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MedSci Healthcare Holdings Limited

梅斯健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2415)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of MedSci Healthcare Holdings Limited (the “**Company**”, “**We**” or “**Our**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 June 2023 (the “**Corresponding Period**”).

FINANCIAL HIGHLIGHTS

	For six months ended		Period-on- period movement*
	30 June		
	2024	2023	
	(Unaudited)	(Unaudited)	
	<i>(RMB'000)</i>		%
Revenue	110,665	151,400	(26.9)
Cost of sales	(42,729)	(63,070)	(32.2)
Gross profit	67,936	88,330	(23.1)
Profit for the period	248	11,920	(97.9)
Profit attributable to owners of the parent	248	11,920	(97.9)

* Period-on-period movement% represents a comparison between the Reporting Period and the Corresponding Period.

Revenue by solution category

	For six months ended 30 June				Period-on- period movement*
	2024		2023		
	(Unaudited)		(Unaudited)		
	<i>(RMB in thousands, except percentages)</i>				
	<i>RMB</i>	%	<i>RMB</i>	%	%
Revenue					
Precision Omni-channel Marketing Solutions	41,865	37.8	85,523	56.5	(51.0)
Physician Platform Solutions	55,246	49.9	43,876	29.0	25.9
Real-world clinical study ("RWS") Solutions	13,554	12.3	22,001	14.5	(38.4)
Total	<u>110,665</u>	<u>100.0</u>	<u>151,400</u>	<u>100.0</u>	<u>(26.9)</u>

* Period-on-period movement% represents a comparison between the Reporting Period and the Corresponding Period.

BUSINESS REVIEW AND OUTLOOK

The anti-corruption policies in the healthcare sector have propelled the pharmaceutical industry towards a higher level of compliant, academic-oriented and digital development. Although temporarily posing challenges and a certain degree of uncertainty for the pharmaceutical industry, we believe that these policies will not weaken the industry's foundation but will instead push the Chinese pharmaceutical industry towards high-quality development. By actively applying advanced artificial intelligence technology and strict compliance measures, the Group is fully prepared to address these transformations. We firmly believe that the Company possesses enough flexibility and resilience to seize the profound opportunities brought about by this transformation and achieve sustained business growth and long-term development in the future.

Based on evidence-based logic of medical proof, the Group's business matrix revolves around the generation, dissemination, and decision-making processes of medical proof, which supports its clients and partners in generating and applying high-quality evidence in healthcare scenarios in a safe and compliant manner, thereby realising the true medical value. As at 30 June 2024, the Group had over 5.1 million members, including approximately 3.2 million registered physician members, as well as a huge repository of clinical research data, clinical research outcomes, healthcare product details, and professional medical insights, which is applied across various aspects of the healthcare industry. Meanwhile, the Group also continues to attract more hospitals, experts, pharmaceutical companies, and researchers to join our network.

As at 30 June 2024, the Group has accumulatively provided medical solutions to 12 top research hospitals in China and covered over 2,000 hospitals, extending its reach from first- and second-tier cities to county-level and grassroots healthcare institutions. As at 30 June 2024, the Group had accumulatively served 591 pharmaceutical and medical device enterprises.

In the wake of the anti-corruption campaign in the healthcare industry that is reshaping the ecosystem of the pharmaceutical industry, despite being crucial for the long-term healthy development of the industry, this profound transformation has led to tightened client budgets and a decline in revenue in the short term. Through continuing innovation and proactive market response strategies, the Group is mitigating these short-term impacts, while being prepared to seize future growth opportunities. For the six months ended 30 June 2024, the Group's total revenue was approximately RMB110.7 million, with a period-on-period decrease of approximately 23.1% in gross profit and a period-on-period increase of approximately 3.1% in gross profit margin, mainly because the Group actively responded to the national call to conduct strict compliance reviews in collaboration with pharmaceutical enterprise clients to ensure that all academic research and promotional activities comply with the latest national compliance standards. Although these reviews have slightly extended the project execution and settlement cycles with temporary impact on project execution and completion settlement cycles, leading to a decrease in revenue, this is to ensure the long-term compliance and sustainable

development of all business operations. With the gradual completion of compliance reviews and the implementation of new standards, the Group anticipates that project execution speeds will gradually return to normal and are expected to accelerate further in the future. We firmly believe that this is a necessary step to safeguard the Company's long-term stability and will bring greater market trust and cooperation opportunities to the Company. In the precision digital marketing solutions business segment, the Group focused on key disease areas such as solid tumours, hematologic diseases, ophthalmology, immune diseases, and rare diseases to further strengthen its core competitiveness, enhance the customer experience, and increase average transaction value. The Group focuses on providing comprehensive marketing solutions for pharmaceutical and medical device enterprises by continuing to deliver high-quality products and solutions. For instance, during the Reporting Period, the Group launched solutions in various rare disease areas, including neurological disorders, to address the growing and diversified requirements of pharmaceutical and medical device enterprises. The Group has improved organisational efficiency related to customer value delivery, focusing on synergies and collaboration between business segments from both technical and commercial perspectives.

Driven by profound changes taking place in China's pharmaceutical industry, the efficient, compliant, evidence-driven commercialisation model for pharmaceutical and medical device products has become the inevitable alternative for Chinese pharmaceutical and medical device enterprises. Centred on the clinical research requirements of physicians, the Group is striving to establish innovative interactive models with a view to improving healthcare quality and realising commercial value.

PHYSICIAN PLATFORM SOLUTIONS

The Group operates online professional physician platforms in China. As at 30 June 2024, our platform had approximately 3.2 million registered physician users and our average number of unique registered users, including all registered users such as physicians, nurses, pharmacists and other non-healthcare professional, that accessed our MedSci platform in each month during the Reporting Period reached approximately 3.0 million during the Reporting Period, which further consolidated our position as the professional physician platform. Our MedSci platform also features a high percentage of experienced physician users with the title of associate-chief physician (副主任醫師) and above, as well as a professional physician platform with active users. The total number of registered physician users on our MedSci platform who had the title of associate-chief physician and above represented approximately 73.8% of the total number of physicians in China who had obtained the title of associate-chief physician and above, based on the latest published information from the National Health Commission of China. As at 30 June 2024, our MedSci platform covered 42 research areas, including 686,500 entries of medical information, representing an increase of 8,650 entries as compared to that as at 31 December 2023; included 133,550 user communities, representing an increase of over 200 user communities as compared to that as at 31 December 2023; and maintained 8,089 physician communities, representing an increase of over 2,025 physician communities as compared to that as at 31 December 2023. Our MedSci platform is

accessible through multiple channels such as website, mobile application, WeChat mini-program and WeChat public account. Such platform proactively engages physicians through means such as email, phone calls, WeChat, and WeChat groups. Contents available on our platform are principally and independently published by the Group. Furthermore, third parties, including pharmaceutical and medical device companies, industry associations, and individual self-media, are provided with ancillary support for their release of information.

During the Reporting Period, the Group was recognised as one of the first Shanghai Industrial Internet Demonstration Platforms, ranking first on the list. While continuing to follow the “Action Plan for Promoting High-Quality Development of Industrial Internet Platforms in Shanghai (2023–2025)” (《上海市促進產業互聯網平台高質量發展行動方案(2023–2025年)》), the Group closely aligned with the requirements of the manufacturing industry, optimised industry chain services, and committed ourselves to technological innovation, as a contributor to the joint efforts to drive capacity enhancement in the healthcare industry.

Meanwhile, in response to the policy requirements for high-quality hospital development, the Group further expanded its provision of intelligent-driven clinical research platforms and data analysis-driven solutions for departments and hospitals. As at 30 June 2024, the Group had provided clinical research solutions to 108 hospitals/302 departments, which is expected to become a new growth momentum for this segment.

For the six months ended 30 June 2024, revenue from the physician platform solutions business amounted to approximately RMB55.2 million, representing a period-on-period increase of approximately 25.9%. Such growth was mainly driven by a growing demand for clinical research among physicians at all levels. This demand stems from national policies that necessitate high-quality development of hospitals, coupled with the Group’s ability to offer products tailored to the specific needs of physicians at different levels. In the first six months of 2024, the Group’s current inventory orders increased by approximately RMB73 million to approximately RMB124 million.

EVIDENCE-DRIVEN PRECISION OMNI-CHANNEL MARKETING SOLUTIONS

The government's continuing anti-corruption efforts in the pharmaceutical industry in China have accelerated the transition of traditional pharmaceutical companies' marketing models towards evidence-based and digital marketing. The activity on the physician platform, the medical academic competence, and digital technology constitute the new infrastructure for digital pharmaceutical marketing. Therefore, the Group has consolidated its RWS solutions business with its precision omni-channel marketing solutions business, categorising them under evidence-driven precision marketing solutions. By persisting in the development model driven by both medicine and digitalisation, the Group continues to strengthen its medical academic competence, with substantial growth achieved in the following areas:

- (i) the Group's precision omni-channel marketing solutions mainly features the integration of academic marketing and digital marketing, which persists in the dual drive of medicine and digitalisation to promote the transformation of the pharmaceutical marketing model from traditional marketing models to digital and academic approaches, as pure digital marketing easily leads to the phenomenon where bad money drives out good money. As affected by policies including volume-based procurement and current anti-corruption campaigns in the healthcare industry, pharmaceutical and medical device enterprises have witnessed significant reduction in both revenue and profit, and therefore are actively seeking digital and academic marketing models, as well as marketing solutions to improve efficiency at lower costs, comply with regulations, and implement precise, value-based medicine, which aims to align with the current strict anti-corruption policies and identify alternatives to traditional marketing models;
- (ii) the Group's precision omni-channel marketing solutions does not contradict digital marketing or on-ground marketing. It flexibly adopts multimodal marketing approaches according to different stages of product lifecycles. For example, in the early stages of launching innovative drug products, the Group closely integrates digital academic marketing with the ground sales teams of our clients to achieve the omni-channel coverage for greater marketing effectiveness; and
- (iii) the Group adopts a value-based healthcare orientation. By persisting in the development model driven by both medicine and digitalisation, the Group explores the academic highlights of pharmaceutical and medical device products, which are used to identify the clinical application differences among different products. This allows the products to accurately match suitable patients, which is conducive to promoting rational use of drugs in clinical settings and facilitating the clinical recognition of the therapeutic value of the products, and ultimately benefits patients, as well as pharmaceutical and medical device enterprises.

During the Reporting Period, the demand for the precision omni-channel marketing solutions business continued to grow, particularly with a significant increase in orders from domestic pharmaceutical and medical device enterprises. However, both the pharmaceutical and medical device enterprises and physicians at hospitals increased compliance requirements in light of the current high national requirements, necessitating a longer period of compliance reviews by pharmaceutical and medical device enterprises and physicians at hospitals during project execution, which extended our project execution timeframe and therefore led to a decline in revenue for this segment during the Reporting Period. For the Reporting Period, revenue from this segment was approximately RMB41.9 million, representing a period-on-period decrease of approximately 51.0%. In response, the Group has focused on increasing marketing activities, optimising product offerings, adjusting pricing strategy and improving operational efficiency.

Our business has transitioned from single project to comprehensive solutions, with the average transaction value increasing from approximately RMB178,000 to approximately RMB248,000. During the Reporting Period, the share of comprehensive solutions increased from approximately 31.1% to approximately 46.6%.

As at 30 June 2024, the Group had 563 active customers, including 477 core pharmaceutical, biotechnology, and medical device enterprise clients. During the Reporting Period, the revenue retention rate for the Group's top 10 customers was 100%. Among the Group's top 20 customers, 11 were multinational pharmaceutical companies and 18 were listed companies.

The anti-corruption campaign in the healthcare industry has accelerated the transformation of domestic pharmaceutical and medical device enterprises. In the first six months of 2024, the Group added 64 new domestic pharmaceutical enterprise clients, with the current inventory orders increasing by approximately RMB90 million to approximately RMB195 million, and the proportion of revenue from domestic pharmaceutical enterprises reaching approximately 58.9%.

RWS SOLUTIONS

In the area of RWS solutions, the Group provides pharmaceutical and medical device enterprises with high-quality and cost-effective post-marketing clinical research solutions, including real-world studies, pharmacovigilance studies, pharmacoeconomics research, and innovative device registration studies.

During the Reporting Period, the revenue from the Group's RWS solutions business was approximately RMB13.6 million, representing a period-on-period decrease of 38.4%. This decrease was primarily attributable to (i) extended project negotiation cycle during the Reporting Period due to the impact of the domestic anti-corruption and pharmaceutical market transformation; and (ii) reduction in completed projects resulting from delays in enrollment of researchers, attributed to a lack of motivation.

During the Reporting Period, the Group executed 154 projects, and the current inventory orders increased from RMB135 million at the end of 2023 to RMB180 million.

OUTLOOK

To achieve our mission of “improving medical quality” and further consolidate our leading position on the physician platform, the Group will continue to:

- (i) expand coverage across various levels of physicians;
- (ii) deepen and enrich the Group’s knowledge and application in key disease areas;
- (iii) strengthen the innovation, research and development, application and development of artificial intelligence technologies to further improve output efficiency;
- (iv) increase customer penetration rate and enhance synergistic effects between business segments;
- (v) explore opportunities in international markets; and
- (vi) further enrich our ecosystem through strategic partnerships, investments, and acquisitions.

The Group will continue to reinforce its extensive cultivation strategy for the physician platform solutions by:

- (i) expanding coverage among grassroots physicians;
- (ii) updating and upgrading products related to clinical study assistance services;
- (iii) strengthening the development of networks and communities in key specialty areas;
- (iv) exploring additional services for the physician community to meet their unmet requirements, such as the development of physician intellectual properties; and
- (v) exploring the expansion of coverage among overseas physicians and providing them with professional services.

As for the precision omni-channel marketing solutions, in line with the continuous introduction of regulations and policies, the Group will accelerate the production of research-grade evidence, driving the development of one-stop commercialisation solutions for pre-launch products. The Group will continue to focus on:

- (i) compliant academic promotion solutions;
- (ii) specialised focus on key disease areas;
- (iii) expansion into rare disease fields; and

(iv) application of artificial intelligence to the efficiency of precision omni-channel marketing operations.

As for RWS solutions, the Group will continue to tap into the potential of evidence-based production, actively explore digital innovation and development for instance, introducing technologies such as digital targeting into clinical research projects, and further enhance data collection and management capabilities based on artificial intelligence, with a view to promoting the enhancement of clinical research quality and efficiency.

The Group is well-positioned to become a pioneering leader in the rapidly transforming Chinese pharmaceutical industry. Moving forward, the Group will continue with the innovative introduction of applications and solutions driven by artificial intelligence and evidence to seize enormous market opportunities in China and other regions, while delivering greater value to industry participants within the ecosystem through our intelligent infrastructure.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	<i>Notes</i>	For the six months ended 30 June	
		2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
REVENUE	5	110,665	151,400
Cost of sales		<u>(42,729)</u>	<u>(63,070)</u>
GROSS PROFIT		67,936	88,330
Other income and gains		18,883	13,158
Selling and distribution expenses		(37,850)	(49,725)
Administrative expenses		(35,820)	(31,773)
Research and development expenses	6	(12,022)	(19,144)
Impairment losses on financial and contract assets		(519)	(572)
Fair value gains on convertible redeemable preferred shares		—	12,785
Other expenses		(760)	(18)
Finance costs		(88)	(153)
(LOSS)/PROFIT BEFORE TAX	6	(240)	12,888
Income tax credit/(expense)	7	488	(968)
PROFIT FOR THE PERIOD		248	11,920
Attributable to owners of the parent		<u>248</u>	<u>11,920</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic		<u>RMB0.05 cents</u>	<u>RMB2.40 cents</u>
Diluted		<u>RMB0.05 cents</u>	<u>RMB(0.17) cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Translation difference of the Company's financial statements into presentation currency	<u>5,751</u>	<u>42,520</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>46</u>	<u>16</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>5,797</u>	<u>42,536</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>6,045</u>	<u>54,456</u>
Attributable to owners of the parent	<u>6,045</u>	<u>54,456</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2024

		30 June	31 December
		2024	2023
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		16,100	16,403
Right-of-use assets		4,904	5,362
Intangible assets		2,395	2,683
Deposits		211	801
Deferred tax assets		3,830	3,342
		<hr/>	<hr/>
Total non-current assets		27,440	28,591
		<hr/>	<hr/>
CURRENT ASSETS			
Trade receivables	<i>10</i>	25,599	34,765
Contract assets		80,390	88,637
Prepayments, deposits and other receivables		31,276	8,722
Financial assets at fair value through profit or loss		526,092	501,892
Time deposits		484,540	451,074
Cash and bank balances and time deposits		141,404	181,920
		<hr/>	<hr/>
Total current assets		1,289,301	1,267,010
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade payables	<i>11</i>	1,565	2,052
Other payables and accruals		164,576	162,137
Lease liabilities		3,765	3,992
Tax payable		1,888	6,397
		<hr/>	<hr/>
Total current liabilities		171,794	174,578
		<hr/>	<hr/>
NET CURRENT ASSETS		1,117,507	1,092,432
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,144,947	1,121,023
		<hr/>	<hr/>

		30 June	31 December
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		<u>786</u>	<u>644</u>
Total non-current liabilities		<u>786</u>	<u>644</u>
NET ASSETS		<u>1,144,161</u>	<u>1,120,379</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>12</i>	420	420
Treasury shares		(387)	(42,037)
Reserves		<u>1,144,128</u>	<u>1,161,996</u>
TOTAL EQUITY		<u>1,144,161</u>	<u>1,120,379</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

1. CORPORATE INFORMATION

MedSci Healthcare Holdings Limited (the “**Company**”) is incorporated in the Cayman Islands on 22 June 2021 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office address of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The principal place of business of the Group is located at Floor 3, Lane 425, Yishan Road, Xuhui District, Shanghai, China.

The Company is an investment holding company. During the period, the principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are the provision of physician platform solutions, precision omni-channel marketing solutions, and real-world study solutions (collectively the “**Listing Business**”) in the People’s Republic of China (the “**PRC**”).

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) effective from 27 April 2023.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 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 31 December 2023.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current period’s financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of revised IFRSs are described below:

- a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

- b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of physician platform solutions, precision omni-channel marketing solutions and real-world study solutions in Chinese Mainland.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

During the period, the Group operated within one geographical location because all of its revenues were generated in the Chinese Mainland and all of its long-term assets/capital expenditures were located/incurred in the Chinese Mainland. Accordingly, no geographical information is presented.

(b) Non-current assets

Almost all of the Group's non-current assets as at the end of each reporting period were located in Chinese Mainland. Accordingly, no geographical information of segment assets is presented.

Information about major customers

No revenue from the provision of services to a single customer amounted to 10% or more of the total revenue of the Group during the period.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	<u>110,665</u>	<u>151,400</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

For the six months ended 30 June 2024

	Physician platform solutions RMB'000 (Unaudited)	Precision omni-channel marketing solutions RMB'000 (Unaudited)	Real-world study solutions RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of services				
Provision of services	<u>55,246</u>	<u>41,865</u>	<u>13,554</u>	<u>110,665</u>
Geographical market				
Chinese Mainland	<u>55,246</u>	<u>41,865</u>	<u>13,554</u>	<u>110,665</u>
Timing of revenue recognition				
Over time	<u>55,246</u>	<u>41,865</u>	<u>13,554</u>	<u>110,665</u>
Total revenue from contracts with customers	<u>55,246</u>	<u>41,865</u>	<u>13,554</u>	<u>110,665</u>

For the six months ended 30 June 2023

	Physician platform solutions RMB'000 (Unaudited)	Precision omni-channel marketing solutions RMB'000 (Unaudited)	Real-world study solutions RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of services				
Provision of services	<u>43,876</u>	<u>85,523</u>	<u>22,001</u>	<u>151,400</u>
Geographical market				
Chinese Mainland	<u>43,876</u>	<u>85,523</u>	<u>22,001</u>	<u>151,400</u>
Timing of revenue recognition				
Over time	<u>43,876</u>	<u>85,523</u>	<u>22,001</u>	<u>151,400</u>
Total revenue from contracts with customers	<u>43,876</u>	<u>85,523</u>	<u>22,001</u>	<u>151,400</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Note</i>	For the six months ended	
		30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cost of services provided**		21,343	35,994
Depreciation of property, plant and equipment	9	489	618
Depreciation of right-of-use assets		3,035	3,262
Amortisation of intangible assets		432	112
Research and development expenses*		12,022	19,144
Impairment/(reversal of impairment) of financial assets, net:			
— Trade receivables		(52)	(320)
— Contract assets		2	807
— Other receivables		569	85
Lease payment not included in the measurement of lease liabilities		29	—
Bank interest income		10,315	6,012
Tax incentives		148	227
Fair value gains on convertible redeemable preferred shares		—	(12,785)
Fair value gain on financial assets at fair value through profit or loss		7,394	1,119
Listing fee		—	13,078
Employee benefit expenses (including directors' and chief executive's remuneration):			
Salaries, bonuses and other allowances		59,747	67,610
Pension scheme contributions and social welfare		11,829	17,260
Equity-settled share-based payments		16,530	3,189
Total		<u>88,106</u>	<u>88,059</u>

* The amounts disclosed for research and development expenses included direct employee costs and overhead costs (e.g., depreciation of the related equipment) and represent current period's expenditures.

** Cost of services provided represents "Cost of sales" in the consolidated statement of profit or loss excluding employee benefit expense, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets.

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and the Group's subsidiary incorporated in the British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong and the United States were not liable for income tax as the subsidiary in Hong Kong did not have any assessable profits arising in Hong Kong and the subsidiary in the United States has tax losses during the periods.

The provision for current income tax in Chinese Mainland is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, except for Shanghai Meisi Medical Technology Co., Ltd (“Shanghai MedSci”), a subsidiary of the Group. Shanghai MedSci was accredited as a high and new technology enterprise (“HNTE”) and reapplied the certification in 2023, as the certification was valid for three years. Accordingly, Shanghai MedSci was subject to CIT at a rate of 15% for the six months ended 30 June 2024 and 2023.

Corporate income tax of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in Chinese Mainland during the periods. The major components of income tax expense/(credit) of the Group are as follows:

	For the six months ended	
	30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current — Mainland China:		
Charge for the period	—	1,046
Deferred tax	<u>(488)</u>	<u>(78)</u>
Total tax (credit)/charge for the period	<u><u>(488)</u></u>	<u><u>968</u></u>

8. DIVIDENDS

The board has resolved not to declare any interim dividend in respect of the period.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts are based on the profit/(loss) attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 540,330,093 (six months ended 30 June 2023: 497,185,131) in issue during the period.

For the six months ended 30 June 2023, the calculation of the diluted earnings/(loss) per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the six months ended 30 June 2024, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2024 in respect of a dilution as the impact of the awarded interest/shares of the Company's/Shanghai MedSci's share incentive plan (note 13) had an antidilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
EARNINGS		
Earnings attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	248	11,920
Less: Fair value gains on convertible redeemable preferred shares	—	12,785
	<u>248</u>	<u>11,920</u>
Earnings/(loss) attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	<u>248</u>	<u>(865)</u>
Number of shares		
For the six months ended		
30 June		
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	540,330,093	497,185,131
Effect of dilution — weighted average number of ordinary shares:		
Convertible redeemable preferred shares	—	1,135,617
	<u>540,330,093</u>	<u>498,320,748</u>
Total	<u>540,330,093</u>	<u>498,320,748</u>

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 year	24,451	33,832
1 to 2 years	1,096	887
2 to 3 years	<u>52</u>	<u>46</u>
Total	<u>25,599</u>	<u>34,765</u>

11. TRADE PAYABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 3 months	<u>1,565</u>	<u>2,052</u>

12. SHARE CAPITAL

	At 30 June 2024		At 31 December 2023	
	<i>Number of shares (Unaudited)</i>	<i>Amount RMB'000 (Unaudited)</i>	<i>Number of shares (Audited)</i>	<i>Amount RMB'000 (Audited)</i>
Authorised:				
Ordinary shares of USD0.0001 each	<u>15,000,000,000</u>	<u>10,361</u>	<u>15,000,000,000</u>	<u>10,361</u>
Issued:				
Ordinary shares of USD0.0001 each	<u>607,170,950</u>	<u>420</u>	<u>607,170,950</u>	<u>420</u>

13. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 30 August 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the first half of 2024, the Group generated revenue primarily from three main business lines, namely (i) precision omni-channel marketing solutions; (ii) physician platform solutions; and (iii) RWS solutions. The total revenue of the Group decreased by 26.9% from approximately RMB151.4 million for the six months ended 30 June 2023 to approximately RMB110.7 million during the Reporting Period, mainly attributable to prolonged compliance review times for both pharmaceutical and medical device companies, as well as hospital doctors, who faced heightened compliance requirements under current national standards, resulting in an extension of project execution.

(i) Precision omni-channel marketing solutions

Revenue from precision omni-channel marketing solutions is primarily derived from fees paid by pharmaceutical and medical device companies in engaging the Group for precision detailing services, medical content creation services and online survey services. Revenue from precision omni-channel marketing solutions decreased by approximately 51.0% from approximately RMB85.5 million for the six months ended 30 June 2023 to approximately RMB41.9 million for the same period in 2024, mainly attributable to prolonged compliance review times for both pharmaceutical and medical device companies, as well as hospital doctors, who faced heightened compliance requirements under current national standards, resulting in an extension of project execution.

(ii) Physician platform solutions

Revenue from physician platform solutions is primarily derived from (i) service fees paid by physicians for engaging us for clinical study assistance services; and (ii) subscription fees paid by physicians for accessing certain premium academic medical contents on the MedSci platform. Revenue from physician platform solutions increased by approximately 25.9% from approximately RMB43.9 million for the six months ended 30 June 2023 to approximately RMB55.2 million for the same period in 2024, mainly driven by a growing demand for clinical research among physicians at all levels. This demand stemmed from national policies that necessitate high-quality development of hospitals, coupled with the Group's ability to offer products tailored to the specific needs of physicians at different levels.

(iii) RWS solutions

Revenue from RWS solutions is primarily derived from service fees paid by pharmaceutical and medical device companies in engaging the Group to design, administer and execute real-world evidence-based research projects to help expand their medical products' indication and recognition. Revenue from RWS solutions decreased by approximately 38.4% from approximately RMB22.0 million for the six months ended 30 June 2023 to approximately RMB13.6 million for the same period in 2024, mainly due to (i) extended project negotiation cycle during the Reporting Period due to the impact of the domestic anti-corruption and pharmaceutical market transformation; and (ii) reduction in completed projects resulting from delays in enrollment of researchers, attributed to a lack of motivation.

Cost of Sales

Our cost of sales primarily consists of (i) staff salaries and benefits relating to employee benefit expenses incurred for employees involved in operating our platform and offering our solutions to customers; (ii) content development costs primarily relating to content development fees paid to various content contributors, copyright owners and other third parties to produce contents for our solutions offering; (iii) meeting affair charge relating to offline academic conferences we organised; and (iv) various other miscellaneous expenses such as, among others, office expenses and depreciation and amortisation incurred during the ordinary course of our business. Our cost of sales decreased by approximately 32.3% from approximately RMB63.1 million for the six months ended 30 June 2023 to approximately RMB42.7 million for the same period in 2024, mainly attributable to effective control of content development costs by leveraging the Group's artificial intelligence technology.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by approximately 23.1% from approximately RMB88.3 million for the six months ended 30 June 2023 to approximately RMB67.9 million for the same period in 2024. For the six months ended 30 June 2024, our gross profit margin was approximately 61.4%, representing a slight increase as compared to 58.3% for the same period in 2023.

Other Income and Gains

Our other income primarily consists of (i) bank interest income; (ii) tax incentives granted by local authorities; (iii) government grants; (iv) value-added tax; and (v) others. We also recognised gains for the six months ended 30 June 2024, which primarily include (i) foreign exchange gains; and (ii) fair value gains on financial assets through profit or loss. For the six months ended 30 June 2024, our other income and gains were approximately RMB18.9 million, as compared to approximately RMB13.2 million for the same period in 2023. The increase was mainly attributable to the increase in bank interest income.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) staff salaries and benefits mainly including expenses paid to employees performing selling and distribution functions; (ii) traveling expenses mainly including traveling fees incurred by our employees in performing selling and distribution functions; (iii) professional fees in relation to fees paid to external lecturers in hosting our online courses; (iv) business development expenses mainly including marketing-associated costs in relation to various online and offline campaigns; and (v) other miscellaneous expenses, such as, office expenses and depreciation and amortisation in relation to property, office equipment and electronic equipment in association with selling and distribution functions. Our selling and distribution expenses decreased by approximately 23.9% from approximately RMB49.7 million for the six months ended 30 June 2023 to approximately RMB37.9 million for the same period in 2024, mainly attributable to the optimised marketing team of the Group.

Administrative Expenses

Our administrative expenses primarily consist of (i) staff salaries mainly including salaries and benefits paid to employees performing administrative functions; (ii) depreciation and amortisation in relation to property, office equipment and electronic equipment in association with administrative functions; (iii) external consulting fees in relation to auditing fees, service fees paid for external training and service fees paid to employment agencies; (iv) office expenses in relation to administrative functions; (v) share-based payment in relation to the equity incentive plan; and (vi) other miscellaneous fees such as travelling expenses and utility expenses incurred during the ordinary course of our business when performing administrative functions. Our administrative expenses increased by approximately 12.7% from approximately RMB31.8 million for the six months ended 30 June 2023 to approximately RMB35.8 million for the same period in 2024, mainly attributable to the expenses on the Group's equity incentive plan.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee salaries and benefits, which primarily include salaries and benefits paid to employees performing research and development duties; (ii) depreciation and amortisation of properties, office equipment and electronic equipment related to research and development functions; (iii) technical service fees in relation to research and development service fees; (iv) procurement fees for software and servers, etc. related to research and development activities; and (v) other miscellaneous expenses. Our research and development expenses decreased by approximately 37.2% from approximately RMB19.1 million for the six months ended 30 June 2023 to approximately RMB12.0 million for the same period in 2024, mainly due to the Group's effort in accelerating its research and development process by leveraging artificial intelligence technology, leading to a reduction in the number of developers.

Impairment Losses on Financial and Contract Assets

Impairment losses on financial and contract assets arise primarily from impairments of trade receivables, contract assets and other assets. For the six months ended 30 June 2023 and 2024, we had impairment losses on financial and contract assets of approximately RMB0.6 million and RMB0.5 million, respectively. An impairment analysis is performed at the end of each of reporting periods using a provision matrix to measure expected credit losses. The provision rates are based on aging and past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of reporting periods about past events, current conditions and forecasts of future economic conditions.

Fair Value Gains on Convertible Redeemable Preferred Shares

Our fair value gains on convertible redeemable preferred shares arise primarily from the changes in the carrying amount of our convertible redeemable preferred shares in connection with the pre-IPO investments in the Company undertaken by the pre-IPO investors pursuant to the relevant investment agreements, details of which are set out in the prospectus of the Company dated 17 April 2023 (the "**Prospectus**"). Prior to the listing of the shares of the Company, such convertible redeemable preferred shares have not been traded in an active market and their value at each respective reporting period is determined using valuation techniques. For the six months ended 30 June 2023, we had fair value gains on convertible redeemable preferred shares of approximately RMB12.8 million. As all the preferred shares were converted into ordinary shares of the Company on a one-to-one basis immediately prior to the completion of the capitalisation issue and the Global Offering, no fair value gains on convertible redeemable preferred shares were recorded for the six months ended 30 June 2024.

Other Expenses

Our other expenses primarily consist of bank charges and exchange losses. We recorded other expenses of approximately RMB18,000 and RMB0.8 million for the six months ended 2023 and 2024, respectively.

Finance Costs

Our finance costs primarily represent interest on our lease liabilities. We recorded finance costs of approximately RMB0.2 million and RMB88,000 for the six months ended 2023 and 2024, respectively.

(Loss)/Profit before Tax

As a result of the foregoing, we generated loss before tax of approximately RMB0.2 million for the six months ended 30 June 2024 as compared to a profit before tax of approximately RMB12.9 million for the six months ended 30 June 2023.

Income Tax Credit/(Expense)

We generated income tax credit of approximately RMB0.5 million for the six months ended 30 June 2024 as compared to an income tax expense of approximately RMB1.0 million for the same period in 2023, mainly attributable to the decrease in revenue.

Profit for the Period and Profit Attributable to Owners of the Parent

As a result of the foregoing, we generated profit for the period of approximately RMB0.2 million for the six months ended 2024 as compared to approximately RMB11.9 million for the same period in 2023, while the profit attributable to owners of the parent for the six months ended 2023 and 2024 was approximately RMB11.9 million and RMB0.2 million, respectively. Our net profit margin (calculation of which is based on profit for the period) decreased from approximately 7.9% for the six months ended 30 June 2023 to approximately 0.2% for the same period in 2024.

LIQUIDITY AND CAPITAL RESOURCES

For the six months ended 30 June 2024, we mainly financed our future capital requirements through cash generated from our business operations, and the net proceeds from the Global Offering. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

The unutilised portion of the net proceeds raised by the Company from the Global Offering was placed with the licensed financial institutions as short-term deposits.

Cash and Cash Equivalents

The Group operates its business in the China and its transactions and revenue were primarily denominated in Renminbi. As such, the Group did not have material exposure to fluctuations in foreign currency exchange rates for cash generated from its operating activities. However, the net proceeds received by the Company from the Global Offering are denominated in Hong Kong dollars and the Company is exposed to fluctuation of exchange rate between RMB and Hong Kong dollars. The net proceeds raised by the Group from the Global Offering in April 2023 was approximately HKD526.8 million. As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB341.4 million (mainly including cash at banks), as compared to approximately RMB628.6 million as at 31 December 2023.

The Group currently do not have any hedging policy for foreign currencies in place. However, the Board will remain alert to any relevant risks and, if necessary, consider to hedge any material potential foreign exchange risk.

Banking Facilities

For six months ended 30 June 2024, we did not have any banking borrowings or other interest-bearing borrowings, nor did we have outstanding bank and other borrowings and other debts, save for the lease liabilities for the relevant lease terms amounting to approximately RMB4.6 million in aggregate.

Gearing Ratio

As at 30 June 2024, the gearing ratio, which is calculated by dividing borrowings by total equity, is zero as there was no debt.

Charge on Assets

As at 30 June 2024, we did not pledge any of our assets.

Capital Expenditure

As at 30 June 2024, we did not have any significant capital expenditure.

Capital Commitment

As at 30 June 2024, we did not have any significant capital commitment.

Contingent Liabilities

As at 30 June 2024, we did not have any material contingent liabilities.

Employees, Staff Costs and Remuneration Policies

As at 28 August 2024, the Group has a total of 534 full-time employees, all of who are based in China. In particular, 67 employees are responsible for the Group's management, 210 employees for platform operation and customer services, 40 employees for research and development, 29 employees for general and administration, and 188 employees for sales and marketing.

For the six months ended 30 June 2024, the total staff cost incurred by the Group was approximately RMB88.1 million, as compared to approximately RMB88.1 million for the same period in 2023.

The Group provides our employees with salaries and bonuses, as well as employee benefits, including employee retirement benefit schemes, medical and vocational injury insurance schemes and housing provident fund schemes. Our employees located in China are covered by the mandatory social security schemes defined by PRC local practice and regulations, which are essentially defined contribution schemes.

The Group provides orientation and training to new recruits as well as ongoing in-house training for junior employees, which the Group believes can enhance the skills and productivity of its employees. The Group compensates employees with base salaries and performance-based bonuses.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting high standards of corporate governance, which is essential to the Company's development and protection of the interests of its shareholders. The Company has adopted the relevant code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as the basis for its corporate governance practices.

The Board is of the view that the Company has complied with all the applicable code provisions as set out in the CG Code during the six months ended 30 June 2024. The Board will continue to review and monitor the corporate governance practices of the Company with the aim of maintaining a high standard of corporate governance.

Purchase, Sale or Redemption of 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 sale of treasury shares).

As at 30 June 2024, there were no treasury shares held by the Company or any of its subsidiaries.

Use of Proceeds

The shares (the “**Shares**”) of the Company were listed on the Main Board of The Stock Exchange of Hong Kong (the “**Stock Exchange**”) on 27 April 2023 (the “**Listing Date**”) at HKD9.10 per share, with net proceeds received by the Company from the Global Offering in the amount of approximately HKD526.8 million after deducting underwriting commissions and all related expenses. The following table sets forth the Company's use of the proceeds from the Global Offering as at 30 June 2024:

	Approximate% of the total net proceeds	Net proceeds from the Global Offering <i>HKD'million</i>	Unutilised amount (as at 1 January 2024) <i>HKD'million</i>	Utilised amount (from 1 January 2024 to 30 June 2024) <i>HKD'million</i>	Unutilised amount (as at 30 June 2024) <i>HKD'million</i>
Business expansion	45	237.1	237.1	21	216.1
Further technology development	35	184.4	162.7	12	150.7
Potential investments and acquisitions or strategic alliance with companies that can generate synergies with our business	15	79.0	79.0	6.5	72.5
Working capital and general corporate purposes	5	26.3	—	—	—
Total	<u>100.0</u>	<u>526.8</u>	<u>478.8</u>	<u>39.5</u>	<u>439.3</u>

Note:

- (1) The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances.

The unutilised net proceeds as at 30 June 2024 amounted to HKD439.3 million. The Group will gradually utilise the net proceeds in accordance with the intended purposes and timeline as stated in the Prospectus and by end of 2025.

Significant Investments, Acquisition and Disposals

Except for investment in subsidiaries, there were no significant investments held by the Group as at 30 June 2024. The Group had no other material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the aforementioned section headed “Use of proceeds” in this announcement, the Group did not have plan for material investments and capital assets as at the date of this announcement.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

Changes to Directors’ Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors, as notified to the Company, since publication of the Group’s 2023 Annual Report up to 30 August 2024 (being the date of approval of this announcement) are set out below:

Director	Details of Changes
Ms. Liu Tao	<p>With effect from 13 August 2024, resigned as an independent director and a member of the audit committee of Y.U.D. Yangtze River Investment Industry Co., Ltd. (長發集團長江投資實業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600119); and</p> <p>With effect from 24 July 2024, resigned as an independent non-executive director and the chairwoman of the audit committee and a member of each of the remuneration committee and the corporate governance committee of Glorious Property Holdings Ltd. (恆盛地產控股有限公司), a company listed on the Stock Exchange (stock code: 845).</p>

Save as disclosed above, there is no change in Directors’ information required to be disclosed.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no other significant events occurred subsequent to 30 June 2024 and up to the date of this announcement.

REVIEW OF INTERIM RESULTS

The audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Ms. Liu Tao, Mr. Yu Mingyang and Mr. Lau Yiu Kwan Stanley. The chairwoman of the Audit Committee is Ms. Liu Tao.

The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2024 with the management of the Company. The Audit Committee considered that the unaudited consolidated interim results of the Group for the six months ended 30 June 2024 are in compliance with the applicable accounting standards, laws and regulations. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and issues in relation to internal control, risk management and financial reporting with the management of the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://ir.medsci.cn/zh_cn).

The interim report of the Company for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
MedSci Healthcare Holdings Limited
梅斯健康控股有限公司

Dr. Zhang Fabao
Chairman of the Board and Executive Director

Hong Kong, 30 August 2024

As at the date of this announcement, the Board comprises Dr. Zhang Fabao, Dr. Li Xinmei, Mr. Fan Jie and Mr. Wang Shuai, as executive Directors; Mr. Hu Xubo and Mr. Yan Shengfeng, as non-executive Directors; and Ms. Liu Tao, Mr. Yu Mingyang and Mr. Lau Yiu Kwan Stanley, as independent non-executive Directors.