAX</b>	6	<b>(86,698)</b>	(344,441)
Income tax expense	7	<u>(609)</u>	<u>(1,546)</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(87,307)</b></u>	<u>(345,987)</u>
Attributable to:			
Owners of the parent		<b>(92,321)</b>	(346,327)
Non-controlling interests		<u><b>5,014</b></u>	<u>340</u>
		<u><b>(87,307)</b></u>	<u>(345,987)</u>

	<b>For the six months ended June 30, 2023</b>	For the six months ended June 30, 2022
<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(117)	217
Items that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	<u>11,444</u>	<u>(392,411)</u>
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>	<u>11,327</u>	<u>(392,194)</u>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD</b>	<u>(75,980)</u>	<u>(738,181)</u>
Attributable to		
Owners of the parent	(80,994)	(738,521)
Non-controlling interests	<u>5,014</u>	<u>340</u>
	<u>(75,980)</u>	<u>(738,181)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
Basic and diluted		
For loss for the period	<u>9</u> <u>(0.14)</u>	<u>(3.50)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		17,026	17,854
Other intangible assets		52,699	56,182
Prepayments, other receivables and other assets		7,639	7,384
Right-of-use assets		70,176	71,009
Investment in an associate		8,925	1,967
Goodwill		81,934	79,823
Time deposits		172,756	—
		411,155	234,219
<b>CURRENT ASSETS</b>			
Inventories		293,356	280,332
Contract cost		139	2,590
Trade and bills receivables	<i>10</i>	298,368	241,256
Contract assets		124,460	94,739
Prepayments, other receivables and other assets		176,874	134,166
Amounts due from related parties		8,307	883
Financial assets at fair value through profit or loss (“FVTPL”)		516,392	—
Pledged deposits		104,656	76,170
Time deposits		263,789	75,146
Cash held on behalf of clients		314,687	334,599
Cash and cash equivalents		434,751	1,455,454
		2,535,779	2,695,335
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>11</i>	415,266	340,051
Other payables and accruals		482,847	508,099
Amounts due to related parties		4,060	2,381
Contract liabilities		159,719	170,724
Lease liabilities		28,093	29,019
Contingent consideration payables		3,677	3,677
Income tax payable		526	1,391
		1,094,188	1,055,342

		<b>June 30, 2023</b>	December 31, 2022
	<i>Notes</i>	<b>(Unaudited)</b>	(Audited)
		<b>RMB'000</b>	<b>RMB'000</b>
<b>NET CURRENT ASSETS</b>		<u>1,441,591</u>	<u>1,639,993</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,852,746</u>	<u>1,874,212</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		39,750	38,745
Deferred tax liabilities		<u>1,419</u>	<u>1,335</u>
Total non-current liabilities		<u>41,169</u>	<u>40,080</u>
Net liabilities		<u>1,811,577</u>	<u>1,834,132</u>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	12	517	517
Reserves		<u>1,808,884</u>	<u>1,836,384</u>
		1,809,401	1,836,901
<b>Non-controlling interests</b>		<u>2,176</u>	<u>(2,769)</u>
Total deficits		<u>1,811,577</u>	<u>1,834,132</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

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

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

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

### 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2022. The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

### 3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of the following new and revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current period’s financial information.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The adoption of the new and revised standards amendments has had no significant financial effect on the Group’s interim condensed consolidated financial information.

#### 4. OPERATING SEGMENT INFORMATION

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

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

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

##### For the six months ended June 30, 2023

	<b>Specialty Pharmacy Business RMB'000 (Unaudited)</b>	<b>Physician Research Assistance Business RMB'000 (Unaudited)</b>	<b>Health Insurance Services Business RMB'000 (Unaudited)</b>	<b>Total RMB'000 (Unaudited)</b>
Segment revenue	2,158,757	170,506	108,693	2,437,956
Segment results	<u>97,585</u>	<u>47,408</u>	<u>73,097</u>	<u>218,090</u>
<b>Reconciliation:</b>				
Other income and gains				52,303
Selling and marketing expenses				(152,050)
Administrative expenses				(175,380)
Research and development expenses				(23,863)
Impairment losses recognized on financial assets and contract assets under ECL model				(1,829)
Other expenses				(2,145)
Finance costs				<u>(1,824)</u>
Group's loss before tax				<u><u>(86,698)</u></u>

**For the six months ended June 30, 2022**

	Specialty Pharmacy Business <i>RMB '000</i> (Audited)	Physician Research Assistance Business <i>RMB '000</i> (Audited)	Health Insurance Services Business <i>RMB '000</i> (Audited)	Total <i>RMB '000</i> (Audited)
Segment revenue	1,646,388	149,154	92,110	1,887,652
Segment results	<u>88,749</u>	<u>26,463</u>	<u>61,732</u>	<u>176,944</u>
<b>Reconciliation:</b>				
Other income and gains				22,351
Selling and marketing expenses				(160,614)
Administrative expenses				(252,329)
Research and development expenses				(34,286)
Impairment losses recognized on financial assets and contract assets under ECL model				(5,003)
Fair value changes of convertible redeemable preferred shares				(85,101)
Other expenses				(4,528)
Finance costs				(1,956)
Share of profits and losses of an associate				<u>81</u>
Group's loss before tax				<u><u>(344,441)</u></u>

**Geographical information**

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

**Information about major customers**

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

## 5. REVENUE

An analysis of revenue is as follows:

### Disaggregated revenue information for revenue from contracts with customers

	For the six months ended June 30,	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Audited)
<b>Types of goods or services</b>		
Specialty Pharmacy Business	2,158,757	1,646,388
Physician Research Assistance Business	170,506	149,154
Health Insurance Services Business	108,693	92,110
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>2,437,956</b>	1,887,652
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of revenue recognition</b>		
Recognized at a point in time	2,267,450	1,738,498
Recognized over time	170,506	149,154
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>2,437,956</b>	1,887,652
	<hr/> <hr/>	<hr/> <hr/>

## 6. LOSS BEFORE TAX

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

	For the six months ended June 30,	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Audited)
Cost of inventories sold	2,061,172	1,554,998
Cost of services provided	158,694	155,710
Depreciation of property, plant and equipment	4,798	6,693
Depreciation of right-of-use assets	17,889	15,590
Amortisation of other intangible assets	4,223	4,187
Government grants	(23,224)	(2,472)
Interest income	(19,759)	(8,206)
Foreign exchange difference, net	–	(8)
Impairment losses under ECL model	1,829	5,003
Auditor's remuneration	700	44
Expense relating to short-term leases	912	1,829
Expense relating to leases of low-value assets	1,093	1,302
Gains on financial assets at FVTPL	(8,681)	(10,260)
Loss on disposal of property, plant and equipment	34	7
Gain on remeasurement of the Group's previously held equity interest at the acquisition date	(97)	–
Listing expense	–	12,114
	<b>2,199,583</b>	<b>1,736,531</b>
Staff cost (excluding directors' and chief executive's remuneration):		
– Wages and salaries	282,763	321,186
– Pension scheme contributions	24,212	25,968
– Share-based payment compensation	54,118	63,274
	<b>361,093</b>	<b>410,428</b>

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

## 7. INCOME TAX

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

### Cayman Islands

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

### Hong Kong

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

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

### Mainland China

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

The income tax expense of the Group for the reporting periods is analyzed as follows:

	For the six months ended June 30,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Current income tax	710	1,638
Deferred income tax	(101)	(92)
Tax charge for the period	<u>609</u>	<u>1,546</u>

## 8. DIVIDENDS

No dividend has been paid or declared by the Company during the period (for the six months ended June 30, 2022: Nil).

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

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

The calculation of basic loss per share is based on:

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent (RMB'000)	<u>(92,321)</u>	<u>(346,327)</u>
<b>Ordinary shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation ( <i>note</i> )	645,494,859	99,000,000
Loss per share (RMB per share)	<u><u>(0.14)</u></u>	<u><u>(3.50)</u></u>

*Note:* Upon completion of the IPO on December 23, 2022, all preferred shares were automatically converted into ordinary shares. The computation of diluted loss per share for the six months ended June 30, 2022 did not assume conversion of the convertible redeemable preferred shares and the exercise of share options or restricted share units since their assumed conversion or exercise would result in a decrease in loss per share.

## 10. TRADE AND BILLS RECEIVABLES

	<b>June 30, 2023</b>	December 31, 2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Bills receivables	3,251	5,327
Trade receivables	306,536	248,180
Allowance for credit losses	(11,419)	(12,251)
	<u>298,368</u>	<u>241,256</u>

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

	<b>June 30, 2023</b>	December 31, 2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 1 month	162,729	138,125
1 to 2 months	41,022	29,733
2 to 6 months	78,201	46,326
6 to 12 months	15,992	24,114
Over 12 months	424	2,958
	<u>298,368</u>	<u>241,256</u>

## 11. TRADE PAYABLES

	<b>June 30, 2023</b>	December 31, 2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Trade payables	<u><b>415,266</b></u>	<u>340,051</u>

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

	<b>June 30, 2023</b>	December 31, 2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>300,707</b>	239,059
1 to 3 months	<b>98,120</b>	78,316
3 to 6 months	<b>8,782</b>	16,772
Over 6 months	<u><b>7,657</b></u>	<u>5,904</u>
	<u><b>415,266</b></u>	<u>340,051</u>

## 12. SHARE CAPITAL

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

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

### Shares

	<b>June 30, 2023</b>	December 31, 2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Issued and fully paid: 763,025,314 ordinary shares of USD0.0001 each	<u><b>517</b></u>	<u>517</u>

	<b>Number of shares in issue</b>	<b>Share capital <i>RMB'000</i></b>
At January 1, 2022 (audited)	219,199,231	138
Issue of shares from IPO ( <i>note a</i> )	9,919,400	7
Repurchase of ordinary share ( <i>note b</i> )	(2,668,776)	(2)
Conversion of redeemable convertible preferred shares to ordinary shares upon IPO ( <i>note c</i> )	<u>536,575,459</u>	<u>374</u>
At December 31, 2022 (audited) and June 30, 2023 (unaudited)	<u><u>763,025,314</u></u>	<u><u>517</u></u>

Note a: On December 23, 2022, the Company issued a total of 9,919,400 ordinary shares of USD0.0001 each at the price of HK\$18.60 per share by means of global offering.

Note b: In October 2022, the Company repurchased 2,668,776 ordinary shares with a par value of USD0.0001 from two special purpose vehicle shareholders.

Note c: All the 536,575,459 outstanding Preferred Shares were automatically converted into ordinary shares upon the completion of global offering on December 23, 2022.

## CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the Reporting Period, save for the following deviations. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

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

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

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

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

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

After the Reporting Period, the Company repurchased an aggregate of 420,000 Shares for a total amount of HK\$3,192,840 on July 21, July 24, July 25, July 27 and July 28, 2023 respectively on the Stock Exchange. As at the date of this interim results announcement, the Company has not canceled these repurchased Shares.

## **AUDIT COMMITTEE**

The Audit Committee had, together with the Board and external auditor of the Company, reviewed the accounting standards and practices adopted by the Group and the interim results for the six months ended June 30, 2023.

## **SCOPE OF WORK OF AUDITOR**

The independent auditor of the Company, Ernst & Young, has also reviewed the Group's interim financial information for the six months ended June 30, 2023 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## **PUBLICATION OF THE INTERIM RESULTS AND 2023 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.medbankshealthtech.com](http://www.medbankshealthtech.com)), and the 2023 interim report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

## DEFINITIONS AND GLOSSARY

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

“Audit Committee”	the audit committee of the Board
“Board of Directors” or “Board”	the board of Directors
“CG Code”	the “Corporate Governance Code” as contained in Appendix 14 to the Listing Rules
“China”, “Mainland China” or “PRC”	the People’s Republic of China, which, for the purpose of this interim results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“Company” or “our Company”	Sipai Health Technology Co., Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 19, 2015
“Director(s)”	the director(s) of the Company or any one of them
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“GP(s)”	the general practitioner who treat common medical conditions and refer patients to hospitals and other medical services for urgent and specialist treatment
“Group”, “our Group”, “our”, “we”, or “us”	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

“IASB”	International Accounting Standards Board
“IPO”	the initial public offering
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix 10 to the Listing Rules
“Reporting Period”	for the six months ended June 30, 2023
“Prospectus”	the prospectus of the Company dated December 12, 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with nominal value of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SMO”	site management organization, an organization that provides clinical trial related services to medical device companies having adequate infrastructure and staff to meet the requirements of the clinical trial protocol
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States Dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, August 30, 2023

*As at the date of this announcement, the Board of Directors comprises Mr. MA Xuguang and Mr. LI Ji as executive directors, Mr. YAO Leiwen as non-executive director, as well as Mr. CHANG Stanley Yi (張翊, alias 張翌軒), Mr. FAN Xin, Mr. HE Haijian and Ms. HUANG Bei as independent non-executive directors.*