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ClouDr Group Limited

智雲健康科技集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9955)

**(1) INTERIM RESULTS ANNOUNCEMENT FOR
THE SIX MONTHS ENDED JUNE 30, 2025;
(2) TERMINATION OF DISCLOSEABLE TRANSACTIONS;
(3) DISCLOSEABLE TRANSACTIONS; AND
(4) CHANGE IN COMPOSITION OF THE NOMINATION
COMMITTEE**

The Directors of the Company is pleased to announce the unaudited consolidated interim results of the Group for the Reporting Period, together with the comparative figures for the corresponding period in 2024. The interim results have been reviewed by the Company's audit committee.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

	Six months ended June 30		Change (%)
	2025	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	
	(Unaudited)	(Unaudited)	
Revenue	892,579	2,124,840	(58.0)
Gross profit	331,012	436,994	(24.3)
Adjusted gross profit (non-IFRS measure) ⁽¹⁾	445,267	436,994	1.9
Operating loss	(587,952)	(102,850)	471.7
Loss for the period	(642,895)	(118,941)	440.5
Adjusted net loss (non-IFRS measure) ⁽²⁾	(63,404)	(32,901)	92.7

	Six months ended June 30		Change (%)
	2025	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	
	(Unaudited)	(Unaudited)	
Revenue by product or service type	892,579	2,124,840	(58.0)
— In-hospital Solution	649,952	1,688,110	(61.5)
Value Added Solution	277,101	1,439,278	(80.7)
Subscription Solution (i.e. Targeted Marketing)	151,863	140,922	7.8
P2M Solution ⁽³⁾	220,988	107,910	104.8
— Out-of-hospital Solution	242,627	436,730	(44.4)
Subscription Solution	44,425	27,647	60.7
Value Added Solution	97,201	360,295	(73.0)
P2M Solution ⁽³⁾	40,244	—	—
Others	60,757	48,788	24.5

Notes:

- (1) We define “adjusted gross profit (non-IFRS measure)” as gross profit for the period and adding back impairment loss recognized on inventories related to certain subsidiaries of disposals and proposed disposals, which is one-off.
- (2) We define “adjusted net loss (non-IFRS measure)” as loss for the period and adding back (i) share-based compensation expenses, (ii) expense related to subsidiaries’ equity financing activities, (iii) changes in the carrying amounts of financial instruments issued to investors and the fair value of convertible bond, (iv) losses recognized on certain subsidiaries of disposals and proposed disposals and (v) one-off specific provision related to a business whose counterparty is under major lawsuits or judicial investigations.

- (3) We define P2M Solution as sales of proprietary products of which the Group has ownership or national distribution rights through strategic cooperation with pharmaceutical companies.

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

BUSINESS REVIEW AND OUTLOOK

Overview

We are the largest digital chronic condition management solution provider in China, in terms of numbers of SaaS (Software as a Service) installations in hospitals and pharmacies, each as of December 31, 2024, and numbers of online prescriptions issued through our services in 2024. As an industry pioneer and leader, the Company has its roots in serving and digitizing major participants in the value chain, including hospitals, pharmacies, pharmaceutical companies, patients and doctors.

We have strong AI capabilities based on massive real medical data we have processed through our hospital SaaS and have obtained through online prescription using pharmacy SaaS networks.

Hospital is of the utmost importance in the China's healthcare value chain, which has an extremely high barrier of entry. By June 30, 2025, we have installed our chronic condition management SaaS in 2,774 hospitals, which represents 40% of top 100 hospitals and more than 20% penetration in tier 3 hospitals. Our hospital SaaS enables hospitals to standardize and optimize diagnosis procedures and improve treatment efficiency and reduce medical errors by automating and standardizing electronic health records, prescriptions, testing results, and other medical data.

On the pharmacy side, by June 30, 2025, we have installed our pharmacy SaaS in 269,360 pharmacies, which represents approximately 40% penetration of total pharmacies in China. Over the years, we issued over one billion prescriptions cumulatively through our internet hospitals. Our pharmacy SaaS allows every customer, especially chronic condition patients, once they walk into the pharmacy, to have the immediate access to our internet hospitals and get the online diagnosis and prescriptions so they can purchase prescribed drugs in the pharmacy.

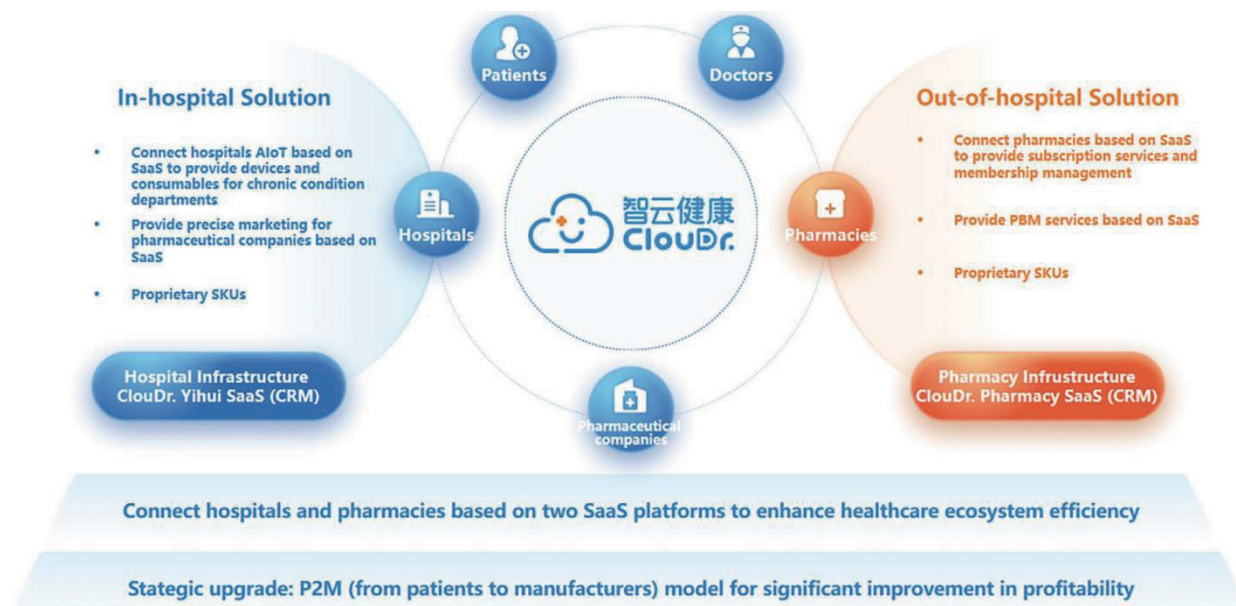
The medical knowledge and insights derived from relevant data have established entity relationships for over 200,000 medicines, essentially covering the majority of chronic diseases. Currently, we have two vertical models, ClouD GPT and ClouD DTx, which respectively excel in physician-patient interactions and medical research. We feed our models with our real case data from high-class hospitals and massive consultation and prescription data from our own internet hospitals to train and enhance their accuracy and applications. Our ClouD GPT model can achieve close to 100% drug usage rationality on a single prescription, and in terms of drug interactions, our model has established rules for compatibility contraindications and multi-drug combinations. Based on our ClouD GPT model, we have reached an expert consensus on the "Establishment and Application of an Internet Healthcare-related Intelligence Assisted Prescription Review System" with the Chinese Society of Clinical Pharmacy of the Chinese Medical Association, the Clinical

Pharmacy Society of the Shanghai Medical Association, the Hospital Pharmacy Committee of the Shanghai Pharmaceutical Association, and 35 Class III-A hospitals across China, which sets industry standard for AI-assisted prescription review out of hospitals.

During the Reporting Period, the ClouD GPT model consistently provided clinical decision support to doctors at hospitals and monetised through digital marketing efforts. In pharmacies, it assisted in prescription review using a “traffic light” mechanism and successfully deployed the first digital employee, resulting in significant savings in manpower and compliance costs for the Company. The ClouD DTx model published two articles in top international journals, including one in Journal Citation Reports (“JCR”) Q1 with an impact factor of 6 on *Journal of Medical Internet Research*. This study leveraged Cloud DTx, the Company’s in-house developed medical foundation model, to provide researchers with a powerful tool capable of rapidly and accurately identifying research directions and formulating methodologies. As a result, it successfully unlocked a new therapeutic approach for Gestational Diabetes Mellitus (GDM), revealing that digital lifestyle interventions can help GDM patients maintain stable blood glucose levels over the long term, thereby positively influencing pregnancy outcomes. This research holds both medical and sociological significance and also lays a theoretical foundation for the company’s future development in the field of digital therapeutics.

With an aim of enabling the chronic disease management industry through technologies and improving the efficiency of the healthcare ecosystem, the Company strives to fulfill its responsibilities to increase the accessibility of quality and affordable healthcare services and products to the stakeholders in the healthcare ecosystem, and continues to build digital infrastructure for the chronic condition management industry.

Our integrated in-and out-of-hospital solutions connect hospitals and pharmacies based on our hospital SaaS and pharmacy SaaS to enhance the efficiency of the healthcare ecosystem.



Our integrated in-hospital solution provides: (1) an AI-driven extensive hospital SaaS to assist doctors in diagnosis and treatment and to help enhance the efficiency of doctor education, and as a result, our hospital SaaS can promote drugs in the following two manners: a) rendering targeted marketing services to pharmaceutical companies and b) selling of proprietary services chronic condition related drugs; and (2) a comprehensive chronic condition management solution to hospitals, including hospital SaaS and proprietary AIoT (Artificial Intelligence of Things), and therefore our SaaS has integrated with HIS (Hospital Information Systems) to process massive amount of real medical data in order to enhance hospital productivity.

Our out-of-hospital solution connects doctors and patients, and provides high-quality and trust-worthy medical services through our AI vertical model ClouD GPT to provide (1) pharmacy SaaS which enables in-store, real-time online consultation, prescription and risk pooling of outpatient services, which we monetise by charging SaaS subscription fees to pharmacies; and (2) sales of proprietary and partnered chronic condition related drugs based on our data insights in pharmacies including information on inventory, sales, and shipments of prescription drugs.

During the Reporting Period, the Company restructured its business model to prioritize high-quality and cash-generation growth by focusing on the core AI capabilities. Rather than pursuing growth for scale alone, our strategy is now centered on delivering long-term value and improved financial resilience. Specifically, we continued to focus on the AI-driven P2M strategy to conduct targeted marketing for both proprietary and third-party drugs whilst we proactively scaled down the business related to the sales of medical supplies and consumables, which had weaker strategic relevance and lower profitability. Overall, by shifting from a scale-driven model to a quality-driven model, the Company's business model is more resilient and sustainable.

Notably, during the first half of the year, we achieved the first-ever net cash inflow from operating activities of RMB28.7 million since our initial public offering in June 2022, as compared to net cash outflow from operating activities of RMB195.5 million during the same period in 2024, thereby fully validating the viability of our transformation. In the short term, the transformation will be focused on the P2M strategy to achieve healthy cash flow and profitability; in the mid-long term, it will target data assets monetization; and in the long term, we believe the transformation will lead us to achieve a closed-loop of individual chronic condition management by connecting hospital, pharmacy, pharmaceutical companies, patients and payers via healthcare data sharing.

The AI-driven P2M strategy is based on our solid infrastructure in both in-hospital scenarios and out-of-hospital scenarios. Under such strategy, we are able to sell proprietary products of which the Company has ownership, sales rights or other exclusive rights through strategic cooperation with pharmaceutical companies, and we believe this strategy will lead us to the path of profitability. With the steady revenue growth of Ischelium® and Hetangjing®, our P2M solution has already realized a total revenue of RMB261.2 million and has achieved profitability as of June 30, 2025.

We are pleased to update on the progress in the development and regulatory pathway of Iloprost Infusion for Injection, one of our key P2M pipeline products indicated for pulmonary arterial hypertension (PAH), a designated rare disease. The product is expected to receive sales approval under the Medicine and Device Access (藥械通) in the Greater Bay Area by the end of September 2025. Following the approval, a real-world study will be launched in the region to collect clinical data with an estimated duration of six months. Concurrently, we have made substantial headway in our national regulatory strategy. Preliminary discussions with the National Medical Products Administration (NMPA) have aligned on utilizing the “green channel” for expedited review. The product is planned to be submitted to the Center for Drug Evaluation (CDE) by the end of 2025, targeting a conditional approval by June 2027 and a formal national launch by August 2027. This timeline represents critical steps in accelerating patient access to this important therapy while supporting long-term market expansion and leading to profitability.

We also enriched our P2M pipeline in the first half of 2025 with eight products in the process of registration application or pre-launch. We have already become the gateway for industrial enterprises to enter into hospitals and pharmacies based on our broad and in-depth hospital network and pharmacy network. As a result, our digitization capability can connect industrial enterprises with end hospitals and pharmacies, and ultimately bring high-quality products with competitive pricing and high convenience to patients with chronic conditions.

In 2024, the Company updated the classification of its revenue by re-grouping its revenue into: (1) in-hospital solution and (2) out-of-hospital solution. Information that was previously presented under “pharmacy solution” and “individual chronic condition management solution and others” is now combined as “out-of-hospital solution”, and information that was previously presented under “individual chronic condition management solution and others” is now presented under “out-of-hospital solution — others” as the revenue from the individual chronic condition management solution is not significant enough to be disclosed separately, as a result of the Company’s proactive optimization of its revenue structure. The Company believes that the new classification better reflects the current status and future direction of the business development of the Group.

For the six months ended June 30, 2025, our total revenue amounted to RMB892.6 million, representing a year-on-year decrease of 58.0%, mainly due to the decrease in value-added solution in both in-hospital solution and out-of-hospital solution as a result of our strategic transformation. Our gross profit margin significantly increased from 20.6% in the six months ended June 30, 2024 to 37.1% in the six months ended in June 30, 2025, a positive result of our business restructuring that focuses on high-quality and cash-generation growth. We also achieve adjusted gross profit margin (non-IFRS measure) of 49.9% in the six months ended June 30, 2025, which excludes impairment loss on inventories related to disposals and proposed disposals of certain subsidiaries and reflects our normal operation. Due to losses recognized on certain subsidiaries of proposed disposals and the one-off specific provision, our net loss for the Reporting Period amounted to RMB642.9 million, representing a year-on-year increase of 440.5%. With the deepening execution of the national centralized procurement using a volumed-based purchase (“VBP”) (集中帶量採購) policy initiated by the NHSA (國家醫療保障局), we started to propose disposals of certain subsidiaries in the first quarter of 2025, and certain subsidiaries are no longer in operation since April 2025. Therefore, our non-IFRS adjusted net loss amounted to RMB63.4 million, representing a year-on-year increase of 92.7%. For further details of the disposals, please refer to the Announcement and the section headed “Termination of Discloseable Transactions” and “Discloseable Transactions” in this announcement. We continued to serve more patients with chronic conditions, with the average daily online effective prescription volume close to one million during the Reporting Period.

In-hospital Solution

We grow our business in hospitals with the “Access, Install, Monetize” model, or the AIM model. This three-prong model outlines our concurrent efforts to access hospitals and establish business relationships, install our hospital SaaS to increase stickiness of hospitals, and seek monetization opportunities through our in-hospital solution.

Launched in 2016, our hospital *ClouDr. Yihui* SaaS was the first of its kind in China to digitize and standardize the in-hospital chronic condition management process. Medical devices such as glucose meters, blood ketone meters and vital sign monitors can be connected to *ClouDr. Yihui* SaaS through our proprietary AIoT devices. During the Reporting Period, we continued to penetrate more hospitals and to deepen our cooperation with existing hospitals.

As of June 30, 2025, 2,774 hospitals had installed *ClouDr. Yihui* SaaS, including 784 Class III public hospitals and 1,116 Class II public hospitals. Additionally, 40 out of the 2,774 hospitals are China’s top 100 hospitals.

For our in-hospital solution, we monetize through our value added solution, subscription solution and P2M solution.

The comprehensive value added solution include the SaaS system and hospital supplies, which are primarily related to chronic conditions and can be connected to our hospital SaaS through the proprietary AIoT devices. During the Reporting Period, we proactively reduced the value-added solution for the reasons that (1) we have already built up strong relationship with hospitals and doctors in the previous years and have tightly bonded with users, so the low-margin medical supply business is no longer our core business; and (2) headwinds from VBP for certain medical consumables impact growth potential. Notwithstanding the above, we continued to expand our hospital SaaS network and strengthen our relationships with hospitals by optimizing AI-driven functions for more precise and customised chronic condition management.

Leveraging our hospital network and hospital SaaS, we offer pharmaceutical companies subscription services, i.e., targeted marketing services, primarily for medicines related to chronic condition management. Our subscription services can help pharmaceutical companies achieve more effective marketing in a cost-saving way. With the advancement of the national medical system reform, there is an increase of pharmaceutical and medical device companies paying more attention to cost reduction and efficiency improvement, thus targeted marketing has greater room to grow continuously.

As of June 30, 2025, we had contracted with 45 pharmaceutical companies to provide them with targeted marketing services, which represented an increase of 9.8% as compared to that as of June 30, 2024, showing that our strong hospital access capability through AI-driven SaaS network has been recognized by more pharmaceutical companies. The total partnered SKUs reached 50 as of June 30, 2025, which maintained the same as compared to that as of June 30, 2024. Revenue from our subscription solution amounted to RMB151.9 million, representing an increase of 7.8% as compared to that as of June 30, 2024.

Under the upgraded P2M strategy, we recorded P2M solution as a new sub-business line since the financial year ended December 31, 2023, which is sales of proprietary products. We believe that P2M solution is an upgraded version of targeted marketing, given that we have stronger control of the products and are more involved in the process including but not limited to research and development, manufacturing, sales and marketing, etc. During the Reporting Period, this sub-business line mainly includes our proprietary Ischelium[®], a drug widely recognized by doctors for treating mild vascular dementia and cerebrovascular disease, and Hetangjing[®] Dapagliflozin Tablets, a first-line medication for improving glycemic control in adult patients with type 2 diabetes. We also enriched our P2M pipeline in the first half of 2025 with eight products in the process of registration application or pre-launch. Revenue from our in-hospital P2M solution amounted to RMB221.0 million, representing a significant increase of 104.8% as compared to the six months ended June 30, 2024.

The AI-driven hospital SaaS significantly improved our customer stickiness for monetization opportunities. Our in-hospital solution has allowed us to successfully build deep connections with hospitals and pharmaceutical companies, laying a solid foundation to extend our businesses to out-of-hospital settings. For the six months ended June 30, 2025, the number of hospitals that installed our *ClouDr. Yihui* SaaS reached 2,774, representing an increase of 42 hospitals, or 1.5% as compared to the six months ended June 30, 2024.

	Six months ended June 30		
	2025	2024	
	RMB'000	RMB'000	Change (%)
	(Unaudited)	(Unaudited)	
Revenue			
In-hospital solution	649,952	1,688,110	(61.5)
Value Added Solution	277,101	1,439,278	(80.7)
Subscription Solution			
(i.e. Targeted Marketing)	151,863	140,922	7.8
P2M Solution	220,988	107,910	104.8
Gross profit			
In-hospital solution	228,342	368,692	(38.1)
Value Added Solution	(50,757)	163,485	(131.0)
Subscription Solution			
(i.e. Targeted Marketing)	136,990	125,228	9.4
P2M Solution	142,109	79,979	77.7
Gross margin			
In-hospital solution	35.1%	21.8%	13.3
Value Added Solution	(18.3)%	11.4%	(29.7)
Subscription Solution			
(i.e. Targeted Marketing)	90.2%	88.9%	1.3
P2M Solution	64.3%	74.1%	(9.8)
Adjusted gross profit			
In-hospital solution	342,597	368,692	(7.1)
Value Added Solution	63,498	163,485	(61.2)
Subscription Solution			
(i.e. Targeted Marketing)	136,990	125,228	9.4
P2M Solution	142,109	79,979	77.7
Adjusted gross margin			
In-hospital solution	52.7%	21.8%	30.9
Value Added Solution	22.9%	11.4%	11.5
Subscription Solution			
(i.e. Targeted Marketing)	90.2%	88.9%	1.3
P2M Solution	64.3%	74.1%	(9.8)

	Six months ended June 30		
	2025	2024	Change (%)
Number of hospital that installed our hospital SaaS ⁽¹⁾	2,774	2,732	1.5
Subscription Solution — Number of partnered pharmaceutical companies ⁽²⁾	45	41	9.8
Subscription Solution — Number of partnered SKUs ⁽³⁾	50	50	0.0

Notes:

- (1) Number of hospitals that installed our hospital SaaS is the cumulative total number as of the end date of the respective period.
- (2) Number of partnered pharmaceutical companies is the number of pharmaceutical companies to which we provided digital marketing services during the respective period.
- (3) Number of SKUs marketed through digital marketing services during the respective period.

Out-of-hospital Solution

Our integrated out-of-hospital solution fulfills chronic condition patients' need for out-of-hospital consultation, prescription services, and insurance services through pharmacy SaaS, pharmacy supplies of medical devices, consumables, pharmaceuticals, insurance products and miscellaneous.

Our pharmacy SaaS, *ClouDr. Pharmacy*, was launched in the first half of 2019. It plays a critical role in our out-of-hospital medical services by empowering pharmacies with in-store, real-time consultation and prescription services for walk-in customers. We currently have two internet hospitals as part of our platform to deliver these services in compliance with relevant regulations. These internet hospitals allow us to provide online consultation and prescription services through our online applications to patients in different provinces across China. We had approximately 110,000 registered doctors and approximately 50.2 million registered users as of June 30, 2025. During the Reporting Period, the number of online prescriptions provided through our services reached 177.6 million, i.e. the average daily online prescription volume surpassed 981,000, representing a significant year-on-year increase of 53.0%, which proves the high customer recognition of our pharmacy SaaS. We also provide advanced features, such as a new retail function that offers e-commerce solutions on private domain traffic management such as WeChat mini programs, public domain traffic management and inventory management services. Our pharmacy SaaS has also integrated risk pooling of outpatient services in eight provinces. As of June 30, 2025, 269,360 pharmacies had installed *ClouDr. Pharmacy*, representing an increase of 41,029 pharmacies from that as of June 30, 2024, covering approximately 40% of pharmacies in China.

Leveraging the data insights generated from the pharmacy SaaS prescription services, we effectively connect pharmaceutical companies and pharmacies for pharmacy supplies purchases. Due to our proactive reduction of certain low-margin value-added services, the number of transacting customers for our pharmacy supplies amounted to 197 customers for the six months ended June 30, 2025, representing an decrease of 661 customers, or 77.0% as compared to that for the six months ended June 30, 2024, but the average revenue per transacting customer increased to approximately RMB493,000 for the six months ended June 30, 2025, representing an increase of 17.5% as compared to that for the six months ended June 30, 2024.

The revenue of our out-of-hospital subscription solution business line amounted to RMB44.4 million, representing a significant increase of 60.7% as compared to that for the six months ended June 30, 2024, due to the increased market concentration and increased demand of the integrated risk pooling of outpatient services. The revenue of our out-of-hospital value-added solution business line amounted to RMB97.2 million, representing a decrease of 73.0% as compared to that for the six months ended June 30, 2024, due to our proactive reduction of certain low-margin value-added services and the shift of our strategic focus to P2M solution. We added a new business line of P2M solution under Pharmacy Solution in the year ended December 31, 2024, due to its significant contribution and its strategic importance in the future. Revenue from the P2M Solution amounted to RMB40.2 million for the six months ended June 30, 2025.

	Six months ended June 30		Change (%)
	2025	2024	
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	
Revenue			
Out-of-hospital solution	242,627	436,730	(44.4)
Subscription Solution	44,425	27,647	60.7
Value Added Solution	97,201	360,295	(73.0)
P2M Solution	40,244	—	—
Others	60,757	48,788	24.5
Gross profit			
Out-of-hospital solution	102,670	68,302	50.3
Subscription Solution	41,986	27,067	55.1
Value Added Solution	19,115	17,147	11.5
P2M Solution	23,888	—	—
Others	17,681	24,088	(26.6)
Gross margin			
Out-of-hospital solution	42.3%	15.6%	26.7
Subscription Solution	94.5%	97.9%	(3.4)
Value Added Solution	19.7%	4.8%	14.9
P2M Solution	59.4%	—	—
Others	29.1%	49.4%	(20.3)

	Six months ended June 30		Change (%)
	2025	2024	
Number of pharmacy stores that installed our pharmacy SaaS ⁽¹⁾	269,360	228,331	18.0
Number of registered users (in millions) ⁽²⁾	50.2	33.2	51.2
Number of registered doctors (in thousands) ⁽³⁾	110.0	104.3	5.5
Number of online prescriptions (in millions)	177.6	116.1	53.0
Subscription Solution — Number of SaaS-paying pharmacy stores	155,940	112,854	38.2
Value Added Solution — Number of transacting customers	197	858	(77.0)
Value Added Solution — Average revenue per transacting customer (in thousands)	493	420	17.4

Notes:

- (1) Number of pharmacy stores that installed our pharmacy SaaS is the cumulative total number as of the end date of the respective period.
- (2) Number of registered users is the cumulative total number as of the end date of the respective period.
- (3) Number of registered doctors is the cumulative total number as of the end date of the respective period.

Significant Events/Recent Developments after the Reporting Period

Saved as disclosed in this announcement, there were no significant events affecting the Group since the end of the Reporting Period and up to the date of this announcement.

Business outlook

We intend to focus on the following key strategies to solidify our leadership position in China's chronic condition management market: (1) continue to solidify our hospital SaaS and pharmacy SaaS infrastructure, (2) continue to build up a strong pipeline for proprietary products under the P2M strategy to drive monetization, (3) continue to invest in product and technology innovation with a focus on medical AI, (4) continue to grow our number of patient and doctor users, and (5) continue to invest in strategic partnership and acquisitions.

In respect of the in-hospital solution, we will continue our hospital-first strategy with the AIM model approach. We will continue to strengthen our value proposition and SaaS network in hospitals by (1) investing in product capabilities and medical know-how to deepen our partnership with hospitals, (2) increasing sales professionals with medical background to expand hospital network and hospital SaaS installation base, and (3) focusing on partnerships with pharmaceutical companies to drive further monetization through in-hospital subscription solution for targeted marketing, and P2M solution, for sales of proprietary chronic condition related drugs, both leveraging our existing hospital infrastructure.

In respect of the out-of-hospital solution, we focus on providing high quality and trust-worthy medical services to our users. We will continue to expand our pharmacy network by increasing SaaS installation base, and enriching our pharmacy product portfolio and services to meet various needs of pharmacies such as offline and online operation, membership management, inventory management, and supply chain. We will continue to implement our P2M strategy to the out-of-hospital solution business to improve business line profitability by leveraging our existing pharmacy infrastructure.

Looking forward, we are well positioned for the growth of the in- and out-of-hospital chronic condition management solutions. The fly wheel effect of our business model will lead to stronger monetization.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues decreased by 58.0% from approximately RMB2,124.8 million for the six months ended June 30, 2024 to approximately RMB892.6 million for the six months ended June 30, 2025. The decrease was primarily attributable to the decrease of value-added solution in both in-hospital solution and out-of-hospital solution due to the strategic transformation that the Company restructured its business model to prioritize high-quality and cash-generation growth by focusing on the core AI capabilities.

In-hospital solution. Revenue from the in-hospital solution decreased by 61.5% from approximately RMB1,688.1 million for the six months ended June 30, 2024 to approximately RMB650.0 million for the six months ended June 30, 2025, primarily due to the decrease of value-added solution as a result of disposals and proposed disposals of certain subsidiaries that are involved in the sales of medical supplies and consumables, which is in line with our restructuring that prioritizes high-quality and cash-generation growth. For further details of the disposals, please refer to the Announcement and the section headed “Termination of Discloseable Transactions” and “Discloseable Transactions” in this announcement.

Out-of-hospital solution. Revenue from the out-of-hospital solution decreased by 44.4% from approximately RMB436.7 million for the six months ended June 30, 2024 to approximately RMB242.6 million for the six months ended June 30, 2025, primarily due to our proactive decision to reduce some low margin value added solution and to focus on pharmacy subscription solution and P2M solution.

Cost of Sales

Our cost of sales decreased by 66.7% from approximately RMB1,687.8 million for the six months ended June 30, 2024 to approximately RMB561.6 million for the six months ended June 30, 2025. The main reason for the decrease of cost of sales being faster than the decrease of revenue was primarily attributable to a reduced proportion of the low-margin valued-added solution in the revenue mix as a result of our restructuring that prioritizes high-quality and cash-generation growth.

Gross profit and gross margin

As a result of the foregoing, our overall gross profit for the six months ended June 30, 2024 and 2025 were approximately RMB437.0 million and approximately RMB331.0 million, respectively, and our overall gross margin was for the same periods was 20.6% and 37.1%, respectively. The decrease of our overall gross profit was primarily attributable to strategic transformation that results in lower contribution from the low-margin value-added solution.

The significant increase of our overall gross margin was a result of the optimization of the revenue structure with a focus on high-margin subscription solution and P2M solution in both in-hospital solution and out-of-hospital solution.

In-hospital solution. Our gross margin for the in-hospital solution significantly increased from 21.8% for the six months ended June 30, 2024 to 35.1% for the six months ended June 30, 2025, primarily attributable to higher revenue contribution from high-margin subscription solution and P2M solution as a result of our business restructuring.

Out-of-hospital solution. Our gross margin for the out-of-hospital solution significantly increased from 15.6% for the six months ended June 30, 2024 to 42.3% for the six months ended June 30, 2025, primarily due to our proactive reduction of the low-margin value-added solution in pharmacies as a result of our business restructuring that prioritizes high-quality and cash-generation growth.

Selling and marketing expenses

Our selling and marketing expenses increased by 18.3% from approximately RMB383.6 million for the six months ended June 30, 2024 to approximately RMB453.9 million for the six months ended June 30, 2025, primarily attributable to significant revenue increase of our in-hospital P2M solution. More than 74.5% of our selling and marketing expenses are people related costs (including share-based compensation).

Although we enjoyed significant operating leverage and customer stickiness with high recurring purchases, the selling and marketing expense to revenue ratio increased from 16.9% for the six months ended June 30, 2024 to 48.6% for the six months ended June 30, 2025 due to reduced revenue as a result of our strategic transformation.

Administrative expenses

Our administrative expenses decreased by 1.6% from RMB120.6 million for the six months ended June 30, 2024 to RMB118.7 million for the six months ended June 30, 2025. The decrease was primarily attributable to effective management and proactive control of administrative expenses.

The administrative expenses to revenue ratio increased from 3.4% for the six months ended June 30, 2024 to 7.3% for the six months ended June 30, 2025 due to reduced revenue as a result of strategic transformation.

Research and development expenses

Our research and development expenses decreased from approximately RMB41.8 million for the six months ended June 30, 2024 to approximately RMB26.4 million for the six months ended June 30, 2025. The research and development expense to revenue ratio increased from 1.7% for the six months ended June 30, 2024 to 2.7% for the six months ended June 30, 2025 due to reduced revenue as a result of strategic transformation.

Impairment loss on trade receivables and other receivable

We recorded impairment loss on trade receivables and other receivables of RMB13.1 million and RMB181.7 million for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively. The change was primarily due to the impairment loss recognized on the assets related to disposals and proposed disposals of certain subsidiaries and the one-off specific provision.

Loss from operations

As a result of the foregoing, our loss from operations increased by 471.7% from approximately RMB102.9 million for the six months ended June 30, 2024 to approximately RMB588.0 million for the six months ended June 30, 2025. The increase was primarily due to losses recognized on certain subsidiaries of disposals and proposed disposals and the one-off specific provision.

Finance costs

Our finance costs increased by 12.6% from approximately RMB7.8 million for the six months ended June 30, 2024 to approximately RMB8.8 million for the six months ended June 30, 2025, primarily attributable to more extensive utilization of debt financing instruments.

Change in the fair value of convertible bond

We recorded change in the fair value of convertible bond of approximately nil and a loss of RMB3.0 million for the six months ended June 30, 2024 and 2025, respectively. The change represents the fair value increase of our convertible bond issued to investors.

Change in the carrying amounts of financial instruments issued to investors

We recorded change in the carrying amounts of financial liabilities of a loss of approximately RMB6.5 million and a loss of approximately RMB6.6 for the six months ended June 30, 2024 and 2025, respectively. The losses were due to the amortized interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights, which was recognized as financial instruments issued to investors.

Impairment loss recognized on non-current assets and assets held for sale

We recorded impairment loss recognized on non-current assets and assets held for sale of nil and approximately RMB37.0 million for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively. The change was primarily as a result of recognizing impairment loss on the assets related to proposed disposals.

Income tax

We recorded income tax credits of approximately RMB1.8 million for the six months ended June 30, 2024 as compared to income tax expenses of approximately RMB419,000 for the six months ended June 30, 2025. The change was primarily due to an increase in income tax arising from net profit from certain subsidiaries and consolidated affiliated entities of the Group and the changes of deferred tax liabilities.

Loss for the period

As a result of the foregoing, our loss increased by 440.5% from approximately RMB118.9 million for the six months ended June 30, 2024 to approximately RMB642.9 million for the six months ended June 30, 2025. The increase was primarily due to losses recognized on certain subsidiaries of disposals and proposed disposals and the one-off specific provision.

Adjusted Gross Profit and Adjusted Net Loss (Non-IFRS Measure)

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards (“**IFRS**”), we also use adjusted gross profit and adjusted net loss (non-IFRS measure) (defined below) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that the presentation of these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of items such as certain non-cash items, certain transaction costs related to financing activities, certain disposals and proposed disposal-related items and the one-off specific provision. We believe that these measures provide useful information to investors in understanding and evaluating the Group’s consolidated results of operations in the same manner as they help our management. However, the use of non-IFRS measures has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies.

We define “adjusted gross profit (non-IFRS measure)” as gross profit for the period and adding back impairment loss recognized on inventories related to certain subsidiaries of disposals and proposed disposals.

For the six months ended June 30, 2024 and 2025, our adjusted gross profit (non-IFRS measure) was approximately RMB437.0 million and approximately RMB445.3 million, respectively.

We define “adjusted net loss (non-IFRS measure)” as loss for the period and adding back (i) share-based compensation expenses, (ii) expense related to subsidiaries’ equity financing activities, (iii) change in the carrying amounts of financial instruments issued to investors and the fair value of convertible bond, (iv) losses recognized on certain subsidiaries of disposals and proposed disposals, and (v) one-off specific provision related to a business whose counterparty is currently under major lawsuits or judicial investigations.

For the six months ended June 30, 2024 and 2025, our adjusted net loss (non-IFRS measure) was approximately RMB32.9 million and approximately RMB63.4 million, respectively.

For further details of the disposals, please refer to the Announcement and the section headed “Termination of Discloseable Transactions” and “Discloseable Transactions” in this announcement.

The following table sets forth the reconciliations of our non-IFRS financial measures for the six months ended June 30, 2024 and 2025 to the nearest measure prepared in accordance with IFRS:

	Six months ended June 30	
	2025	2024
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Revenue	892,579	2,124,840
Cost of Sales	(561,567)	(1,687,846)
Gross profit	331,012	436,994
Add:		
Impairment loss recognized on inventories related to certain subsidiaries of disposals and proposed disposals ⁽¹⁾	114,255	—
Adjusted gross profit (non-IFRS measure)	445,267	436,994
Adjusted gross profit margin (non-IFRS measure) (%)	49.9	20.6
Loss for the period	(642,895)	(118,941)
Add:		
Share-based compensation related items ⁽²⁾	58,735	79,422
Expense related to subsidiaries’ equity financing activities ⁽³⁾	1,118	139
Changes in the carrying amounts of financial instruments issued to investors and the fair value of convertible bond ⁽⁴⁾	9,603	6,479

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Losses recognized on certain subsidiaries of disposals and proposed disposals ⁽⁵⁾	321,164	—
One-off specific provision related to a business whose counterparty is under major lawsuits or judicial investigations ⁽⁶⁾	188,871	—
Adjusted net loss (non-IFRS measure)	(63,404)	(32,901)
Adjusted net loss margin (non-IFRS measure) (%)⁽⁷⁾	(7.1)	(1.5)

Notes:

- (1) Impairment loss recognized on inventories related to certain subsidiaries of disposals and proposed disposals affects cost of sales, but such impairment loss is not indicative of our continuing operational performance.
- (2) Share-based compensation related items relate to the share awards we offered to our employees, directors and consultants under the pre-IPO equity incentive scheme, the post-IPO share award scheme and the 2025 share scheme of the Company, which are primarily non-cash in nature and commonly added back to IFRS measures in calculating similar non-IFRS measures adopted by other companies in our industry.
- (3) Expense related to subsidiaries' equity financing activities is commonly added back to IFRS measures in calculating similar non-IFRS financial measures, primarily because it represents the professional service expense in connection with the subsidiaries' equity financing with the redemption rights granted to investors and only relates to the scale of financing from investors.
- (4) Change in the carrying amounts of financial instruments issued to investors represents the amortized interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights, which was recognized as financial instruments issued to investors. Change in the fair value of convertible bond represents the fair value increase of our convertible bond issued to investors. Such changes are non-cash in nature.
- (5) Losses recognized on the assets related to certain subsidiaries of disposals and proposed disposals include disposal loss, impairment loss and operating loss, which are not indicative of our continuing operational performance.
- (6) One-off specific provision related to a business whose counterparty is under major lawsuits or judicial investigations is presented separately to provide a clearer view of the Company's core operational performance.
- (7) Represents adjusted net loss (non-IFRS measure) divided by the total revenue for the period indicated.

Liquidity and capital resource

During the six months ended June 30, 2025, we funded our cash requirements principally from capital contribution from shareholders and bank loans. We had cash and cash equivalents of approximately RMB304.8 million and approximately RMB375.3 million as of December 31, 2024 and June 30, 2025, respectively. In addition, we had RMB69.0 million financial assets measured at fair value and RMB1.0 million time deposits with initial term over three months in current assets as of June 30, 2025, and those financial assets are short term and for treasury management purposes.

As of June 30, 2025, we had bank and other loans of RMB271.2 million (as of December 31, 2024: RMB340.2 million). Borrowings are classified as current liabilities and non-current liabilities. RMB259.9 million are repayable within one year and RMB11.4 million are payable over one year as of June 30, 2025. The effective annual interest rates of borrowings ranged from 2.7% to 5.5% as of June 30, 2025.

Going forward, we intend to satisfy our liquidity requirements by using a combination of cash generated from operating activities, other funds raised from the capital markets from time to time and the net proceeds received from the global offering. We currently do not have any plans for material additional external financing and we are in a good cash position.

Significant investments

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.

Material acquisitions and disposals

On March 30, 2025, the Company's indirect wholly-owned subsidiaries Hangzhou Kangsheng Health Management Consultant Co., Ltd. (杭州康晟健康管理諮詢有限公司), Jiangsu Zhiyun Health Management Co., Ltd. (江蘇智雲健康管理有限公司) and 91health Shanghai Limited (上海運臻網絡科技有限公司) entered into share transfer agreements with various purchasers for the transfer of the equity interest of one wholly-owned subsidiary and four non-wholly owned subsidiaries of the Group, respectively. The disposals support our long-term strategies that focuses on: (a) technological improvement of AI-driven SaaS; and (b) P2M pipeline enrichment and monetisation. For further details of the disposals, please refer to the Announcement and the section headed "Termination of Discloseable Transactions" and "Discloseable Transactions" in this announcement.

Save as disclosed in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures for the six months ended June 30, 2025.

Pledge of assets

As at June 30, 2025, approximately RMB33.1 million of plant and buildings were pledged as security for bank and other loans granted to the Group.

Future plans for material investments or capital asset

As at June 30, 2025, the Group did not have detailed future plans for material investments or capital assets.

Gearing ratio

The Group monitors capital on basis of the gearing ratio, which is calculated as dividing liabilities excluded financial instruments issued to investors and convertible bond by total assets. As at June 30, 2025, the gearing ratio was 49.7%, as compared with 42.1% as at December 31, 2024. The increase was primarily due to reduced assets due to our business restructuring.

Foreign exchange exposure

During the six months ended June 30, 2025, the Group mainly operated in China with most of the transactions settled in Renminbi (“**RMB**”). The functional currency of our Company and the subsidiaries and consolidated affiliated entities operating in China is RMB. Our management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our group entities. For the six months ended June 30, 2025, we had currency translation gain of approximately RMB178,000, as compared with currency translation loss of approximately RMB74,000 for the six months ended June 30, 2024. We did not hedge against any fluctuation in foreign currency during the six months ended June 30, 2024 and 2025.

Contingent liabilities

As at June 30, 2025, we did not have any material contingent liabilities (as at June 30, 2024: nil).

Indebtedness

As at June 30, 2025, the Group had bank and other loans of RMB271.2 million and lease liabilities of RMB24.0 million, as compared to RMB340.2 million and RMB26.4 million, respectively, as at December 31, 2024.

Employees and remuneration

As at June 30, 2025, the Group had a total of 966 employees, of which 292 employees are in Hangzhou, 113 employees are in Shanghai and 561 employees are in other offices in China. The Group also had over 4,000 flexible staffing as of June 30, 2025 to support business penetration into lower tier cities, and to access over 2,700 hospitals and over 269,000 pharmacies.

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

Function	Number of full-time employees
Selling and marketing	775
Research and development	67
General and administrative	52
Others ¹	72
Total	966

We are committed to establishing competitive and fair remuneration. In order to effectively motivate our staff, we continually refine our remuneration and incentive policies through market research. We conduct performance evaluations for our employees quarterly to provide feedback on their performance. Compensation for our staff typically consists of base salary, a performance-based bonus, and share-based compensation for high-performing employees.

1. The total people related cost and full time staff cost exclude the costs related to the 72 employees in the manufacturing function which are included in the manufacturing cost.

The total people related cost incurred by the Group for the six months ended June 30, 2025 was approximately RMB447.1 million, as compared to approximately RMB423.6 million for the six months ended June 30, 2024. The full-time staff cost incurred for the six months ended June 30, 2025 was approximately RMB218.0 million as compared to approximately RMB280.2 million for the six months ended June 30, 2024. The flexible staffing cost incurred for the six months ended June 30, 2025 was approximately RMB229.1 million as compared to approximately RMB143.4 million for the six months ended June 30, 2024.

The Company has also adopted a pre-IPO equity incentive scheme, a post-IPO share award scheme and the 2025 share scheme.

We provide regular and specialized training tailored to the needs of our employees in different departments. Our human resource department regularly organizes internal training sessions conducted by senior employees or outside consultants on topics of interest. Our human resource department schedules online trainings, reviews the content of the trainings, follows up with employees to evaluate the impact of such training and rewards lecturers for positive feedback. Through these trainings, we ensure that our staff's skillsets remain up-to-date, enabling them to better discover and meet consumers' needs.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on August 24, 2015 as an exempted company with limited liability, and the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on July 6, 2022.

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

The Board believes that transparency and good corporate governance will lead to long-term success of the Company.

The Company adopted the principles and code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as the basis of our corporate governance practice.

During the Reporting Period, the Company has adopted and complied with all applicable code provisions set out in the Corporate Governance Code except for the deviation as set out below.

Code provision C.2.1 of the Corporate Governance Code recommends, but does not require, that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Kuang Ming (“**Mr. Kuang**”) performs both the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Kuang is the founder of the Group and has extensive experience in the business operations and management of the Group. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Kuang has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning. The Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees and three independent non-executive Directors. The Board will reassess the division of the roles of chairman and the chief executive officer from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of the Group as a whole.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding the Directors’ dealings in the securities of the Company. The Company’s employees who are likely to be in possession of unpublished inside information of the Company are also subject to the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the Reporting Period.

Audit committee

The Company has established an audit committee comprising of three members, namely Mr. Zhang Saiyin, Dr. Hong Weili and Mr. Ang Khai Meng, with Mr. Zhang Saiyin (being our independent non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise) as chairman of the audit committee.

The audit committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended June 30, 2025. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters with senior management members of the Company. The audit committee considered that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

OTHER INFORMATION

Purchase, sale or redemption of the Company’s listed securities

During the Reporting Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares as defined under the Listing Rules). The Company did not hold any treasury shares as at June 30, 2025.

Material litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this announcement.

Use of proceeds from the global offering

On July 6, 2022, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering, after deducting the underwriting fees and other estimated expenses paid and payable by us in connection with the global offering and discretionary incentive fee, were approximately HK\$425.7 million. As of the date of this announcement, there was no change in the intended use of proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated June 23, 2022. To the extent that the net proceeds are not immediately required for the intended purposes or if we are unable to put into effect any part of our plan as intended, we will hold such funds in short-term deposits in licensed bank(s) only so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. The Board currently expects full utilization of the proceeds by December 31, 2026.

Set out below is the status of use of proceeds from the global offering as at June 30, 2025.

Purpose	% of use of proceeds	Net proceeds <i>HK\$ million</i>	Unutilized amount as at December 31, 2024 <i>HK\$ million</i>	Utilized amount during the six months ended June 30, 2025 <i>HK\$ million</i>	Unutilized amount as at June 30, 2025 <i>HK\$ million</i>
Business expansion	60%	255.4	87.2	55.0	32.2
To advance our medical know-how and technology capabilities to reinforce our leadership in the digital healthcare industry	25%	106.4	28.1	20.2	7.0
To broaden our ecosystem through strategic partnerships, investments and acquisitions in other businesses that complement our organic growth strategies	5%	21.3	—	—	—
Working capital and general corporate purposes	10%	42.6	—	—	—
Total	100%	425.7	115.3	75.2	40.1

Dividend

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 — UNAUDITED

(Expressed in thousands of Renminbi, unless otherwise stated)

		Six months ended June 30	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
Revenue	3	892,579	2,124,840
Cost of sales		<u>(561,567)</u>	<u>(1,687,846)</u>
Gross profit		331,012	436,994
Other net (loss)/income	4	(138,358)	19,277
Selling and marketing expenses		(453,861)	(383,599)
Administrative expenses		(118,693)	(120,595)
Research and development expenses		(26,375)	(41,798)
Impairment losses on trade receivables and other receivables		<u>(181,677)</u>	<u>(13,129)</u>
Loss from operations		(587,952)	(102,850)
Finance costs	5(a)	(8,763)	(7,783)
Change in the fair value of convertible bond		(3,048)	—
Change in the carrying amounts of financial instruments issued to investors		(6,555)	(6,479)
Impairment loss recognized on non-current assets and assets held for sale		<u>(36,996)</u>	<u>—</u>
Loss before taxation	5	(643,314)	(117,112)
Income tax	6	<u>419</u>	<u>(1,829)</u>
Loss for the period		<u>(642,895)</u>	<u>(118,941)</u>
Attributable to:			
— Equity shareholders of the Company		(549,113)	(115,838)
— Non-controlling interests		<u>(93,782)</u>	<u>(3,103)</u>
Loss for the period		<u>(642,895)</u>	<u>(118,941)</u>
Loss per share	7		
Basic and diluted (<i>RMB</i>)		<u>(0.92)</u>	<u>(0.20)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2025 — UNAUDITED**
(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
Loss for the period	(642,895)	(118,941)
Other comprehensive income for the period (after tax)		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange difference on translation of:		
— Financial statements of overseas subsidiaries	<u>(2,183)</u>	<u>404</u>
Total comprehensive income for the period	<u>(645,078)</u>	<u>(118,537)</u>
Attributable to:		
— Equity shareholders of the Company	(551,296)	(115,434)
— Non-controlling interests	<u>(93,782)</u>	<u>(3,103)</u>
Total comprehensive income for the period	<u>(645,078)</u>	<u>(118,537)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2025 — UNAUDITED

(Expressed in thousands of Renminbi, unless otherwise stated)

	<i>Note</i>	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Non-current assets			
Property, plant and equipment	8	120,935	143,245
Intangible assets		191,439	202,206
Goodwill		64,177	72,209
Financial assets measured at fair value through profit or loss (“FVPL”)		40,246	40,372
Other non-current assets	9	198,664	89,531
		<u>615,461</u>	<u>547,563</u>
Current assets			
Financial assets measured at FVPL	10	68,964	222,354
Inventories	11	176,023	169,386
Trade and bills receivables	12	506,384	727,577
Prepayments, deposits and other receivables	13	319,630	302,045
Restricted bank deposits		472	6,313
Time deposits with initial term over three months		1,000	5,000
Cash and cash equivalents	14	375,330	304,802
Assets held for sale	15	91,690	559,162
		<u>1,539,493</u>	<u>2,296,639</u>
Current liabilities			
Trade payables	16	125,532	173,832
Other payables and accrued expenses	17	458,907	423,495
Contract liabilities		66,405	70,827
Bank and other loans		259,852	330,962
Lease Liabilities		9,052	13,122
Financial instruments issued to investors		227,678	214,622
Convertible bonds		35,258	—
Liabilities held for sale		91,690	126,369
		<u>1,274,374</u>	<u>1,353,229</u>
Net current assets		<u>265,119</u>	<u>943,410</u>
Total assets less current liabilities		<u>880,580</u>	<u>1,490,973</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2025 — UNAUDITED (CONTINUED)

(Expressed in thousands of Renminbi, unless otherwise stated)

		At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
	<i>Note</i>		
Non-current liabilities			
Bank and other loans		11,370	9,279
Lease liabilities		14,967	13,254
Deferred tax liabilities		33,719	35,756
		<u>60,056</u>	<u>58,289</u>
NET ASSETS		<u><u>820,524</u></u>	<u><u>1,432,684</u></u>
CAPITAL AND RESERVES			
Share capital	18(b)	433	391
Reserves	18(c)	961,936	1,453,356
Total equity attributable to equity shareholders of the Company		962,369	1,453,747
Non-controlling interests		(141,845)	(21,063)
TOTAL EQUITY		<u><u>820,524</u></u>	<u><u>1,432,684</u></u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of Renminbi, unless otherwise stated)

1 BASIS OF PREPARATION

This interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on August 27, 2025.

The interim financial statements have been prepared in accordance with the same accounting policies in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The financial information relating to the financial year ended December 31, 2024 that is included in the interim financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to this interim financial statements for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue from contracts with customers

The Group's products and services portfolio consists essentially of: (i) sales of hospital supplies, providing hospital SaaS, and providing digital market service to pharmaceutical companies, which all center around the demands of the end hospital customers, collectively as "In-hospital solution"; (ii) sales of pharmacy supplies and providing pharmacy SaaS, sales of chronic condition products to individual customers, providing premium membership services and insurance brokerage services and others, collectively as "Out-of-hospital solution".

The Group categorised above products or services portfolio into four solutions or products, patient to manufacturer products, value added solutions, subscription solutions, others. Details as below:

- Patient to manufacturer ("P2M") solutions include sales of pharmaceutical products to hospitals or pharmacies, of which the Group had ownership or national distribution rights through strategic cooperation with pharmaceutical companies;
- Value added solutions include sales of hospital and pharmacy supplies excluding the sales of pharmaceutical products included in the P2M solutions and providing hospital SaaS;
- Subscription solutions include providing digital marketing services and pharmacy SaaS;
- Others include sales of chronic condition products to individual customers, providing insurance brokerage services and others.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

		Six months ended June 30	
		2025	2024
		RMB'000	RMB'000
Type of goods or services:			
In-hospital			
Value added solution		277,101	1,439,278
Subscription solution		151,863	140,922
P2M		220,988	107,910
Out-of-hospital			
Value added solution		97,201	360,295
Subscription solution		44,425	27,647
P2M		40,244	—
Others		60,757	48,788
		892,579	2,124,840
Timing of revenue recognition:			
Point in time		870,679	2,093,961
Over time		21,900	30,879
		892,579	2,124,840

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, as for the purpose of making decisions about resources allocation and performance assessment, the Group's management reviews on the operating results of the Group as a whole, the Group has determined that it only has one operating segment during the reporting periods presented.

4 OTHER NET (LOSS)/INCOME

	Six months ended June 30	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	1,835	14,953
Interest income	1,183	782
Fair value gains on financial assets measured at FVPL	1,019	2,444
Impairment loss on prepayments	(122,578)	—
(Loss)/gain on disposal of subsidiaries	(18,474)	416
Foreign exchange gain/(loss)	178	(74)
Others	(1,521)	756
	<u>(138,358)</u>	<u>19,277</u>

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Six months ended June 30	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses	7,934	6,901
Interest on lease liabilities	492	695
Other financial cost	337	187
	<u>8,763</u>	<u>7,783</u>

(b) Staff costs

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	151,654	191,218
Contributions to defined contribution retirement plan (<i>i</i>)	7,577	9,529
Equity-settled share-based payment expenses	58,735	79,422
	<u>217,966</u>	<u>280,169</u>

Note:

- (i) Employees of the Group are required to participate in a defined contribution retirement scheme administered and operated by the local municipal governments where the subsidiaries are registered. The Group contributes funds which are calculated on certain percentages of the average employee salary as agreed by the respective local municipal governments to the scheme to fund the retirement benefits of the employees. There are no forfeited contributions for the defined contribution retirement scheme as the contributions are fully vested to the employees upon payment to the scheme.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
Amortisation of intangible assets	20,966	24,570
Depreciation expenses		
— owned property, plant and equipment	7,680	17,234
— right-of-use assets	6,121	7,466
Cost of inventories	404,696	1,663,377

6 INCOME TAX

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
Current tax expense		
Provision for PRC income tax for the period	66	1,110
Under-provision in respect of prior years	661	3,050
Deferred tax expense		
Reversal of temporary differences	(1,146)	(2,331)
	<u>(419)</u>	<u>1,829</u>

Notes:

- (i) The subsidiaries of the Group established in the Mainland China (excluding Hong Kong) are subject to PRC Corporate Income Tax rate of 25%, except for the following subsidiaries:

According to the PRC income tax law and its relevant regulations, entities that qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% (for taxable income less than RMB3,000,000). Certain subsidiaries of the Group were qualified as small and low profit enterprise and entitled preferential income tax rate for the six months ended June 30, 2025 and 2024.

Hangzhou Kangsheng Health Management Consultant Co., Ltd. (“**Kangsheng**”), Polifarma (Nanjing) Co., Ltd. (“**Polifarma**”) and Jiangsu Chengsheng Gene Precision Medical Technology Co., Ltd (“**Jiangsu Chengsheng**”) obtained the qualification as a high-tech enterprise. Kangsheng was entitled to a preferential income tax rate of 15% from 2024 to 2027, Polifarma and Jiangsu Chengsheng were entitled to a preferential income tax rate of 15% from 2023 to 2026.

- (ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“**BVI**”), the Company and the Group’s BVI subsidiaries are not subject to income tax in those jurisdictions.
- (iii) The Company’s subsidiary incorporated in Hong Kong is subject to Hong Kong profit tax at 16.5% of the estimated assessable profit. No provision for Hong Kong Profits Tax has been made, as the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax during the reporting periods.
- (iv) Effective from January 1, 2023, an additional 100% of qualified research and development expenses incurred by the Group is allowed to be deducted from taxable income under the PRC income tax law and its relevant regulations.

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB549 million (six months ended June 30, 2024: RMB116 million) and the weighted average of 594,666,000 ordinary shares (six months ended June 30, 2024: 572,911,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

The share awards and convertible bonds were excluded from the calculation of diluted loss per share because their effect would have been anti-dilutive. The diluted loss per share is the same as the basic loss per share.

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended June 30, 2025, the Group entered into a number of lease agreements mainly for use of offices, warehouses and retail stores and therefore recognized the additions to right-of-use assets of RMB4 million (six months ended June 30, 2024: RMB1 million).

(b) Acquisitions and disposal of owned assets

During the six months ended June 30, 2025, the Group acquired items of electronic equipment and machinery, office equipment, motor vehicles and leasehold improvement with a cost of RMB3 million (six months ended June 30, 2024: RMB48 million). Machinery and electronic equipment, office equipment and motor vehicles with a net book value of RMB734,464 were disposed of during the six months ended June 30, 2025 (six months ended June 30, 2024: RMB2,242,559), resulting in a gain on disposal of RMB61,936 (six months ended June 30, 2024: a loss of RMB144,462). As of June 30, 2025, approximately RMB33.1 million (December 31, 2024: RMB19.4 million) of plant and buildings, production equipment and machinery, office equipment was pledged as security for bank and other loans which are payable less than one year and over one year.

9 OTHER NON-CURRENT ASSETS

The other non-current assets mainly represent prepayments for the amounts already paid to acquire the intangible assets as at June 30, 2025 and December 31, 2024.

10 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Non-current		
Unlisted equity instrument (<i>note (i)</i>)	<u>40,246</u>	<u>40,372</u>
Current		
Financial products issued by financial institutions		
— Wealth management products (<i>note (ii)</i>)	46,027	47,093
— Fund management products (<i>note (iii)</i>)	<u>22,937</u>	<u>175,261</u>
	<u>68,964</u>	<u>222,354</u>

Note:

- (i) In November 2023, the Group acquired 20% equity interest in Wuhu Jingxin Digital Creative Industry Investment Fund (“**Wuhu Jingxin**”), for the consideration of RMB40 million. The directors consider the investment is for financing purpose and designated as a financial asset at fair value through profit or loss.

The fair value of the unlisted equity instrument is determined by asset-based approach. Its fair values are within level 3 of the fair value hierarchy.

- (ii) The Group invested in the wealth management products from a trust management company registered in Hong Kong. As of June 30, 2025, the investment objectives were mainly to invest in cash and cash equivalents, government bonds and related financial instruments and other money market instruments.

- (iii) The investments represented the Group's investment in certain fund portfolios issued by certain fund companies registered in Cayman Islands or British Virgin Islands. As of June 30, 2025, the investment objectives of these funds were mainly to invest in cash and cash equivalents, government bonds, notes, monetary fund, structured deposits and other money market instruments.

The financial products have expected annual rates of return ranging from 1.05% to 5.0% (2024: 1.05% to 5.45%). Considering the contractual cash flows do not qualify for solely payments of principal and interest due to the variable returns, the investments have been accounted for as financial assets measured at fair value through profit or loss.

11 INVENTORIES

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Finished goods	<u>176,023</u>	<u>169,386</u>

The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	Six months ended June 30 2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of inventories sold	404,696	1,663,377
Write down of inventories	<u>112,241</u>	<u>680</u>

12 TRADE AND BILLS RECEIVABLES

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Trade receivables	665,913	728,269
Less: Loss allowance	(189,296)	(44,771)
	<u>476,617</u>	<u>683,498</u>
Bills receivables	29,767	44,079
	<u>506,384</u>	<u>727,577</u>

(a) Ageing analyses

As of June 30, 2025 and 2024, the ageing analysis of trade and bills receivable, based on the date revenue is recognized and net of loss allowance, of the Group are as follows:

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Within 3 months	286,367	486,031
4 to 6 months	115,627	175,150
7 to 12 months	80,040	38,814
Over 12 months	24,350	27,582
	<u>506,384</u>	<u>727,577</u>

All the trade and bills receivables are expected to be recovered within one year.

(b) Impairment of trade receivables

Movement in the loss allowance account in respect of trade receivables during each reporting period is as follows:

	Six months ended June 30	
	2025	2024
	RMB'000	RMB'000
Balance at January 1	44,771	35,053
Impairment losses recognized	144,525	8,579
Write-off	—	(1,084)
	<hr/>	<hr/>
At the end of the period	<u>189,296</u>	<u>42,548</u>

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Prepayments for inventories and services	102,353	119,854
Deposits	114,344	120,078
Amounts due from third parties (<i>note (i)</i>)	28,389	37,028
Purchase rebate with suppliers	16,843	9,721
Value-added tax recoverable	26,647	16,365
Amounts due from staffs (<i>note (i)</i>)	16,414	9,268
Prepayment for repurchase of the Company's shares	2,323	2,385
Amounts due from non-controlling interest of the Group (<i>note (i)</i>)	3,750	3,750
Consideration receivable for disposal of subsidiaries	47,666	—
Amounts due from disposed subsidiaries	12,450	—
Others	13,033	9,323
	<hr/>	<hr/>
	384,212	327,772
Less: loss allowance (<i>note (ii)</i>)	(64,582)	(25,727)
	<hr/>	<hr/>
	<u>319,630</u>	<u>302,045</u>

Notes:

All of the prepayments, deposits and other receivables are expected to be recovered and recognized as expenses within one year.

- (i) Amounts due from third parties, staffs and non-controlling interest of the Group were non-trade, unsecured and repayable within one year or on demand.
- (ii) The Group determines the expected credit losses for other receivables by assessment of probability of default, loss given default and exposure at default. During the six months ended June 30, 2025, in view of the nature of these balances and historical settlement record, the Group recognized impairment loss of RMB13.6 million on the other receivables and deposits (June 30, 2024: RMB4.6 million) and recognized impairment loss of RMB25.3 million on the prepayments (June 30, 2024: nil). As at June 30, 2025, the loss allowance balance represents the loss allowance for the other receivables and deposits of RMB27.8 million (December 31, 2024: RMB80.9 million) and for prepayments of RMB36.8 million (December 31, 2024: RMB31.7 million).

14 CASH AND CASH EQUIVALENTS

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Cash at bank and on hand	376,802	316,115
Less: Time deposits with initial term over three months	1,000	5,000
Less: restricted bank deposits	472	6,313
	<hr/>	<hr/>
Cash and cash equivalents	<u>375,330</u>	<u>304,802</u>

The restricted bank deposits mainly used for bank loan deposits as of June 30, 2025 and December 31, 2024.

15 DISPOSAL GROUP HELD FOR SALE

During 2024, pursuant to a resolution passed by the Company’s Board of Directors, the Group has committed to a plan to dispose partial equity interests in Jiangsu Xinwange Medical Technology Co., Ltd. (“**Jiangsu Xinwange**”), Lianyungang Zhenghe Scientific Instrument Co., Ltd. (“**Lianyungang Zhenghe**”), Jiangsu Chengsheng Gene Precision Medical Technology Co., Ltd (“**Jiangsu Chengsheng**”), Jiangsu Jiutai Medical Co., Ltd. (“**Jiangsu Jiutai**”) and all equity interests in Zhejiang Qilian Medicine Co., Ltd. (“**Zhejiang Qilian**”) (collectively, the “**Target Companies**”), pursuant to which the Group will loss controls over these subsidiaries upon completion of the disposals. The disposals have been approved by the shareholders of the Target Companies and the key terms of the sale and purchase agreements have been agreed in principle between the Group and the relevant purchasers during 2024. The directors of the Company considered the disposals to be completed by 2025. Accordingly, the corresponding assets and liabilities associated with the Target Companies have been reclassified as held for sale and are presented separately in the consolidated statement of financial position as at December 31, 2024. The sale and purchase agreements were finalized and signed on March 30, 2025 (the “**Original Agreements**”).

In the first half of 2025, the Group has disposed all equity interests in Zhejiang Qilian to the purchaser. In view of the deteriorated business performance and future business outlook, the relevant purchasers for the other entities, Jiangsu Xinwange, Jiangsu Chengsheng and Jiangsu Jiutai etc. (collectively, the “**Disposal Entities**”), failed to perform their obligations under the relevant Original Agreements. Since then, the Group have negotiated with the purchasers and taken actions to urge them to fulfil their relevant obligations under the Original Agreements. Meanwhile, the Group has also approached certain other investors with whom the Group has negotiated and agreed in principle the key terms on sale of the Disposal Entities as at June 30, 2025. The directors of the Company considered that the Disposal Entities are available for immediate sale under its current condition and the disposals were still expected to be completed highly probable by 2025. As a result, the corresponding assets and liabilities associated with the Disposal Entities continued to be presented separately as held for sale in the consolidated statement of financial position as at June 30, 2025.

Details of assets and liabilities classified as held for sale as at June 30, 2025 and December 31, 2024 are as follows:

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Property, plant and equipment	—	24,851
Intangible assets	—	6,481
Inventories	7,968	191,749
Trade and bills receivables	6,423	137,211
Prepayments, deposits and other receivables	50,887	193,469
Cash and cash equivalents	26,412	5,401
	<hr/>	<hr/>
Assets held for sale	91,690	559,162
	<hr/>	<hr/>
Trade payables	(18,772)	(53,582)
Other payables and accrued expenses	(36,889)	(20,353)
Contract liabilities	(2)	(2)
Bank and other loans	(29,490)	(40,000)
Lease Liabilities	(6,060)	(7,014)
Deferred tax liabilities	(477)	(5,418)
	<hr/>	<hr/>
Liabilities held for sale	(91,690)	(126,369)
	<hr/>	<hr/>

The Disposal Entities are primarily engaged in the sale of in vitro diagnostic products, which are subject to the impact of the national centralized procurement using a volume-based purchase (the “VBP”) policy. Under the implementation of the VBP policy, in particular the 5th batch of consumables VBP, the prices of in vitro diagnostic products have been significantly reduced for the Disposal Entities since April 2025. As a result, these entities has ceased all substantive business operations by now.

In accordance with IFRS 5, the disposal group is measured at the lower of carrying amount and fair value less costs to sell. Prior to this measurement, the assets excluded from the measurement requirements of IFRS 5 are measured in accordance with applicable IFRS Accounting Standards. During the six months ended June 30, 2025, impairment losses of RMB37.0 million for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been recognised, and expected credit loss of RMB23.6 million for the trade and other receivables, impairment losses of RMB97.3 million and RMB114.3 million for the prepayments and inventories have been recognized, respectively. The fair value for the disposal group was measured by reference to its agreed dispose prices in principle.

16 TRADE PAYABLES

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Payables for inventories and services	<u>125,532</u>	<u>173,832</u>

All of the trade payables are expected to be settled within one year or are repayable on demand.

The aging analyses of trade payables, based on the transaction date, are as follows:

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Within 1 year	115,755	165,762
More than 1 year	<u>9,777</u>	<u>8,070</u>
	<u>125,532</u>	<u>173,832</u>

17 OTHER PAYABLES AND ACCRUED EXPENSES

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Salary and welfare payables	54,543	69,866
Payables for flexible staffs and other service providers	211,281	175,580
VAT payable and other tax payables	14,600	19,926
Payables for acquiring of subsidiaries, non-controlling interest and exclusive rights	672	2,917
Investment deposits received from investors	64,970	44,970
Refund liabilities	36,948	35,594
Amounts due to third parties and staffs	12,943	17,437
Amounts due to non-controlling interest of the Group	50	50
Deposits and others	62,900	57,155
	<u>458,907</u>	<u>423,495</u>

All of the other payables and accrued expenses are expected to be settled or recognized as income within one year or are repayable on demand.

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends have been paid or declared by the Company for the six months ended June 30, 2025 and 2024.

(b) Share capital

(i) *Authorized share capital*

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on August 24, 2015.

As of June 30, 2025 and December 31, 2024, the authorized share capital of the Company was USD100,000 divided into 1,000,000,000 ordinary shares of a nominal or par value of US\$0.0001 each.

(ii) *Issued share capital*

	Number of shares	Share capital RMB'000
Ordinary shares issued and fully paid		
At January 1, 2024, December 31, 2024 and January 1, 2025	587,038,219	391
Issuance of ordinary shares	58,680,611	42
	<u>645,718,830</u>	<u>433</u>
At June 30, 2025	<u>645,718,830</u>	<u>433</u>

(iii) *Shares repurchased for share award scheme*

During the six months ended June 30, 2025, the Group did not purchase ordinary shares of the Company on the Stock Exchange. During the six months ended June 30, 2024, Prime Forest Assets Limited purchased a total of 2,282,700 ordinary shares of the Company on the Stock Exchange at a consideration of RMB12.7 million for the settlement of Post-IPO share award scheme.

(c) Nature and purpose of reserves

(i) *Treasury share reserve*

The treasury share reserve represents the shares held by employee share trust, Prime Forest Assets Limited or The Prime Forest Trust (replaced Prime Forest as the share award scheme trust from 2025) (“**Prime Forest**”), controlled by the Company for the equity settled share-based payment plan. As the Company has power to govern the relevant activities of Prime Forest and can derive benefits from the contributions of the eligible employees who are awarded with the shares under the equity settled share-based payment plan, the directors of the Company consider that it is appropriate to regard Prime Forest as a branch of the Company.

(ii) *Capital reserve*

The capital reserve comprises: a) the capital contribution from the equity holders of the Group’s subsidiaries; b) the excess of the total proceeds received from the Company share issuance over the total par value of shares issued; c) the reserve resulted from transactions with the Group’s non-controlling interests and d) amounts in relation to the initial recognition of the redemption liabilities.

(iii) *Share-based payments reserve*

The share-based payments reserve represents the portion of the grant date fair value of share option and the difference between the granted price and the fair value of the restricted share units or award shares granted to the directors, employees and consultants of the Group.

(iv) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations of the Company and certain subsidiaries within the Group.

(d) **Equity-settled share-based payment**

The Group granted share-based awards to qualified directors, employees and consultants pursuant to the 2015 Global Share Plan which was adopted in August 2015, or the Post-IPO share award scheme which was adopted on June 10, 2022 (collectively, the “**Original Share Plan**”). The qualified participants of the share-based awards are required to satisfy certain vesting service for the entitlement. The restricted share units (“**RSUs**”) or award shares (collectively, the “**Equity Instruments**”) granted are generally vested on the date of the grant, or over a four-year period, with one-fourth of the Equity Instruments vesting on each anniversary of the date of the grant, or over two years period, with one-second of the Equity Instruments vesting on each anniversary of the date of the grant, subject to the grantees continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date.

On January 2, 2025, the general meeting of the Company approved to adopt a new share scheme (the “**2025 Share Scheme**”) to replace the Original Share Plan. On January 21, 2025, the Board of the Company resolved to grant award shares under 2025 Share Scheme to replace the outstanding Equity Instruments under the Original Share Plan. There were no modification of terms or conditions when converted to the 2025 Share Scheme, which had increased the fair value of the Equity Instruments, and such arrangement was accounted for as the continuance of the Original Share Plan. Accordingly, there were no financial impact as a result of such replacement.

During the six months ended June 30, 2025, 28,856,518 award shares were granted to employees under the Original Share Plan (2024: 8,801,042 Equity Instruments), and 53,429,361 award shares were granted to replace the outstanding Equity Instruments of the Original Share Plan and 5,251,250 award shares were granted to employees of the Group under the 2025 Share Scheme. 30,826,666 award shares were vested and delivered to the grantees during the six months ended June 30, 2025 (2024: 21,790,467 Equity Instruments).

19 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on August 27, 2025, the Group entered into termination agreements with the relevant purchasers to terminate the original sale and purchase agreements dated March 30, 2025 relating to certain subsidiaries, Jiangsu Xinwange, Jiangsu Chengsheng and Jiangsu Jiutai etc. On the same day, August 27, 2025, the Group also entered into new sale and purchase agreements with certain purchasers for the sale of a subsidiary, Guangxi Zhiyun Kangjian Medical Technology Co., Ltd. (“**Guangxi Zhiyun**”), including certain subsidiaries of Guangxi Zhiyun, being Jiangsu Xinwange, Jiangsu Chengsheng and Jiangsu Jiutai etc. No adjustment has been made in this interim financial report in respect of these transactions.

TERMINATION OF DISCLOSEABLE TRANSACTIONS

Reference is made to the Announcement in relation to, among other things, the discloseable transactions regarding the Xinwange Medical Share Transfer Agreement and the Wandi Biotech Share Transfer Agreement.

The Board hereby announces that as Ms. Zhu failed to perform her obligations under both the Xinwange Medical Share Transfer Agreement and the Wandi Biotech Share Transfer Agreement, the respective parties have entered into the Termination Agreements on August 27, 2025 to terminate the Xinwange Medical Share Transfer Agreement and the Wandi Biotech Share Transfer Agreement, respectively, and resolve all matters in relation thereto amicably.

Pursuant to the principal terms of the Termination Agreements:

- (i) The Xinwange Medical Share Transfer Agreement and the Wandi Biotech Share Transfer Agreement shall be terminated with immediate effect and neither party to the respective agreements shall have any further rights or obligations thereunder, save for any antecedent breaches.
- (ii) The Xinwange Medical Disposal and the Wandi Biotech Disposal will not proceed.
- (iii) The respective parties shall be fully and unconditionally released and discharged from all their respective obligations and liabilities under the Agreements.

While the respective parties have agreed to terminate the Xinwange Medical Share Transfer Agreement and the Wandi Biotech Share Transfer Agreement, the Termination Agreements provide that the Group does not waive its right to seek Compensation from Ms. Zhu for any breaches thereof. The Group is currently assessing its potential losses and will take appropriate action to recover them. The Board considers that the aforesaid termination will not have any material adverse impact on the financial position and operations of the Group.

DISCLOSEABLE TRANSACTIONS

Subsequent to the termination of the agreements with Ms. Zhu, on August 27, 2025, 91health Shanghai and Guangxi Zhiyun, a wholly-owned subsidiary of the Company, have entered into the Supplemental Agreement with (i) Shanghai Lueyu, the same counterparty for the disposals of Zhenghe Science Equipment and Jiangsu Chengsheng as disclosed in the Announcement, and (ii) Hangzhou Bujing. Pursuant to the Supplemental Agreement, (i) 91health Shanghai and Shanghai Lueyu agreed to terminate the Jiangsu Chengsheng Share Transfer Agreement, and (ii) Guangxi Zhiyun agreed to sell, and Shanghai Lueyu and Hangzhou Bujing agreed to buy, 100% of the equity interest of Guangxi Zhiyun, which in turn holds 55% of the equity interest of Xinwange Medical, 60% of the equity interest of Jiangsu Chengsheng and 70% of the equity interest of Jiangsu Jiutai.

Corporate Restructuring

Prior to entering into the Supplemental Agreement, the Group undertook an internal corporate restructuring for administrative efficiency. The equity interests in Xinwange Medical and Jiangsu Chengsheng, previously held by Hangzhou Kangsheng and 91health Shanghai respectively, were transferred to Guangxi Zhiyun, a wholly-owned subsidiary of the Company. Guangxi Zhiyun is now the holding entity for the equity interests subject to the New Disposal under the Supplemental Agreement.

Principal terms of the New Disposal under the Supplemental Agreement

The principal terms of the New Disposal under the Supplemental Agreement are set out as follows:

Date: August 27, 2025

Parties:

- (1) Guangxi Zhiyun
- (2) Shanghai Lueyu
- (3) Hangzhou Bujing

Subject matter of the Disposals: 100% of the equity interest of Guangxi Zhiyun, which in turn holds 55% of the equity interest of Xinwange Medical, 60% of the equity interest of Jiangsu Chengsheng and 70% of the equity interest of Jiangsu Jiutai (the “**Disposal Group**”)

- Conditions Precedent:**
- (1) Shanghai Lueyu and Hangzhou Bujing's obligation to purchase the 100% of the equity interest in Guangxi Zhiyun shall be subject to the following condition precedents which shall be satisfied by October 31, 2025;
 - (2) Guangxi Zhiyun has released all pledge and/or other rights restrictions (if any) on its equity interest in Xinwange Medical, Jiangsu Chengsheng and Jiangsu Jiutai;
 - (3) Shanghai Lueyu and Hangzhou Bujing have completed and are satisfied with results of the commercial, financial and legal due diligence on Guangxi Zhiyun or Guangxi Zhiyun decide that no due diligence is required;
 - (4) There has not been any change in Guangxi Zhiyun's business, operations, assets, liabilities or other financial condition that is significantly unfavorable to Shanghai Lueyue and Hangzhou Bujing, nor has there been an event that has had an adverse effect and is not reasonably expected to have an effect that is likely to have an adverse effect;
 - (5) Shanghai Lueyu and Hangzhou Bujing have provided originals and copies of all agreements in its possession relating to its historical debt obligations;
 - (6) Shanghai Lueyu and Hangzhou Bujing do not have any external borrowings or guarantees that have not been confirmed by all parties; and
 - (7) Guangxi Zhiyun has completed the handover of the right to appoint senior management and personnel, the right to make operational decisions, the right to receive financial returns etc., and all official seals and bank passwords to Shanghai Lueyu and Hangzhou Bujing.

Consideration: The total consideration for the New Disposal is RMB100,000.

Shanghai Lueyu and Hangzhou Bujing shall pay Guangxi Zhiyun the total consideration within three months after the completion of the industrial and commercial registration.

Basis of Consideration

The total consideration for the New Disposal is RMB100,000 (the “**Consideration**”). This amount was determined following arm’s length negotiations among the relevant parties.

The Consideration represents a slight premium to the unaudited net asset value (the “**NAV**”) of the Disposal Group, which was nil as at June 30, 2025. The Board, having considered the following key factors, believes the Consideration is fair and reasonable and in the best interests of the Company and its shareholders as a whole:

- (i) **Cessation of Business Operations:** The primary justification for the Consideration is that, as part of the Group’s strategic transformation, the underlying businesses within the Disposal Group have been significantly wound down since April 2025. As at the date of this announcement, these entities have ceased all substantive business operations. This has eliminated their revenue-generating capacity, fundamentally impaired their asset value, and removed any prospect of future earnings.
- (ii) **Mitigation of Policy Risks:** The decision to cease operations was a proactive measure to mitigate future losses arising from policy risks. Specifically, the expansion of the Volume-Based Procurement (VBP) policy by the NHSA was projected to have a significant impact on the profitability and sustainability of the Disposal Group’s business model.
- (iii) **Financial Performance and Position:** As a consequence of the above factors, the Disposal Group recorded a net loss from operating activities for the year ended December 31, 2024, and its NAV has declined significantly since April 2025. The Consideration is reflective of the current financial position of these non-operational entities, which primarily consists of residual assets and liabilities.

Given these circumstances, the transaction allows the Group to divest from non-core, non-operational assets efficiently, stop further potential losses, and focus management attention and resources on its core AI-driven P2M strategy.

Financial information

Set out below is the unaudited financial information of the Disposal Group for the years ended December 31, 2023, and December 31, 2024:

	For the year ended	
	31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit/(loss) before taxation	70,560	(2,820)
Net profit/(loss) after taxation	67,541	(4,037)

The unaudited net asset values of the Disposal Group as of June 30, 2025 was nil.

Financial Effect of the New Disposal on the Group

Following the New Disposal, each member of the Disposal Group, which includes Guangxi Zhiyun, Xinwange Medical, Jiangsu Chengsheng and Jiangsu Jiutai, ceases to be a subsidiary of the Company and their financial results of will no longer be consolidated into those of the Group.

Based on the management's best estimation and currently available information, the disposal gain expected to be recorded by the Group from the New Disposal will be approximately RMB100,000.

Information on the Parties of the Supplemental Agreement

91health Shanghai is a limited liability company established in the PRC on November 24, 2015, and is a wholly-owned subsidiary of the Company. It is principally engaged in the sales of medical products.

Guangxi Zhiyun is a limited liability company established in the PRC on July 7, 2020, and is a wholly-owned subsidiary of the Company. It is principally engaged in the sales of medical supplies.

Shanghai Lueyu is a limited liability company established in the PRC on May 17, 2024, and principally engaged in investment management, investment consulting and asset management in the medical industry. Shanghai Lueyu is ultimately owned by Mr. Jin Qiaoyun. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Shanghai Lueyu and its ultimate beneficial owner are third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules).

Hangzhou Bujing is a limited liability company established in PRC on July 6, 2020, and principally engaged in investment management in the medical industry and medical system development. Hangzhou Bujing is ultimately owned by Mr. Wang Hao. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Hangzhou Bujing and its ultimate beneficial owner are third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules). To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Hangzhou Bujing and Shanghai Lueyu are independent of and not related to each other.

Xinwange Medical is a limited liability company established in the PRC on October 11, 2018. It was principally engaged in the sales of IVD (in vitro diagnostic) testing equipment and reagents. As of the date of this announcement, it has no business operation. Immediately prior to the New Disposal, Xinwange Medical is an indirect non-wholly owned subsidiary of the Company. After the disposal, Xinwange Medical will cease to be a subsidiary of the Company and the financial results of Xinwange Medical will no longer be consolidated into those of the Group.

Jiangsu Chengsheng is a limited liability company established in the PRC on May 25, 2021. It was principally engaged in the sales of medical testing and inspection equipment. As of the date of this announcement, it has no business operation. Immediately prior to the New Disposal, Jiangsu Chengsheng is an indirect non-wholly owned subsidiary of the Company. After the disposal, Jiangsu Chengsheng will cease to be a subsidiary of the Company.

Jiangsu Jiutai is a limited liability company established in the PRC on May 18, 2022. It was principally engaged in the sales of medical devices. As of the date of this announcement, it has no business operation. Immediately prior to the New Disposal, Jiangsu Jiutai is an indirect non-wholly owned subsidiary of the Company. After the disposal, Jiangsu Jiutai will cease to be a subsidiary of the Company.

Reasons For and Benefits of the New Disposal

The New Disposal is considered from both strategic level and operational level. Strategically, the Company announced its P2M (from Patient to Manufacturer) strategy at the end of 2023, which was further upgraded in 2024 with a focus on AI integration as part of its strategic transformation. As a result, the Company has decided to divest from businesses with low added-value and minimal relevance to its core strategy. As disclosed in the prospectus of the Company dated June 23, 2022 and the 2023 and 2024 annual reports of the Company, our business is subject to extensive and evolving legal and regulatory requirements. Specifically, we are subject to risks associated with the “two-invoice system” (兩票制) and national centralized procurement using a VBP (集中帶量採購) policy initiated by the NHSA (國家醫療保障局), particularly the potential expansion of the scope of pharmaceutical products covered in the policies. Operationally, the main businesses of Guangxi Zhiyun involved in the sales of IVD (in vitro diagnostic) testing equipment and reagents, which is facing significant implications from the policy risks associated with the VBP policy initiated by the NHSA. Under the implementation of the VBP policy, the Company has already observed price reductions in drugs and medical products associated with the products and business of the four subsidiaries in the current 5th batch of consumable VBP (第五批高值醫用耗材集採) and 10th and 11th batch of pharmaceutical products VBP (第十批及第十一批藥品集採) initiated by the NHSA. The upcoming 6th batch of consumable VBP (第六批高值醫用耗材集採) in 2025 initiated by NHSA are expected to have a substantial negative impact on the future revenue, profit, and asset quality of Guangxi Zhiyun.

The regulatory development pertaining to the VBP approach initiated by the NHSA is expected to have a negative impact on the future earnings of Guangxi Zhiyun. The Company is of the view that the New Disposal will improve the cashflow of the Group in the long-term given that the Group will no longer need to invest significantly in the operation of the Disposal Group after the divestment. Given the challenges, the Company has identified the current period as an appropriate window to divest from Guangxi Zhiyun in order to mitigate potential future losses.

The proceeds from the Disposals will be utilized by the Group as general working capital.

The Directors (including the independent non-executive Directors) consider that the New Disposal is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Listing Rules Implications

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the New Disposal (as aggregated pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules) are more than 5% but less than 25%, the New Disposal constitute discloseable transactions of the Company, which is subject to the reporting and announcement requirements, but exempt from shareholders' approval requirements, under Chapter 14 of the Listing Rules.

CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board hereby announces that Ms. Zuo Yinghui, an executive Director and Mr. Ang Khai Meng, an independent non-executive Director, were appointed as members of the nomination committee of the Company with effect from August 27, 2025.

The above new appointments were made in response to the new Code Provision B.3.5 in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Board is convinced that the new appointments could achieve diversity within the nomination committee and further enhance the Company's overall corporate governance practices.

The Board would like to extend a warm welcome to Ms. Zuo Yinghui and Mr. Ang Khai Meng in their new roles in the nomination committee. Following the above changes, the nomination committee comprises five members: Mr. Kuang Ming (chairperson), Ms. Zuo Yinghui, Dr. Hong Weili, Mr. Zhang Saiyin and Mr. Ang Khai Meng.

DEFINITIONS

“91health Shanghai”	91health Shanghai Limited (上海運臻網絡科技有限公司), a limited liability company established in the PRC on November 24, 2015, and a wholly-owned subsidiary of the Company
“Announcement”	the announcement of the Company dated March 30, 2025 in relation to, among other things, the discloseable transactions regarding the Xinwange Medical Share Transfer Agreement and the Wandu Biotech Share Transfer Agreement
“Board”	the board of Directors
“Company”	ClouDr Group Limited (formerly known as 91health Group Limited), an exempted company with limited liability incorporated in the Cayman Islands on August 24, 2015
“Compensation”	the compensation payable by Ms. Zhu to Hangzhou Kangsheng and Jiangsu Zhiyun under the Termination Agreements
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	Director(s) of the Company
“Group”	the Company, its subsidiaries, and the consolidated affiliated entities (the financial results of which have been consolidated and accounted for as subsidiaries of the Company by virtue of the contractual arrangements) from time to time, and where the context requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“Guangxi Zhiyun”	Guangxi Zhiyun Kangjian Medical Technology Co., Ltd (廣西智雲康健醫療科技有限公司), a limited liability company established in PRC on July 7, 2020, and is an indirect wholly-owned subsidiary of the Company
“Hangzhou Kangsheng”	Hangzhou Kangsheng Health Management Consultant Co., Ltd. (杭州康晟健康管理諮詢有限公司), a limited liability company established in the PRC on December 9, 2014 and an indirect wholly-owned subsidiary of the Company

“Independent Third Party”	person who is not a connected person of the Company
“Jiangsu Chengsheng”	Jiangsu Chengsheng Gene Precise Medical Science Co., Ltd (江蘇成升基因精準醫療科技有限公司), a limited liability company established in the PRC on May 25, 2021 and owned as to 60% by the Company indirectly
“Jiangsu Chengsheng Share Transfer Agreement”	a share transfer agreement dated March 30, 2025 between, among others, 91health Shanghai and Shanghai Lueyu, pursuant to which 91health Shanghai agreed to sell, and Shanghai Lueyu agreed to purchase, 35% of the equity interest in Jiangsu Chengsheng, at a consideration of RMB3,000,000
“Jiangsu Jiutai”	Jiangsu Jiutai Medical Co., Ltd. (江蘇久太醫藥有限公司), a limited liability company established in the PRC on May 18, 2022 and an indirect non-wholly owned subsidiary of the Company
“Jiangsu Zhiyun”	Jiangsu Zhiyun Health Management Co., Ltd. (江蘇智雲健康管理有限公司), a limited liability company established in the PRC on August 20, 2020, and is an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ms. Zhu”	Ms. Zhu Qiuna, an Independent Third Party
“New Disposal”	the disposal of 100% of the equity interest of Guangxi Zhiyun, which in turn holds 55% of the equity interest of Xinwange Medical, 60% of the equity interest of Jiangsu Chengsheng, and 70% of the equity interest of Jiangsu Jiutai, pursuant to the Supplemental Agreement
“PRC” or “China”	the People’s Republic of China, excluding for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Reporting Period”	the six months ended June 30, 2025

“Shanghai Lueyu”	Shanghai Lueyu Management Consulting Co., Ltd. (上海略語管理諮詢有限公司), an Independent Third Party
“Supplemental Agreement”	a supplemental agreement to the Zhenghe Science Equipment Share Transfer Agreement and Jiangsu Chengsheng Share Transfer Agreement dated August 27, 2025 between, among others, (i) 91health Shanghai, Guangxi Zhiyun, Shanghai Lueyu, and (ii) Hangzhou Bujing
“Termination Agreement”	termination agreements dated August 27, 2025 between (i) Hangzhou Kangsheng and Ms. Zhu and (ii) Jiangsu Zhiyun and Ms. Zhu to terminate (a) Xinwange Medical Share Transfer Agreement and (b) Wandi Biotech Share Transfer Agreement, respectively
“Wandi Biotech”	Jiangsu Wandi Biotech Co., Ltd. (江蘇萬迪生物科技有限公司), a deregistered indirect non-wholly owned subsidiary of the Company incorporated in the PRC
“Wandi Biotech Share Transfer Agreement”	a share transfer agreement dated March 30, 2025 between, among others, Jiangsu Zhiyun and Ms. Zhu, pursuant to which Jiangsu Zhiyun agreed to sell, and Ms. Zhu agreed to purchase, 65% of the equity interest in Wandi Biotech, at a consideration of RMB3,000,000
“Xinwange Medical”	Jiangsu Xinwange Medical Technology Co., Ltd. (江蘇新萬格醫療科技有限公司), a limited liability company established in the PRC on October 11, 2018 and owned as to 55% by the Company indirectly
“Xinwange Medical Share Transfer Agreement”	a share transfer agreement dated March 30, 2025 between, among others, Hangzhou Kangsheng and Ms. Zhu, pursuant to which Hangzhou Kangsheng agreed to sell, and Ms. Zhu agreed to purchase, 30% of the equity interest in Xinwange Medical, at a consideration of RMB32,000,000

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cloudr.cn). The interim report of the Company for the six months ended June 30, 2025 will be made available for review on the same websites in due course.

By order of the Board
ClouDr Group Limited
Kuang Ming
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, August 27, 2025

As at the date of this announcement, the Board comprises Mr. Kuang Ming and Ms. Zuo Yinghui as the executive Directors and Dr. Hong Weili, Mr. Zhang Saiyin and Mr. Ang Khai Meng as the independent non-executive Directors.

* *For identification purpose only*