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DINGDANG HEALTH TECHNOLOGY GROUP LTD.

叮嚕健康科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 09886)

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

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		
	2025	2024	Change
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Revenue	2,326,907	2,267,894	Increased by 2.6%
Loss for the period	(52,021)	(89,801)	Narrowed by 42.1%
Loss for the period attributable to owners of the Company	(51,671)	(84,491)	Narrowed by 38.8%
Adjusted net loss (non-IFRS measure) ¹	(5,759)	(26,448)	Narrowed by 78.2%
Adjusted net loss margin (non-IFRS measure) ¹	(0.2%)	(1.2%)	Improvement of 1pp

Note:

- The Company defines adjusted net loss (non-IFRS measure) as loss for the period excluding certain reconciling items as set out in the section headed "Non-IFRS Measures: Adjusted Net Loss and Adjusted Net Loss Margin".

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Dingdang Health Technology Group Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company, its subsidiaries and the consolidated affiliated entities (collectively, “**Dingdang Health**” or the “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2024, as follows:

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as defined in the prospectus of the Company dated September 1, 2022 (the “**Prospectus**”).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Reporting Period, our total revenue was RMB2,326.9 million (for the six months ended June 30, 2024: RMB2,267.9 million), representing a period-on-period increase of 2.6%. The increase was mainly due to that the Company optimized urban layout, focused on the advantageous areas, built cities such as Beijing, Shanghai, and Shenzhen into the “best health service entrance for residents”, and actively expanded the presence of local smart pharmacy networks, bringing good business growth. In addition, the Company has improved the service quality of the supply chain in terms of pharmaceutical and product layout, resulting in significant improvements in overall business efficiency.

For the six months ended June 30, 2025, the net loss of the Company was narrowed to RMB52.0 million, and the adjusted net loss was narrowed to RMB5.8 million. Excluding net foreign exchange losses of RMB4.1 million, the loss would be further narrowed to RMB1.7 million. The narrowing of losses and improvement in performance were due to the increase in gross profit margin to 35.0%, a year-on-year increase of 1.9 percentage points; at the same time, refined operations and continuous cost reduction and efficiency improvement have achieved results, and profitability has significantly improved.

In the first half of 2025, China took a number of measures to support economic development. Among them, in order to promote the health consumption of residents, a number of support policies have been issued, including the Special Action Plan for Promoting Health Consumption issued by the National Health Commission, the National Development and Reform Commission, the Ministry of Commerce and other ministries and commissions, to further guide the new scene of health consumption, such as “Internet + e-prescription + online & offline”, and encourage retail pharmacies to expand health, nutrition and health care functions. In addition, relevant departments continued to optimize the service mechanisms for national medical insurance, healthcare and pharmaceuticals, and the payment systems of national medical insurance, strengthened market supervision, and issued relevant policies such as the “Notice on the Supervision and Application of Medical Insurance Drug Traceability Codes” and the “Electronic Prescription Circulation Supervision Policy”. With the help of new technologies and systems, the high-quality development in the fields of medicine and healthcare was promoted.

Looking back at the past six months, Dingdang Health has focused on a pan-regional instant retail business model, prioritizing its strategy of whole lifecycle health management and full-course disease management, thereby forming a collaborative ecosystem integrating “Treatment, Diagnosis, Pharmaceutical Products and Medical Insurance”. We have continued to promote refined operations, focused on strengthening the presence of smart pharmacies in core cities such as Beijing, Shanghai, and Shenzhen, concentrated its efforts in advantageous areas, and accurately implemented the “tailored digitalization strategy for each store”; we also focused on express medicine and retail services, continuously refining product content that meets the scene, optimizing product structure, and increasing the proportion of centralized procurement varieties. At the same time, we have further optimized our logistics and supply chain system, established cold chain immediate home delivery services in core cities, and gradually formed the Company’s competitiveness for long-term sustainable development. We will continue to leverage the advantages of online and offline integrated technology and layout, practice the corporate value and philosophy of “Serving the Public Health and Bringing the Ultimate To-Home Health Service (服務百姓健康，引領極致健康到家服務)”, fully utilize the experience in digital pharmaceuticals and medical services, better implement the new national industry policies, so that national medical insurance participants cannot only benefit from their national medical insurance rights, but also enjoy the convenience of on-demand healthcare delivery services, better meeting the health and medical service needs of residents.

- **Drug Express Business**

We remain committed to providing an instant, professional, omni-channel and data-driven drug purchase service portfolio to our users. For the six months ended June 30, 2025, our drug express business has maintained steady growth. The breakdown of revenue by channel includes: revenue recorded from online direct sales of RMB1,688.5 million (for the six months ended June 30, 2024: RMB1,612.7 million), representing a period-on-period increase of 4.7%; revenue recorded from business distribution of RMB266.7 million (for the six months ended June 30, 2024: RMB274.3 million), representing a period-on-period decrease of 2.8%; revenue recorded from offline retail of RMB305.0 million (for the six months ended June 30, 2024: RMB323.1 million), representing a period-on-period decrease of 5.6% and revenue recorded from other business of RMB66.7 million (for the six months ended June 30, 2024: RMB57.8 million), representing a period-on-period increase of 15.4%.

During the Reporting Period, we strengthened the construction of our own supply chain system. In particular, the urban smart central warehouse and logistics system has been completed and put into use, and the industry’s unique cold chain home delivery services capability has further enhanced user service capabilities through digitalization and professional logistics, to ensure the safe use of drugs for users.

➤ ***Online Direct Sales***

In terms of the online direct sales channel, Dingdang Health reached out to its users through its online platforms for service and product sales. During the Reporting Period, we recorded a revenue of RMB1,688.5 million (for the six months ended June 30, 2024: RMB1,612.7 million) from online direct sales channel, representing a period-on-period increase of 4.7%. We maintained contact with users through our online-to-offline order fulfillment service model and direct-sales e-commerce service model, as well as omni-platform channels. Dingdang Health focuses on providing express medicine, medical and healthcare services which are empowered by our smart pharmacy and E-zoning technology as well as experienced riders who can deliver efficiently and safely through an intelligent scheduling system. In the direct sales e-commerce model, we can make both regular and scheduled deliveries with the help of third-party carriers, covering major regions and populations across the country.

➤ ***Business Distribution***

Dingdang Health will further reinforce its industrial advantages in the supply chain by actively forging its commodity and innovation power, integrate OEM customization and product innovation through supply chain resources, and strengthen collaboration with small enterprises and distributors to achieve supply chain empowerment and product sales through a multi-channel e-commerce platform. During the Reporting Period, the business distribution recorded a revenue of RMB266.7 million (for the six months ended June 30, 2024: RMB274.3 million), representing a period-on-period decrease of 2.8%.

➤ ***Offline Retail***

In addition to online direct sales and business distribution, users could also purchase our products and services directly from our extensive network of pharmacies in major cities across China. During the Reporting Period, our offline retail recorded a revenue of RMB305.0 million (for the six months ended June 30, 2024: RMB323.1 million), representing a period-on-period decrease of 5.6%, mainly due to an increase in consumers adopting online shopping habits, resulting in a slight decrease as compared to the same period of last year.

➤ ***Other Business***

As the go-to online O2O launch platform for pharmaceutical companies' new products, Dingdang Health innovates marketing approaches through its O2O business model, accelerating pan-regional sales expansion for novel drugs. We have cooperated with over 7,000 pharmaceutical manufacturers and pharmaceutical distribution companies in aggregate. While establishing alliance and continuously deepening cooperation with pharmaceutical manufacturers and enterprises, the Company also realized in-depth cooperation in terms of advertisement, promotion, marketing service, and research and development for pharmaceutical products. During the Reporting Period, the other business recorded a revenue of RMB66.7 million (for the six months ended June 30, 2024: RMB57.8 million), representing a period-on-period increase of 15.4%.

- **Online Medical Consultation**

Based on our own team and our cooperation with third-party medical institutions, we provided online medical consultation services for users' needs with the aid of the Dingdang smart medical consultation system. Our medical team included more than 800 doctors and more than 400 medical professional pharmacists covering our network of smart pharmacies, enabling us to provide safe and secure health services to our users in accordance with national regulatory requirements.

- **Chronic Disease and Health Management**

Through our self-developed AI system, health mapping, medical dictionary wisdom and other technologies, we helped users with health portfolio management and DOT medication adherence services. As our services continue to grow, we are proactively exploring the establishment of patient services and medical services with various medical institutions and leading hospitals to provide patient course management, remote consultation and health management for different users. Relying on our partnerships with domestically renowned hospitals and specialists, we provide users with online medical consultation through online and supplementary services.

Public Welfare and Social Responsibility

We have been adhering to our corporate value and concept of “serving the public health” and always insisted on putting the health of users above the core value of corporate development, proactively performing our corporate social responsibility. We have linked public health to our development, continuously serving the public and the society.

In 2025, Dingdang Health launched the “Big City with Love, Illuminate the Medical Road” actions, working together with China Resources Sanjiu to organize various volunteer families to care for children with leukemia and their families, sending small medicine kits, hand warmer, daily necessities, etc., bringing warmth to them.

During the Spring Festival period, we have launched the “non-stop service during the Spring Festival” for nine consecutive years to ensure that residents’ needs for medical consultation, drug purchasing, and other healthcare services are met during the Spring Festival period.

Future Prospects

With the optimization and implementation of our urban business layout, our profitability continues to increase, and the improvement of the efficiency of our smart pharmacies network and supply chain logistics will lay a more solid foundation for the Company’s further growth. The Company will continue to focus on digital healthcare, and the accessibility of online drug purchasing under national medical insurance opened up a new dimension to the development of the industry through the integration of online and offline methods, allowing users to become accustomed to popularization and convenient access. In the future, based on a pan-regional instant retail business model, we will prioritize our strategy of whole health lifecycle management and full-course disease management, actively promote the construction of smart center warehouses and create integrated wholesale and retail of pharmaceutical products. Under the guidance of policy reform and technological innovation, we will maintain the competitive advantages of the integrated online and offline service operation model while at the same time enhancing its own technical service level, consistently striving to create a service ecosystem of “Treatment, Diagnosis, Pharmaceutical Products and Medical Insurance”. The Company will continue to consolidate its service advantages in major cities such as Beijing, Shanghai and Shenzhen and continue to expand its scale and enhance its service density. At the same time, the Group will also boost its merchandise power and sales power, further improve the warehousing and distribution system and the front-end service sales system, so as to drive and expand more cities to pursue superiority and strength, and provide users with a more professional, more convenient and more diversified ultimate service experience.

FINANCIAL REVIEW

Revenue

Revenue increased by 2.6% from RMB2,267.9 million for the six months ended June 30, 2024 to RMB2,326.9 million for the six months ended June 30, 2025. The increase in our total revenue was primarily due to the increase in the revenue from our pharmaceutical and healthcare business by 2.3% from RMB2,210.1 million for the six months ended June 30, 2024 to RMB2,260.2 million for the six months ended June 30, 2025. The increase in revenue from the pharmaceutical and healthcare business was primarily attributable to the expanded network of smart pharmacies and the enrichment of product categories.

Cost of Revenue

Cost of revenue decreased by 0.3% from RMB1,516.2 million for the six months ended June 30, 2024 to RMB1,511.1 million for the six months ended June 30, 2025. The decrease in cost of revenue was primarily due to the improvement of operational efficiency and the change in product sales portfolio.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded a gross profit of RMB815.8 million for the six months ended June 30, 2025, representing a gross profit margin of 35.0%; and a gross profit of RMB751.7 million for the six months ended June 30, 2024, representing a gross profit margin of 33.1%. The increase in the gross profit margin was mainly due to the improvement of operational efficiency and the change in product sales portfolio.

Fulfillment Expenses

The fulfillment expenses decreased by 0.6% from RMB223.3 million for the six months ended June 30, 2024 to RMB222.0 million for the six months ended June 30, 2025. The fulfillment expenses as a percentage of revenue decreased from 9.8% for the six months ended June 30, 2024 to 9.5% for the six months ended June 30, 2025, mainly due to the continuous optimization of the fulfillment system which improved fulfillment efficiency.

Selling and Marketing Expenses

The selling and marketing expenses increased by 8.2% from RMB485.9 million for the six months ended June 30, 2024 to RMB525.9 million for the six months ended June 30, 2025. The increase was primarily attributable to the increase in selling and marketing activities. The selling and marketing expenses as a percentage of revenue increased from 21.4% for the six months ended June 30, 2024 to 22.6% for the six months ended June 30, 2025.

Research and Development Expenses

The research and development expenses increased by 2.5% from RMB24.4 million for the six months ended June 30, 2024 to RMB25.0 million for the six months ended June 30, 2025. Research and development expenses as a percentage of revenue remained stable of 1.1% for the six months ended June 30, 2024 and for the six months ended June 30, 2025 respectively.

General and Administrative Expenses

General and administrative expenses decreased by 19.3% from RMB126.1 million for the six months ended June 30, 2024 to RMB101.7 million for the six months ended June 30, 2025, mainly due to the decrease in employee benefit expenses.

General and administrative expenses as a percentage of revenue decreased from 5.6% for the six months ended June 30, 2024 to 4.4% for the six months ended June 30, 2025.

Other Gains and Losses, Net

Other net loss amounted to RMB3.5 million for the six months ended June 30, 2025 as compared to other net gains amounted to RMB6.7 million for the six months ended June 30, 2024. The change was primarily attributable to the increase in net foreign exchange losses and the decrease in gain on fair value changes of financial assets at FVTPL.

Other Income

Other income remained stable of RMB25.3 million for the six months ended June 30, 2024 and RMB24.3 million for the six months ended June 30, 2025.

Finance Costs

Finance costs increased by 25.0% from RMB4.4 million for the six months ended June 30, 2024 to RMB5.5 million for the six months ended June 30, 2025.

Income Tax Expenses

Income tax expenses increased by 27.9% from RMB6.1 million for the six months ended June 30, 2024 to RMB7.8 million for the six months ended June 30, 2025, which was primarily due to the increase in our taxable income.

Loss for the Period

As a result of the above, our net loss decreased by 42.1% from RMB89.8 million for the six months ended June 30, 2024 to RMB52.0 million for the six months ended June 30, 2025.

Non-IFRS Measures: Adjusted Net Loss and Adjusted Net Loss Margin

The adjusted net loss (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) are provided by the Company as an additional financial indicators to supplement the condensed consolidated financial statements prepared in accordance with IFRS. This measures are not required by, nor presented in accordance with, IFRS. According to the Company's latest business operations and financial condition, the adjusted net loss (non-IFRS measure) for the Reporting Period is calculated by taking the net loss for the Reporting Period and adding back the impairment of goodwill (if any) and other intangible assets (net of income tax effects) (if any), amortization of other intangible assets arising from acquisitions (net of income tax effects) and share-based payments expenses. The Company defines adjusted net loss margin (non-IFRS measure) as adjusted net loss (non-IFRS measure) divided by revenue for the period and multiplied by 100%. The Company believes that the adjusted net loss (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) provide useful information to assist the Company's management in understanding and evaluating the consolidated results of operations. However, the presentation of the adjusted net loss (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) may not be comparable to other similarly titled indicators presented. The use of adjusted net loss (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) have limitations as an analytical tools, and Shareholders and potential investors should not consider them in isolation from, or as substitutes for analysis of, results of operations or financial conditions of the Company as reported under IFRS.

The following table reconciles our adjusted net loss (non-IFRS measure) for the periods indicated:

	For the six months ended	
	June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Reconciliation of net loss to adjusted net loss:	<i>(RMB'000, except for percentages)</i>	
Net loss for the period	(52,021)	(89,801)
Add		
Share-based payments	36,961	51,283
Impairment losses recognized on goodwill	–	1,104
Amortization of other intangible assets arising from acquisitions (net of the income tax effects)	9,301	10,966
Adjusted net loss for the period (non-IFRS measure)	(5,759)	(26,448)
Adjusted net loss margin (non-IFRS measure)	(0.2%)	(1.2%)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

		Six months ended June 30,	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
Revenue	5	2,326,907	2,267,894
Cost of revenue		<u>(1,511,098)</u>	<u>(1,516,158)</u>
Gross profit		815,809	751,736
Fulfillment expenses		(222,034)	(223,307)
Selling and marketing expenses		(525,884)	(485,874)
Research and development expenses		(24,993)	(24,355)
General and administrative expenses		(101,737)	(126,087)
Other gains and losses, net	7	(3,515)	6,654
Other income	8	24,301	25,296
Finance costs	9	(5,516)	(4,351)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	10	(677)	(2,199)
Share of result of an associate		<u>–</u>	<u>(1,177)</u>
Loss before income tax	6	(44,246)	(83,664)
Income tax expense	11	<u>(7,775)</u>	<u>(6,137)</u>
Loss for the period		<u>(52,021)</u>	<u>(89,801)</u>

		Six months ended June 30,	
		2025	2024
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Notes		
Other comprehensive income/(expense)			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income (“FVTOCI”)			
		<u>10,346</u>	<u>(38,745)</u>
Other comprehensive income/(expense) for the period		<u>10,346</u>	<u>(38,745)</u>
Total comprehensive expense for the period		<u>(41,675)</u>	<u>(128,546)</u>
Loss for the period attributable to:			
Owners of the Company		(51,671)	(84,491)
Non-controlling interests		<u>(350)</u>	<u>(5,310)</u>
		<u>(52,021)</u>	<u>(89,801)</u>
Total comprehensive expense for the period attributable to:			
Owners of the Company		(41,325)	(123,236)
Non-controlling interests		<u>(350)</u>	<u>(5,310)</u>
		<u>(41,675)</u>	<u>(128,546)</u>
Loss per share (present in RMB YUAN)			
– Basic and diluted		<u>(0.04)</u>	<u>(0.06)</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

		As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
	Notes		
Assets			
Non-current assets			
Property and equipment		38,704	38,840
Right-of-use assets		277,781	167,055
Goodwill		56,845	56,845
Other intangible assets		78,120	92,842
Equity instruments at FVTOCI		70,331	59,985
Rental deposits	13	17,099	15,495
Total non-current assets		538,880	431,062
Current assets			
Financial assets at fair value through profit or loss (“FVTPL”)		345,045	–
Inventories		624,563	571,246
Trade and other receivables and prepayments	13	363,504	374,136
Amounts due from related parties		1,671	1,651
Restricted bank deposits		4,960	36,626
Time deposits		437,932	–
Cash and cash equivalents		576,274	1,217,954
Total current assets		2,353,949	2,201,613
Total assets		2,892,829	2,632,675

		As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
	<i>Notes</i>		
Equity			
Share capital		879	879
Reserves		8,188,835	8,141,528
Accumulated losses		(6,533,864)	(6,482,193)
Equity attributable to owners of the Company		1,655,850	1,660,214
Non-controlling interests		19,329	20,016
Total equity		1,675,179	1,680,230
Liabilities			
Non-current liabilities			
Contract liabilities		3,922	3,488
Lease liabilities		200,229	97,680
Deferred tax liabilities		16,504	19,257
Total non-current liabilities		220,655	120,425
Current liabilities			
Trade and other payables	14	845,898	709,526
Amounts due to related parties		44,615	16,645
Contract liabilities		35,171	41,380
Lease liabilities		62,905	54,929
Income tax payable		4,686	5,820
Deferred income		3,720	3,720
Total current liabilities		996,995	832,020
Total liabilities		1,217,650	952,445
Total equity and liabilities		2,892,829	2,632,675

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since September 14, 2022. Its ultimate controlling shareholder is Mr. Yang Wenlong (the “**Controlling Shareholder**”), who is also the Chairman and Executive Director of the Company. The address of the Company’s registered office is at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at Building 1, Yard 50, Dengshikou Street, Dongcheng District, Beijing, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of pharmaceutical and healthcare business in the PRC.

The condensed consolidated financial statements are presented in the currency of Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended June 30, 2025 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2024.

3. ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments	Content
Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. SEGMENT INFORMATION

The Group does not distinguish revenue, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole.

The Group's chief operating decision maker, who has been identified as the president, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As the Group's non-current assets (excluding equity instruments at FVTOCI) are all located in the PRC and all the Group's revenue are derived from the PRC, no geographical information is presented. During the six months ended June 30, 2025, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue (six months ended June 30, 2024: nil).

5. REVENUE

Disaggregation of revenue from contracts with customers:

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Type of goods or services:		
Product revenue:		
Pharmaceutical and healthcare business	2,260,218	2,210,057
Others*	<u>66,689</u>	<u>57,837</u>
Total revenue from contracts with customers	<u>2,326,907</u>	<u>2,267,894</u>
Timing of revenue recognition:		
A point in time	2,260,218	2,210,057
Over time	<u>66,689</u>	<u>57,837</u>
Total	<u><u>2,326,907</u></u>	<u><u>2,267,894</u></u>

* Others represents the marketing services, marketplace services and other revenue.

6. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold	1,507,543	1,515,673
Provision for impairment of inventories	3,555	485
Employee benefit expenses		
– Salaries and bonuses	152,075	164,246
– Share-based payments expenses	36,961	51,283
– Retirement benefit scheme contributions	11,857	15,034
– Welfare, medical and other benefits	20,698	28,364
	<hr/>	<hr/>
Total employee benefit expenses	221,591	258,927
Depreciation of property and equipment	7,475	7,739
Depreciation of right-of-use assets	44,056	43,494
Amortization of other intangible assets	15,095	18,541
Auditor's remuneration	940	1,180
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7. OTHER GAINS AND LOSSES, NET

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange (losses)/gains	(4,086)	3,008
Loss on disposal of property and equipment	(408)	(5)
Gain on fair value changes of financial assets at FVTPL	1,982	4,502
Loss on early termination of leases	(1,271)	(706)
Impairment loss recognised in respect of goodwill	–	(1,104)
Others	268	959
Total	<u>(3,515)</u>	<u>6,654</u>

8. OTHER INCOME

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income		
– Bank deposits	15,002	13,826
– Lease deposits	262	259
Government grants (<i>Note</i>)	3,921	5,017
Rental income – fixed	1,060	2,345
Dividends from equity instruments at FVTOCI	4,056	3,849
Total	<u>24,301</u>	<u>25,296</u>

Note: The amounts represent subsidies received from the local governments for rewarding the Group's contribution to local economies. There are no specific conditions attached to the grants and the amounts are recognized in profit or loss when the grants are received.

9. FINANCE COSTS

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on lease liabilities	<u>5,516</u>	<u>4,351</u>

10. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment losses, net of reversals, recognized on:		
– Trade receivables	1,107	2,542
– Other receivables	<u>(430)</u>	<u>(343)</u>
Total	<u>677</u>	<u>2,199</u>

11. INCOME TAX EXPENSE

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– Current period	10,528	7,910
– Under provision in respect of prior period	–	390
Deferred income tax	<u>(2,753)</u>	<u>(2,163)</u>
Total	<u>7,775</u>	<u>6,137</u>

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(51,671)</u>	<u>(84,491)</u>

Number of shares:

	Six months ended June 30,	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>1,299,372,897</u>	<u>1,322,658,246</u>

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended June 30, 2025, the potential ordinary shares were not included in the calculation of diluted loss per share, as taking into account the exercise of the Company's RSUs under the 2023 RSU Scheme would be anti-dilutive (six months ended June 30, 2024: anti-dilutive). Accordingly, diluted loss per share for the six months ended June 30, 2025 is the same as basic loss per share.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Current:		
(a) Trade receivables		
Trade receivables from third parties	131,472	120,940
Notes receivables	471	–
Less: allowance for ECL	<u>(3,802)</u>	<u>(2,695)</u>
Subtotal	<u>128,141</u>	<u>118,245</u>
(b) Other receivables and prepayments		
Welfare receivable	1,535	1,800
Advance to suppliers	35,117	35,625
Prepaid expenses	46,607	39,038
Recoverable value-added tax	31,958	37,470
Receivable from third-party online platforms	98,697	119,166
Deposits receivables	10,710	13,986
Dividend receivables	4,046	–
Deposit in Trustee	100	102
Others	9,475	12,016
Less: allowances for ECL	<u>(2,882)</u>	<u>(3,312)</u>
Subtotal	<u>235,363</u>	<u>255,891</u>
Total	<u>363,504</u>	<u>374,136</u>
Non-current:		
Rental deposits	<u>17,099</u>	<u>15,495</u>
	<u><u>17,099</u></u>	<u><u>15,495</u></u>

The Group's trading terms with some of its customers are on credit. The Group primarily allows a credit period from 30 to 45 days. Trade receivables are settled in accordance with the terms of the respective contracts. Aging analysis of trade receivables based on invoice date is as follows:

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Within 3 months	106,443	99,516
3 to 6 months	6,676	7,784
6 to 12 months	15,169	7,396
Over 12 months	3,655	6,244
	<hr/>	<hr/>
Less: allowance for ECL	(3,802)	(2,695)
	<hr/>	<hr/>
	128,141	118,245
	<hr/> <hr/>	<hr/> <hr/>

As of June 30, 2025, the Group's trade receivables balance included debtors with aggregate carrying amount of RMB34.3 million (December 31, 2024: RMB27.0 million), which were past due but not impaired as of the reporting date. The Group has not provided an impairment loss as the Group is satisfied with the subsequent settlements and the credit quality of these customers had not seen deteriorated. The Group does not hold any collateral over these balances.

14. TRADE AND OTHER PAYABLES

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Trade payables	516,173	351,191
Notes payables	4,960	22,960
	<hr/>	<hr/>
Subtotal	521,133	374,151
	<hr/>	<hr/>
Salary and welfare payables	95,887	120,806
Other tax payable	7,532	4,572
Payables for delivery	45,477	46,643
Payables for service fee	24,644	29,494
Accrued expenses	100,305	83,877
Receipt on behalf of third-party merchants	24,575	25,789
Rental received in advance	856	670
Deposits payable	17,856	15,812
Payable for purchases of property	1,231	2,908
Others	6,402	4,804
	<hr/>	<hr/>
Subtotal	324,765	335,375
	<hr/>	<hr/>
Total	845,898	709,526
	<hr/>	<hr/>

The credit period of trade payables is ranging from 30 to 60 days. An aging analysis of the trade payables based on the invoice date at the end of each reporting period is as follows:

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Within 3 months	473,838	307,142
3 to 6 months	27,251	33,299
6 to 12 months	8,368	13,531
Over 12 months	11,676	20,179
	<hr/>	<hr/>
Total	<u>521,133</u>	<u>374,151</u>

15. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended June 30, 2025 (six months ended June 30, 2024: nil).

During the six months ended June 30, 2025, no dividend to the non-controlling interests was declared or paid by certain subsidiaries (six months ended June 30, 2024: RMB8,949,000 was paid).

LIQUIDITY AND CAPITAL RESOURCES

The Group financed its operations through internally generated cash flows and proceeds from the Global Offering and issuance of shares with preferred rights. As at June 30, 2025, we had cash and cash equivalents of RMB576.3 million (December 31, 2024: RMB1,218.0 million). The following table sets forth our cash flows for the periods indicated:

	For the six months ended	
	June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Operating cash flows before movements in working capital	52,716	21,214
Changes in working capital	147,117	62,709
Income taxes paid	(11,662)	(8,914)
Net cash from operating activities	188,171	75,009
Net cash (used in)/from investing activities	(778,922)	32,245
Net cash used in financing activities	(46,826)	(62,620)
Net (decrease)/increase in cash and cash equivalents	(637,577)	44,634
Cash and cash equivalents at the beginning of the period	1,217,954	1,185,898
Effect of foreign exchange rate changes on cash and cash equivalents	(4,103)	3,048
Cash and cash equivalents at the end of the period	576,274	1,233,580

Net Cash From Operating Activities

For the six months ended June 30, 2025, net cash from operating activities was RMB188.2 million compared to net cash from operating activities of RMB75.0 million in the same period last year, which was primarily attributable to the loss before income tax of RMB44.2 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payments expenses of RMB37.0 million and depreciation of right-of-use assets of RMB44.1 million and amortisation of other intangible assets of RMB15.1 million; and (ii) changes in working capital, which primarily resulted from a decrease in restricted bank deposits of RMB31.7 million, an increase in amounts due to related parties of RMB28.0 million and increase in trade and other payables of RMB138.1 million, partially offset by an increase in inventories of RMB56.9 million.

Net Cash used in Investing Activities

For the six months ended June 30, 2025, net cash used in investing activities was RMB778.9 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB830.0 million and placement of time deposits of RMB432.2 million and partially offset by redemption of financial assets at FVTPL of RMB487.0 million.

Net Cash Used in Financing Activities

For the six months ended June 30, 2025, net cash used in financing activities was RMB46.8 million, which was primarily attributable to repayments of lease liabilities of RMB41.3 million and interest paid of RMB5.5 million.

Borrowings and Gearing

As of June 30, 2025, we did not have any bank borrowings and therefore we did not present gearing ratio.

Capital Expenditures

Our capital expenditures primarily consisted of purchases of property and equipment, payments for right-of-use assets and purchases of other intangible assets. Our capital expenditures were RMB13.4 million for the six months ended June 30, 2025 and RMB13.8 million for the six months ended June 30, 2024.

Capital Commitments

As of June 30, 2025, we had no material capital commitment.

Pledges of Assets

As of June 30, 2025, we did not have any material pledge of asset.

Significant Investments Held

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at June 30, 2025) during the six months ended June 30, 2025.

Future Plans for Material Investments and Capital Assets

As of June 30, 2025, save for the "Future Plans and Use of Proceeds" disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the six months ended June 30, 2025.

Foreign Exchange Risk

The functional currency of the Group's entities is RMB. Foreign exchange risk arises when future commercial transactions or recognized financial assets and liabilities are denominated in currencies that are not the respective functional currency of the Group's entities. The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk.

CONTINGENT LIABILITIES

As of June 30, 2025, we did not have any material contingent liabilities.

EMPLOYEES

As of June 30, 2025, we had 2,266 full-time employees, most of whom were based in China, mostly in Beijing, with the rest based in major cities across China such as Shenzhen and Shanghai.

The following table sets forth the number of our employees by function as of June 30, 2025:

Employee function	Number of employees
Sales, Marketing and Business Development	1,521
Technology, Research and Development	312
Management	258
Administration	175
Total	2,266

We believe that we maintain a good working relationship with our employees and we have not experienced any significant labour disputes or any difficulty in recruiting staff for our operations.

We entered into employment contracts and agreements regarding confidentiality, intellectual property rights and non-competition with our senior management, managers and core employees. The remuneration package for our employees generally includes salary and bonuses. We determine employees' remuneration based on factors such as qualifications and years of experience. Employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. We make contributions to mandatory social security funds for our employees to provide for pension, medical, work-related injury, maternity and unemployment benefits.

We endeavour to hire the best talented employees in the market by offering competitive wages and benefits, systematic training opportunities and internal promotion path. We also conduct introductory training for new staff and have periodic training for our full-time employees.

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted the Pre-IPO Share Option Scheme, the Restricted Share Scheme and the Restricted Share Unit Scheme (“**Share Incentive Schemes**”) on May 1, 2020, which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the Share Incentive Schemes shall not be more than 87,993,330 ordinary shares of the Company, representing approximately 6.67% of the total issued share capital (excluding treasury shares) of the Company as of June 30, 2025. For details, please refer to “Statutory and General Information – D. ESOP Plans – Share Incentive Schemes” in Appendix IV to the Prospectus. On June 27, 2023, the Company has adopted the restricted share units scheme (“**2023 RSU Scheme**”) which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the 2023 RSU Scheme shall not be more than 26,829,457 ordinary shares of the Company, representing approximately 2.0% of the total issued share capital (excluding treasury shares) of the Company as of June 30, 2025. For details, please refer to the announcement of the Company dated June 27, 2023.

The total employee benefit expenses, including share-based payment expenses, for the six months ended June 30, 2025 were RMB221.6 million, as compared to RMB258.9 million for the six months ended June 30, 2024.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on September 14, 2022. The net proceeds raised from the Company’s Global Offering, after deduction of the underwriting commissions and other estimated expenses paid and payable by the Company in connection with the Global Offering, were approximately HK\$341.6 million. The net proceeds had been fully utilized as of June 30, 2025.

The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of June 30, 2025:

Purpose	Percentage of total net proceeds	Net proceeds incurred from the Global Offering <i>HK\$ million</i>	Unutilized amount as of January 1, 2025 <i>HK\$ million</i>	Amount utilized during the six months ended June 30, 2025 <i>HK\$ million</i>	Unutilized amount as of June 30, 2025 <i>HK\$ million</i>	Expected timeline for full utilization of the remaining net proceeds
Business expansion, such as the further development of smart pharmacy network, and enhancement of user growth and engagement	45.0%	153.7	–	–	–	N/A
Optimizing of our technology systems and operating platforms	15.0%	51.2	–	–	–	N/A
Upgrading our services and business, such as building professional structure of full-time doctors and pharmacists	10.0%	34.2	–	–	–	N/A
Potential investments and acquisitions or strategic alliances along with the value chain of the healthcare industry in which we operate	20.0%	68.3	23.5	23.5	–	N/A ^(Note)
Working capital and other general corporate purpose	10.0%	34.2	–	–	–	N/A
Total	100.0%	341.6	23.5	23.5	–	

Note: The original expected timeline for full utilization of the remaining net proceeds allocated to potential investments and acquisitions or strategic alliances along with the value chain of the healthcare industry in which we operate was December 31, 2024. Since the Company needed more time to evaluate and plan for the project implementation, the relevant remaining unutilized net proceeds of approximately HK\$23.5 million were fully utilized by June 30, 2025. The Directors considered that the delay in the use of the unutilized net proceeds had no material adverse effect on the existing business and operation of the Group and was in the best interests of the Company and its shareholders as a whole.

Save as disclosed above, as of the date of this announcement, there was no other change in the intended use of net proceeds and the expected timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders of the Company (the “**Shareholders**”), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The corporate governance principles of the Company emphasise a quality board, sound internal controls, and transparency and accountability to all Shareholders. During the Reporting Period, the Company has complied with the Code Provisions as set out in the CG Code except for the following deviation.

Pursuant to Code Provision C.2.1 which the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, our Company does not have a separate chairman and president, and the responsibilities of both chairman and president vest in Mr. YANG Wenlong. Our Board believes that vesting the responsibilities of both chairman and president in the same person has the benefit of ensuring the consistent leadership within our Group and enables more effective and efficient overall strategic planning. Besides, with three independent non-executive Directors out of a total of nine Directors in our Board, there will be sufficient independent opinions within our Board to protect the interests of our Company and our Shareholders as a whole. Therefore, our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman and president at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors’ dealings in the securities of the Company.

Having made specific enquiry to all Directors, each of the Directors confirmed that he/she has complied with the required standards set out in the Model Code during the Reporting Period.

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

During the six months ended June 30, 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s or its subsidiaries’ listed securities (including sale of treasury shares). As of June 30, 2025, the Company did not hold any treasury shares.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Changes in the information of Directors since the date of the latest published annual report of the Company are as follows:

Ms. Cai Li resigned as a non-executive Director and a member of the Remuneration Committee with effect from May 30, 2025.

Ms. Li Chuheng has been appointed as a non-executive Director and a member of the Remuneration Committee and Nomination Committee with effect from May 30, 2025.

Mr. Jiang Shan, an independent non-executive Director, has been appointed as a member of the Nomination Committee with effect from May 30, 2025.

Save as disclosed above, there was no change in the information of Directors and chief executive officer of the Company since the latest published annual report and up to the date of this announcement which was required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INTERIM DIVIDENDS

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

EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events subsequent to June 30, 2025.

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”), which comprises three independent non-executive Directors, namely Mr. JIANG Shan (Chairman), Mr. ZHANG Shouchuan and Dr. FAN Zhenhong. Mr. JIANG Shan is the chairman of the Audit Committee. The primary functions of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board, and review and oversee the risk management of the Company.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the Group's auditor, Messrs. Deloitte Touche Tohmatsu.

The condensed consolidated financial statements of the Group for the six months ended June 30, 2025 have been reviewed by Messrs. Deloitte Touche Tohmatsu, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Accounting Standards Board.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ddjkt.com.

The interim report of the Group for the six months ended June 30, 2025 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched (if requested) to the Shareholders who have already provided instructions indicating their preference to receive the corporate communications in printed form in due course.

By order of the Board
DINGDANG HEALTH TECHNOLOGY GROUP LTD.
YANG WENLONG
Chairman

Hong Kong, August 22, 2025

As of the date of this announcement, the executive Directors are Mr. YANG Wenlong, Mr. XU Ning, Mr. YU Lei, Mr. YU Qinglong and Mr. YANG Yibin, the non-executive Director is Ms. Li Chuheng, and the independent non-executive Directors are Mr. ZHANG Shouchuan, Dr. FAN Zhenhong and Mr. JIANG Shan.