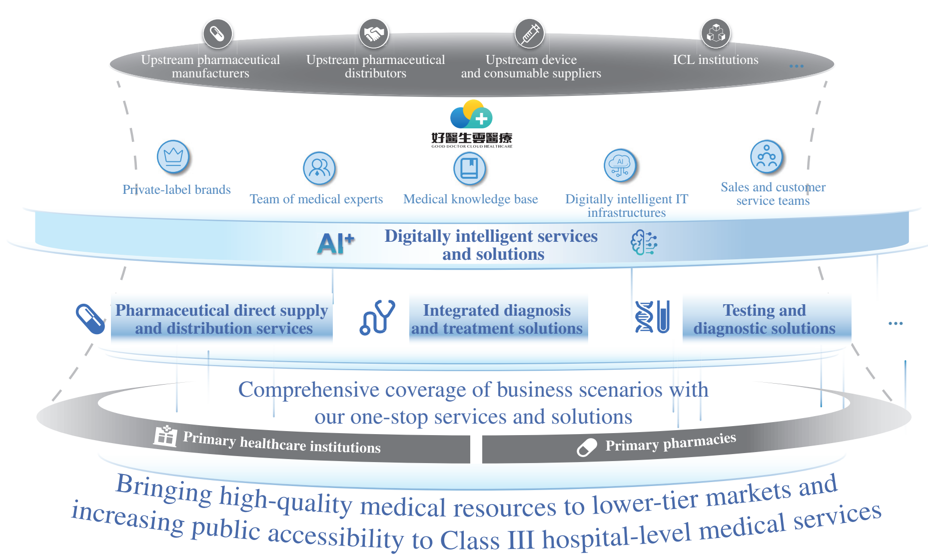
*This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to* [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in investing in the* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully in full before you decide to* [**REDACTED**] *in the* [**REDACTED**].

## OVERVIEW

We are a leading service provider for primary healthcare terminals in China. We primarily focus on pharmaceutical direct supply to primary healthcare terminals. We also offer integrated diagnosis and treatment solutions as well as testing and diagnostic solutions tailored to our primary healthcare terminal customers. We are dedicated to bringing high-quality medical resources to lower-tier markets and increasing public accessibility to Class III hospital-level medical services and products in these areas. Our offerings center on the core business process of primary healthcare institutions, forming a seamless "testing-diagnosis-medication" loop that supports their delivery of medical services to patients. According to CIC, we are the only service provider in the primary healthcare industry in China that offers primary healthcare institutions services and solutions with comprehensive coverage of their business scenarios, including testing, diagnosis, medication and the integration of diagnosis and treatment. According to the same source, in terms of revenue in 2024, we ranked second in the pharmaceutical direct supply market in primary healthcare in China.

We began operations in 2016 to address the widespread inadequacy of clinical testing in primary healthcare institutions. Since then, we have been continually expanding our solution portfolio to address the issues of limited digital competency, inadequate capabilities in clinical testing, diagnosis and treatment, as well as the lengthy, inefficient and homogeneous supply chain across the primary healthcare industry. We have established three business segments: (i) pharmaceutical direct supply and distribution services, (ii) integrated diagnosis and treatment solutions and (iii) testing and diagnostic solutions. Our customers are mainly primary healthcare terminals, including (i) primary healthcare institutions, encompassing village health stations, outpatient departments and clinics, and (ii) primary pharmacies, encompassing individual pharmacies and small-to-medium chain pharmacies.

The following diagram illustrates our business model:



We have a large and active customer base. As of December 31, 2025, we had directly served more than 670,500 primary healthcare terminal customers, including more than 390,100 primary healthcare institutions and 280,400 primary pharmacies, which comprised more than 202,400 individual pharmacies and more than 77,900 small-to-medium chain pharmacies. The number of our registered primary healthcare terminal customers increased at a CAGR of 11.4% from December 31, 2023 to December 31, 2025. Through our primary healthcare terminal customers, we were able to indirectly benefit approximately 617 million people in the primary healthcare industry in China, which is calculated by multiplying the number of primary healthcare terminals we covered as of December 31, 2025 by the average number of individuals served by each type of primary healthcare terminal, according to CIC. We have also achieved extensive presence and deep penetration in the lower-tier markets. As of December 31, 2025, our coverage of primary healthcare terminal customers had extended to over 99% of the total number of counties in China.

In addition, we achieved a revenue CAGR of 11.7% from 2023 to 2025, with revenue increasing from RMB3,064.9 million in 2023 to RMB3,822.8 million in 2025. We also achieved scale profitability since 2023.

The following diagram sets forth the highlights of our business operations:

| | | | | | | |
|---|---|---|---|---|---|---|
| **Market Position** | **No. 2** | In terms of revenue in pharmaceutical direct supply market in primary healthcare in China[1] | **No. 1** | In terms of revenue in testing and diagnostic solution market in primary healthcare in China[1] | **Most comprehensive** | The only service provider that offers comprehensive coverage of primary healthcare institutions' business scenarios, including testing, diagnosis, medication and the integration of diagnosis and treatment[2] |
| **Products and Services** | **10,690** | SKU of pharmaceuticals under a direct supply and exclusive distribution model[2] *(the first in the industry)* | **46,885** | Total SKU of pharmaceuticals and other healthcare products across business segments[2] | **3,701** | SKU of testing and diagnostic items[2] |
| **Customer Base** | **670,500+** | Primary healthcare terminals[3] **CAGR[4] of 11.4%** | **292,700+** | Number of paying customers[3] | **122,700+** | Number of monthly average paying customers[3] |

*Notes* 1: In 2024; 2: as of December 31, 2025; 3: in 2025; 4: CAGR from 2023 to 2025.

## Our Market Opportunities

The primary healthcare industry in China is massive in scale. This industry primarily consists of primary healthcare terminals that cover the large-scale lower-tier markets in China, including primary healthcare institutions and primary pharmacies. According to CIC, as of December 31, 2024, there were approximately 1,636 thousand primary healthcare terminals, including approximately 1,040 thousand primary healthcare institutions, 291 thousand individual pharmacies and 304 thousand small-to-medium chain pharmacies in China. The number of primary healthcare terminals is expected to grow at a CAGR of 2.3% from 2024 to 2030, reaching 1,871 thousand by the end of 2030. In 2024, the market size of the primary healthcare industry in China in terms of revenue reached RMB544.5 billion, and is expected to grow at a CAGR of 9.2% from 2024 to 2030, reaching RMB922.0 billion by the end of 2030. To address the pain points in primary healthcare, service providers are driven to provide more helpful and beneficial solutions for primary healthcare terminals, including testing and diagnostic services, pharmaceutical direct supply services and integrated diagnosis and treatment services, with increasing application of digitalization and AI.

## OUR STRENGTHS

We believe that our business success and leading market position are underpinned by the following key strengths: (i) a leading service provider for primary healthcare terminals in China; (ii) deep integration of extensive medical expertise and leading digital intelligence capabilities; (iii) a rapidly growing player in the pharmaceutical direct supply market for primary healthcare in China; (iv) relentless innovation and scalable business model fueling sustained business growth; (v) continually expanding customer base and enhancing customer engagement; and (vi) management team with extensive experience in primary healthcare and strong shareholder support.

## OUR STRATEGIES

We plan to implement the following strategies to consolidate and enhance our leading position in the industry: (i) accelerate our development of AI capabilities and enhance our value-add to primary healthcare, actively building a digitally intelligent ecosystem for the primary healthcare industry; (ii) enhance the scale of integrated diagnosis and treatment solutions and testing and diagnostic solutions; (iii) continue to expand our nationwide pharmaceutical direct supply network and strengthen our industry leadership in pharmaceutical direct supply and exclusive distribution; and (iv) pursue strategic partnerships and explore potential investment and acquisition opportunities to capitalize on market opportunities and drive business growth.

## OUR BUSINESS MODEL

We offer services and solutions to primary healthcare terminals through three major business segments: (i) pharmaceutical direct supply and distribution services, (ii) integrated diagnosis and treatment solutions and (iii) testing and diagnostic solutions. The majority of our revenue in each year during the Track Record Period was derived from our pharmaceutical direct supply and distribution services.

The following table sets forth a summary of details of each business segment:

| | Pharmaceutical direct supply and distribution services | Integrated diagnosis and treatment solutions | Testing and diagnostic solutions |
|---|---|---|---|
| **Business model** . . . . . . | We provide a wide variety of pharmaceuticals and other healthcare products.<br><br>Private-label pharmaceutical business: focusing on pharmaceutical direct supply, we selectively choose categories of pharmaceuticals that are most demanded by customers and engage qualified upstream pharmaceutical manufacturers for production under our own brands or brands licensed exclusively to us by Sichuan JND and its subsidiaries through an exclusive license (the "**private-label brands**").<br><br>Common pharmaceutical business: focusing on pharmaceutical distribution and also including direct supply of pharmaceuticals of third-party brands, we procure pharmaceuticals and other healthcare products of third-party brands and sell them primarily to customers located in or near Sichuan Province and Chongqing.<br><br>To improve customer satisfaction, drive customer loyalty and enhance our brand reputation, we also provide value-added pharmacy services which are generally complementary to our pharmacy customers, primarily including operational advisory support and online prescription services, to help further enhance their operational capabilities. | Targeting symptoms and conditions of common diseases and chronic diseases and featuring Traditional Chinese Medicine ("**TCM**"), we provide solution packages integrating testing, diagnosis and medication that are suitable for use in primary healthcare institutions. Our solution packages encompass the provision of testing and diagnostic services, the training of primary care physicians to identify and diagnose different symptoms and conditions, and the supply of pharmaceuticals and other healthcare products tailored to each of our solution packages. | We primarily provide laboratory testing and medical imaging examinations, helping primary healthcare institutions establish capabilities comparable to the clinical laboratory departments of Class III hospitals and establish medical imaging and pathology capabilities.<br><br>To help our customers better utilize our testing and diagnostic solutions and to enhance customer loyalty, we also provide real-time assistance and pathology guidance to the primary care physicians, and offer point of care testing ("**POCT**") equipment as a supplement to our clinical testing services and other solutions. |

| | Pharmaceutical direct supply and distribution services | Integrated diagnosis and treatment solutions | Testing and diagnostic solutions |
|---|---|---|---|
| **Customers and payers** | Primary healthcare institutions, primary pharmacies and wholesalers (including direct wholesale customers and distributors), each paying for themselves. | Primary healthcare institutions and distributors, each paying for themselves. | Primary healthcare institutions. |
| **Suppliers** | Manufacturers and distributors for pharmaceuticals and other healthcare products. | Manufacturers for POCT equipment and relevant consumables, as well as manufacturers and distributors for pharmaceuticals and other healthcare products. | Independent clinical laboratories ("**ICLs**") and manufacturers for POCT equipment and relevant consumables. |
| **Charging basis and pricing mechanism** | We typically determine the pricing by taking into consideration our costs, the pricing of similar products in the market and the local market demand-supply dynamic. | We charge our customers bundled fees based on the components they purchase from the solution packages. In general, we determine the price for each customer's solution package by considering (i) the level of market competition in the pharmaceuticals and other healthcare products included; (ii) our cost of developing relevant training for diagnosis, treatment and medication; (iii) the testing and diagnostic services elected by the customer. | Price is typically ranged between our costs, such as the procurement price from ICLs, and the government-established list prices, which serve as a reference for how much our customers charge their patients for these tests. The actual price within this range is influenced by market supply and demand. Our customers pay us the service fees upon placing an order through our APP, where the prices at which we provide such tests to our customers is clearly labeled. |
| **Revenue recognition** | Revenue is recognized when products are delivered to the customers. | Revenue from the component of pharmaceuticals or other healthcare products is recognized when pharmaceuticals and other healthcare products are delivered to the customers, while revenue from the testing and diagnostic component is primarily recognized over time. | Revenue is recognized at the point in time when the test or examination report is issued to the customer. |

These three established business segments work in tandem to offer one-stop services and solutions to the vast number of primary healthcare terminals in the lower-tier markets in China. Some customers who adopted one of our offerings might purchase another one or two of our offerings. Our offerings are primarily provided online through our APPs, which are deployed on cloud and interconnected on the back end, enabling us to gain insights into our customers' purchasing behavior and demands using big data and data analytics technology. Nonetheless, we operate these business segments separately with distinct business units and APPs. Furthermore, although the provision of pharmaceuticals and other healthcare products is involved in both our pharmaceutical direct supply and distribution services and integrated diagnosis and treatment solutions, there is no overlap in the SKUs.

In August 2025, we further upgraded and enriched our offerings with an AI agent, which has subsequently evolved into the AI Good Doctor Diagnosis and Treatment Support System. As part of our strategic partnership with Hangzhou Trizen Medical Technology Co., Ltd. (杭州全診醫學科技有限公司) ("**Trizen Medical**"), Trizen Medical has provided us with its medical AI-driven platform, embedded with its medical LLM (the "**Trizen-Med-Omni LLM**"), for both doctor services and patient services. This medical AI-driven platform has been widely applied in dozens of Class III hospitals in China. Building upon this medical AI-driven platform, we launched the AI Good Doctor Diagnosis and Treatment Support System for primary healthcare institutions. Designed as a lightweight cloud-based software solution and accessible through several interconnected customer portals, it helps primary healthcare institutions rapidly enhance their diagnostic capabilities. The platform integrates a HIS system, a compliance system and several AI expert assistants specialized in general practice, TCM and clinical testing, respectively. It furnishes primary healthcare terminals with digitally intelligent support throughout their entire business process, such as pre-diagnosis AI-empowered EMR generation through AI, during-diagnosis AI-assisted diagnosis and intelligent prescription review, and post-diagnosis intelligent health management. As of the Latest Practicable Date, our AI Good Doctor Diagnosis and Treatment Support System had covered more than 8,500 primary healthcare institutions across 29 provinces, 235 cities and more than 520 counties, served more than 24 thousand primary care physicians and more than 32 million outpatient visits, and generated more than 28 million EMRs. Since our acquisition of Hangzhou Good Doctor Trizen and as of the same date, we had cumulatively had over 3,500 orders with contract amount of more than RMB9.1 million from customers ordering our AI Good Doctor Diagnosis and Treatment Support System.

The following table sets forth the revenue breakdown by business line for the years indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except percentages)* | | | | | |
| Pharmaceutical direct supply and distribution services | 2,448,496 | 79.9 | 2,527,442 | 77.5 | 3,027,531 | 79.2 |
| – Private-label pharmaceutical business | 1,794,505 | 58.6 | 1,840,652 | 56.5 | 2,027,148 | 53.0 |
| – Common pharmaceutical business | 653,991 | 21.3 | 686,790 | 21.0 | 1,000,383 | 26.2 |
| Integrated diagnosis and treatment solutions | 507,195 | 16.5 | 666,688 | 20.4 | 724,923 | 19.0 |
| Testing and diagnostic solutions | 101,125 | 3.3 | 69,529 | 2.1 | 69,472 | 1.8 |
| Others[(1)] | 8,066 | 0.3 | – | – | 887 | 0.0 |
| **Total** | **3,064,882** | **100.0** | **3,263,659** | **100.0** | **3,822,813** | **100.0** |

*Note:*

(1) Others in 2023 mainly included revenue from Sichuan Huzhijia Human Resource Management Co., LTD., a subsidiary that we disposed of in 2023. Sichuan Huzhijia Human Resource Management Co., LTD. mainly engaged in promotional and after-sales customer management services. See "Financial Information — Description of Major Components of Our Results of Operations — Revenue" and Note 32 of the Accountants' Report set out in Appendix I to this document. Others in 2025 mainly included revenue from the AI Good Doctor Diagnosis and Treatment Support System.

## SALES CHANNEL

Our pharmaceuticals and other healthcare products are sold both directly to primary healthcare terminal customers, and to direct wholesale customers and distributors who purchase our products as customers and on-sell to downstream customers through their own channels.

The table below sets forth a breakdown of our revenue by sales channel in absolute amount and as a percentage of our total revenue for the years indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except percentages)* | | | | | |
| Direct sales | 2,945,239 | 96.1 | 2,850,756 | 87.3 | 2,966,360 | 77.6 |
| Wholesale | 119,643 | 3.9 | 412,903 | 12.7 | 856,453 | 22.4 |
| – Direct wholesale customers | 70,756 | 2.3 | 193,121 | 5.9 | 363,834 | 9.5 |
| – Distributors | 48,887 | 1.6 | 219,782 | 6.8 | 492,619 | 12.9 |
| **Total** | **3,064,882** | **100.0** | **3,263,659** | **100.0** | **3,822,813** | **100.0** |

## OUR CUSTOMERS AND SUPPLIERS

Our customers mainly include primary healthcare terminals that cover the large-scale lower-tier markets in China, primarily consisting of primary healthcare institutions and primary pharmacies, as well as direct wholesale customers and distributors. See "Business — Sales and Marketing — Sales Channel." For the years ended December 31, 2023, 2024 and 2025, our five largest customers in each year accounted for approximately 1.8%, 3.9% and 5.8%, respectively, of our total revenue in the respective years, and sales to the largest customer in each year accounted for approximately 0.5%, 1.6% and 1.5%, respectively, of our total revenue in the respective years. During the Track Record Period, we were not subject to any material customer concentration risk.

During the Track Record Period, several of our five largest customers in each year were not independent (collectively the "**non-independent top-five customers**"). Among them, (i) Sichuan Medical Trade, in which one of our non-executive Directors and Controlling Shareholders, Mr. Geng Yuefei, currently holds less than 10% equity interest, was among our five largest customers in 2023. The revenue generated from Sichuan Medical Trade amounted to RMB8.3 million, RMB0.8 million and nil in 2023, 2024 and 2025, respectively, accounting for 0.3%, 0.0% and nil of our total revenue in the respective years. (ii) A pharmaceutical retail chain company that engages in pharmaceutical circulation businesses (Customer A), was among our five largest customers in 2024. One of our non-executive Directors and Controlling Shareholders, Mr. Geng Yuefei, currently holds less than 5% equity interests in a subsidiary in

Customer A. The revenue generated from Customer A, including all of its subsidiaries with which we transacted, amounted to RMB2.6 million, RMB11.2 million and RMB25.3 million in 2023, 2024 and 2025, respectively, accounting for 0.1%, 0.3% and 0.7% of our total revenue in the respective years. We primarily sold pharmaceuticals and other healthcare products to these non-independent top-five customers during the Track Record Period. To the best of our knowledge, other than disclosed above, as of the Latest Practicable Date, none of our Directors, their close associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year.

During the Track Record Period, our major suppliers were primarily pharmaceutical manufacturers, pharmaceutical circulation companies, medical device manufacturers, ICLs and logistics service providers. For the years ended December 31, 2023, 2024 and 2025, purchases from our five largest suppliers in each year accounted for approximately 20.2%, 25.7% and 22.7%, respectively, of our total purchases for the respective years, and purchases from our largest supplier in each year accounted for approximately 10.3%, 13.7% and 15.4%, respectively, of our total purchases for the respective years, respectively. During the Track Record Period, we were not subject to any material supplier concentration risk.

During the Track Record Period, one of our five largest suppliers in each year were not independent (collectively the "**non-independent top-five suppliers**"). Among them, Sichuan JND, one of our Controlling Shareholders, was among our five largest suppliers in 2023, 2024 and 2025. The purchase amount to Sichuan JND was RMB302.2 million, RMB404.4 million and RMB528.6 million in 2023, 2024 and 2025, respectively, accounting for 10.3%, 13.7% and 15.4% for our total purchase amount in the respective years. We primarily procured pharmaceuticals and other healthcare products from these non-independent top-five suppliers during the Track Record Period. To the best of our knowledge, other than disclosed above, as of the Latest Practicable Date, none of our Directors, their close associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The tables below present our summary consolidated financial data derived from our consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows for the years ended December 31, 2023, 2024 and 2025, our consolidated statements of financial position as of December 31, 2023, 2024 and 2025 included in the Accountants' Report in Appendix I to this document. The following data and discussion should be read in conjunction with our consolidated financial statements and related notes and the section headed "Financial Information."

### Description of Major Components of Our Results of Operations

The following table sets forth a summary of our results of operations for the years indicated:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *(RMB in thousands)* | | |
| **Revenue** | 3,064,882 | 3,263,659 | 3,822,813 |
| Cost of sales | (2,148,155) | (2,403,072) | (2,948,337) |
| **Gross profit** | **916,727** | **860,587** | **874,476** |
| Other income and gains | 15,372 | 27,027 | 37,351 |
| Selling and marketing expenses | (746,771) | (697,611) | (674,905) |
| Administrative expenses | (92,466) | (96,906) | (135,644) |
| Research and development expenses | (8,489) | (7,549) | (13,080) |
| Impairment losses on financial assets under expected credit loss model ("**ECL**"), net | (96) | (443) | (1,250) |
| Other expenses | (527) | (156) | (1,716) |
| Finance costs | (813) | (730) | (2,068) |
| **Profit before fair value change on redemption liabilities on equity shares** | 82,937 | 84,219 | 83,164 |
| Change in fair value of redemption liabilities on equity shares | (2,568) | (40,219) | (11,066) |
| **Profit before tax** | 80,369 | 44,000 | 72,098 |
| Income tax expense | (17,890) | (6,194) | (18,046) |
| **Profit for the year** | 62,479 | 37,806 | 54,052 |

We have achieved consistent revenue growth during the Track Record Period. Our profit for the year fluctuated from RMB62.5 million in 2023 to RMB37.8 million in 2024, and to RMB54.1 million in 2025, primarily due to fluctuations in change in fair value of redemption liabilities on equity shares.

### Non-HKFRS Financial Measure

In evaluating our business, we consider and use adjusted net profit (non-HKFRS financial measure) and adjusted net profit margin (non-HKFRS financial measure) as supplemental measures to review and assess our operating performance. The presentation of these non-HKFRS financial measures is not intended to be considered in isolation or as substitutes for the financial information prepared and presented in accordance with HKFRS. We define adjusted net profit (non-HKFRS financial measure) as profit for the year adding back (i) change in fair value of redemption liabilities on equity shares, (ii) equity-settled share-based payment expenses, and (iii) [**REDACTED**] expenses. We define adjusted profit before tax (non-HKFRS financial measure) as adjusted net profit (non-HKFRS financial measure) adding by income tax expense. We define adjusted net profit margin as adjusted net profit (non-HKFRS financial measure) divided by revenue. See "Financial Information — Non-HKFRS Financial Measure."

The following table (i) reconciles adjusted net profit (non-HKFRS financial measure) for the years presented in accordance with HKFRS, which is profit for the year, and (ii) presents adjusted profit before tax (non-HKFRS financial measure) for the years and adjusted net profit margin (non-HKFRS financial measure) for the years presented:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (RMB in thousands, except for percentages) | | |
| **Profit for the year** | **62,479** | **37,806** | **54,052** |
| **Add back:** | | | |
| Change in fair value of redemption liabilities on equity shares[1] | 2,568 | 40,219 | 11,066 |
| Equity-settled share-based payment expenses[2] | 278 | 3,340 | 2,887 |
| [REDACTED] expenses[3] | [REDACTED] | [REDACTED] | [REDACTED] |
| **Adjusted net profit, a non-HKFRS financial measure** | **65,325** | **86,660** | **82,925** |
| Income tax expense | 17,890 | 6,194 | 18,046 |
| **Adjusted profit before tax, a non-HKFRS financial measure** | **83,215** | **92,854** | **100,971** |
| **Adjusted net profit margin, a non-HKFRS financial measure** | **2.1%** | **2.7%** | **2.2%** |

*Notes:*

(1) Representing change in the fair value of our redemption liabilities in relation to our equity shares. Upon the completion of the [**REDACTED**], all redemption liabilities on equity shares will be transferred from liabilities to equity and we do not expect to recognize any future loss or gains in connection with such redemption liabilities on our consolidated statements of profit or loss and other comprehensive income.

(2) Non-cash in nature, and mainly represents employee benefit expenses incurred in connection with our award to management and key employees.

(3) Including professional fees incurred in connection with the [**REDACTED**].

**Selected Items from the Consolidated Statements of Financial Position**

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (RMB in thousands) | | |
| Total non-current assets | 68,019 | 100,510 | 183,010 |
| Total current assets | 1,279,066 | 1,609,015 | 1,894,006 |
| **Total assets** | **1,347,085** | **1,709,525** | **2,077,016** |
| Total current liabilities | 1,009,314 | 1,451,670 | 2,028,517 |
| Total non-current liabilities | 162,189 | 42,127 | 31,506 |
| **Total liabilities** | **1,171,503** | **1,493,797** | **2,060,023** |
| **NET CURRENT ASSETS/(LIABILITIES)** | **269,752** | **157,345** | **(134,511)** |
| **NET ASSETS** | **175,582** | **215,728** | **16,993** |

Our net assets increased by 22.9% from RMB175.6 million as of December 31, 2023 to RMB215.7 million as of December 31, 2024, primarily due to our profit and total comprehensive income for the year of RMB37.8 million. Our net assets decreased by 92.1% from RMB215.7 million as of December 31, 2024 to RMB17.0 million as of December 31, 2025, primarily due to newly recognized redemption liabilities on equity shares of RMB396.3 million, partially offset by capital contribution from shareholders of RMB125.0 million.

Our net current assets decreased by 41.7% from RMB269.8 million as of December 31, 2023 to RMB157.3 million as of December 31, 2024. The decrease was primarily reflected (i) an increase in trade and bills payables from RMB731.6 million as of December 31, 2023 to RMB942.5 million as of December 31, 2024; and (ii) the reclassification of redemption liabilities on equity shares from non-current to current of RMB191.9 million. Such decrease was partially offset by (i) an increase in inventories from RMB464.2 million as of December 31, 2023 to RMB603.1 million as of December 31, 2024; and (ii) an increase in pledged deposits from RMB473.2 million as of December 31, 2023 to RMB593.4 million as of December 31, 2024.

We recorded net current assets of RMB157.3 million as of December 31, 2024 and net current liabilities of RMB134.5 million as of December 31, 2025. The change primarily reflected (i) the increase in current portion of redemption liabilities on equity shares from RMB191.9 million as of December 31, 2024 to RMB623.3 million as of December 31, 2025; and (ii) the increase in trade and bills payables from RMB942.5 million as of December 31, 2024 to RMB1,119.0 million as of December 31, 2025. These increases were partially offset by the increase in financial assets at FVTPL from RMB65.0 million as of December 31, 2024 to RMB309.6 million as of December 31, 2025.

**Summary of the Consolidated Statements of Cash Flows**

The following table sets forth our cash flow for the years indicated:

| | Year ended December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(RMB in thousands)* | | |
| Net cash flows from operating activities | 24,590 | 32,031 | 112,455 |
| Net cash flows (used in)/from investing activities | (86,014) | 841 | (282,352) |
| Net cash flows from financing activities | 82,245 | 4,577 | 100,895 |
| Net increase/(decrease) in cash and cash equivalents | 20,821 | 37,449 | (69,002) |
| Cash and cash equivalents at end of year | 90,070 | 127,519 | 58,517 |

See "Financial Information — Liquidity and Capital Resources — Cash Flow" for discussions on the fluctuations of cash flows.

## SELECTED FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years indicated:

| | Year ended/As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| Revenue growth (%)(1) | 62.8 | 6.5 | 17.1 |
| Gross profit margin (%)(2) | 29.9 | 26.4 | 22.9 |
| Net profit margin (%)(3) | 2.0 | 1.2 | 1.4 |
| Current ratio(4) | 1.3 | 1.1 | 0.9 |

*Notes:*

(1) Revenue growth equals the current year's revenue minus the previous year's revenue, divided by the previous year's revenue and multiplied by 100%.

(2) Gross profit margin equals gross profit for the year divided by revenue for the year and multiplied by 100%.

(3) Net profit margin equals net profit for the year divided by revenue for the year and multiplied by 100%.

(4) Current ratio equals current assets as of the date indicated divided by current liabilities as of the date indicated.

## COMPETITION

The primary healthcare industry in China is characterized by robust growth prospects, driven by increasing healthcare demand and improved patient payment capacity and willingness. Despite the massive scale of the primary healthcare industry in China, fundamental challenges persist. To address the pain points in primary healthcare, service providers are driven to provide more helpful and beneficial solutions for primary healthcare terminals, including testing and diagnostic services, pharmaceutical direct supply services and integrated diagnosis and treatment services, with increasing application of digitalization and AI. Our key competitors include B2B platforms, pharmaceutical distributors and wholesalers, many of which have extensive marketing and sales networks and strong industry experience. See "Industry Overview."

Our competitive edge is driven by the diversity of our product range, competitive pricing, customer experience, technological prowess, efficient risk management and our ability to collaborate with primary healthcare institutions, pharmacies and pharmaceutical vendors to tailor our products, services and solutions. Our marketing and sales efforts, as well as the strength and reputation of our brands, further reinforce our position. Regardless of the competitive landscape, we intend to continue exploring new customer relationships and business opportunities, while further serving our existing customers by providing a broad product, services and solution matrix, maintaining efficient inventory controls and delivering high-quality services to remain competitive.

## RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in the section headed "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include: (i) Our business, financial condition and prospects may be materially and adversely affected if we are unable to compete effectively in the industries where we operate, and we may fail to sufficiently and promptly respond to rapid changes in treatment of diseases and market demand. (ii) Our business relies on the demand in lower-tier markets for the products, services and solutions we offer. A material and adverse change in customer demand or preferences, or any unexpected situation with a negative impact on market demand, may materially and adversely affect our business, financial condition and prospects. (iii) If we fail to retain existing customers or attract new customers, our business, financial condition and prospects may be materially and adversely affected. (iv) We may be subject to product liability and service liability claims, which could subject us to significant financial and reputational damage, materially and adversely impacting our business, financial condition and prospects. (v) We source our clinical testing services, POCT equipment and pharmaceuticals and other healthcare products from suppliers. Our collaboration with suppliers is subject to a variety of risks.

## OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, (i) approximately 32.79% of our issued Shares was directly held by Sichuan JND, which was in turn held as to 60% by Mr. Geng Funeng and 40% by Mr. Geng Fuchang, the brother of Mr. Geng Funeng; (ii) approximately 21.21% of our issued Shares was directly held by Cloud Health HK, which is wholly-owned by Ms. Geng Jie, the daughter of Mr. Geng Funeng; (iii) approximately 5.40% of our issued Shares was directly held by Hengqin National Medical Investment, which was controlled by Mr. Geng Yuefei, the son of Mr. Geng Funeng, as its general partner; (iv) approximately 4.72% of our issued Shares was directly held by Hengqin Cloud Healthcare, which was controlled by Mr. Geng Funeng as its general partner, and was owned as to 19.61% by Mr. Xue Yuan, the spouse of Ms. Geng Jie; and (v) approximately 1.87% of our issued Shares was directly held by Jiayue Ruihe, which was controlled by Mr. Geng Funeng as its general partner, and was owned as to 50.00% by Mr. Geng Funeng and 50% by Mr. Geng Yuefei.

In addition, Ms. Geng Jie, Mr. Geng Funeng and Mr. Geng Yuefei have signed an acting in concert confirmation on January 1, 2022, pursuant to which Ms. Geng Jie, Mr. Geng Funeng and Mr. Geng Yuefei shall act in concert when exercising their respective right to propose, nominate and vote with respect to all material matters concerning the affairs of the Company.

Accordingly, as at the Latest Practicable Date, Ms. Geng Jie, Mr. Geng Funeng, Mr. Geng Fuchang, Mr. Geng Yuefei, Mr. Xue Yuan, Sichuan JND, Cloud Health HK, Hengqin Cloud Healthcare, Hengqin National Medical Investment and Jiayue Ruihe were collectively entitled to control the exercise of approximately 65.99% of the voting rights at the general meeting of our Company. Immediately following completion of the [**REDACTED**], the aforementioned Shareholders of our Company will collectively be entitled to control the exercise of approximately [**REDACTED**]% of the voting rights at the general meeting of the Company, assuming the [**REDACTED**] Option is not exercised (or approximately [**REDACTED**]% of our issued Shares assuming the [**REDACTED**] Option is fully exercised). Therefore, Ms. Geng Jie, Mr. Geng Funeng, Mr. Geng Fuchang, Mr. Geng Yuefei, Mr. Xue Yuan, Sichuan JND, Cloud Health HK, Hengqin Cloud Healthcare, Hengqin National Medical Investment and Jiayue Ruihe constituted as of the Latest Practicable Date and will continue to constitute upon the [**REDACTED**] a group of controlling shareholders of our Company. See "Relationship with Controlling Shareholders."

We have entered into and are expected to continue to conduct certain transactions after the [**REDACTED**] with one of our Controlling Shareholders and its associates, which will constitute continuing connected transactions under Chapter 14A of Listing Rules. See "Connected Transactions."

## USE OF [REDACTED]

Assuming that the [**REDACTED**] is not exercised, after deducting the [**REDACTED**] and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**]. We intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below: (i) Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the nationwide expansion of our major business segments. (ii) Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for the development of a robust R&D environment to empower the primary healthcare market. (iii) Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for potential strategic investment and merger and acquisition opportunities. (iv) Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for working capital and for general corporate purposes. See "Future Plans and Use of [**REDACTED**]."

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there had been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the years reported in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

## [REDACTED] STATISTICS

All statistics in the following table are based on the assumption that the [**REDACTED**] is not exercised:

| | **Based on the [REDACTED] of HK$[REDACTED] per H Share** | **Based on the [REDACTED] of HK$[REDACTED] per H Share** |
|---|---|---|
| Market capitalization of our Shares after the completion of the [**REDACTED**][(1)] | HK$[**REDACTED**] million | HK$[**REDACTED**] million |
| Unaudited [**REDACTED**] adjusted consolidated net tangible assets per H Share[(2)] | HK$[**REDACTED**] | HK$[**REDACTED**] |

*Notes:*

(1) The calculation of market capitalization is based on the [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) The unaudited [**REDACTED**] net tangible assets per H Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [**REDACTED**] Shares were in issue assuming that conversion into a joint stock company, Share Subdivision and the [**REDACTED**] has been completed on December 31, 2025, but takes no account of any shares (i) which may be allotted and issued upon the exercise of the [**REDACTED**]; (ii) which may be allotted and issued or repurchased by our Company under the general mandates for the allotment. For the purpose of this unaudited [**REDACTED**] adjusted net tangible assets per H Share, the amounts stated in Renminbi are converted into Hong Kong dollars at the rate of HK$1.00 to RMB0.9146.

## DIVIDENDS

No dividends have been paid or declared by our Company during the Track Record Period. Currently, we do not have a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions and other factors which our Directors consider relevant, and will also be subject to our Articles of Association and constitution documents, as well as applicable laws and regulations. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

## [REDACTED] EXPENSES

[**REDACTED**] expenses consist of professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We expect to incur [**REDACTED**] expenses of approximately HK$[**REDACTED**] million (based on the mid-point of the indicative [**REDACTED**] and assuming the [**REDACTED**] is not exercised), which accounts for approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**]. We estimate the [**REDACTED**] expenses to consist of approximately HK$[**REDACTED**] million in [**REDACTED**] (including SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) and approximately HK$[**REDACTED**] million in non-[**REDACTED**] fees (which consist of fees and expenses of Sole Sponsor, legal advisors and our Reporting Accountant of approximately HK$[**REDACTED**] million and other fees and expenses of approximately HK$[**REDACTED**] million). Among the total [**REDACTED**] expenses, approximately HK$[**REDACTED**] million will be directly attributable to the issue of our H Shares, which will be deducted from equity upon the completion of the [**REDACTED**], RMB[**REDACTED**] million has been charged to profit or loss during the Track Record Period and the remaining HK$[**REDACTED**] million will be expensed in our consolidated statements of comprehensive income. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.