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**方舟健客**

**Fangzhou Inc.**

**方舟云康控股有限公司**

*(A company incorporated in the Cayman Islands with limited liability)*

**(Stock code: 6086)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025**

The Board is pleased to announce the audited consolidated results of our Group for the year ended December 31, 2025, together with comparative audited figures for the year 2024.

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 tables, charts or elsewhere between totals and sums of amounts listed therein are due to rounding.

### **FINANCIAL AND BUSINESS HIGHLIGHTS**

- Significant revenue growth of 30.2%, reaching RMB3.53 billion for the year ended December 31, 2025, driven by continued expansion of consumer-facing business segments
- Achieved financial turnaround with net profit of RMB12.0 million, compared to a net loss in 2024
- Platform metrics demonstrated sustained expansion, including a 35% increase in average MAU to 13.7 million for the 12 months ended December 31, 2025, and total registered doctors of over 251,000 as of the end of the Reporting Period
- Launched our “XingShi” Large Language Model (“**XS LLM**”), integrating multimodal capabilities and support for domain-specific intelligent agents targeted towards improving CDM
- Established strategic partnerships with a number of leading pharmaceutical companies and industry partners including Tencent, Novo Nordisk, Otsuka, and Innovent Biologics across a range of therapeutic areas

## FINANCIAL SUMMARY

### Consolidated Statements of Profit or Loss (RMB'000)

	For the year ended December 31,	
	2025	2024
Revenue	<b>3,526,162</b>	2,707,368
Cost of sales	<b>(2,966,719)</b>	(2,191,427)
Gross profit	<b>559,443</b>	515,941
Profit/(loss) before taxation	<b>12,026</b>	(854,853)
Profit/(loss) and total comprehensive income for the year	<b>11,832</b>	(854,885)
Non-HKFRS measures		
Adjusted net profit (non-HKFRS measure) <sup>1</sup>	<b>20,397</b>	17,119

### Consolidated Statements of Financial Position (RMB'000)

	For the year ended December 31,	
	2025	2024
Non-current assets	<b>41,657</b>	55,769
Current assets	<b>772,232</b>	608,325
Non-current liabilities	<b>16,388</b>	31,090
Current liabilities	<b>643,772</b>	501,300
Net Assets	<b>153,729</b>	131,704

<sup>1</sup> We define adjusted net profit (non-HKFRS measure) as profit/(loss) and total comprehensive income for the year after excluding the effects of (i) equity settled share-based transactions; (ii) listing expenses; (iii) changes in the carrying amount of preferred shares liability; (iv) foreign exchange from preferred shares liability; and (v) fair value changes on financial assets measured at FVPL. For details, see “Management Discussion and Analysis — Financial Review — Non-HKFRS measure: Adjusted Net Profit and Adjusted Net Profit Margin” in this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Throughout 2025, the Company executed on its strategic and operational targets, further consolidating its position as China’s leading online CDM services platform. Against a backdrop of China’s demographic shifts and deepening technological transformation, we have remained focused on innovation, building enhanced generative artificial intelligence (“AI”) functionality throughout our platform, while leveraging strategic partnerships to meet the growing demand for convenient, high-quality CDM services.

During the Reporting Period, the policy and regulatory environment continued to support the healthcare sector’s rapid long-term development. We benefited from a favorable policy framework focused on the digital economy and the transition toward the 15th Five-Year Plan. National directives prioritizing “AI + Healthcare” and chronic disease prevention have accelerated the industry’s shift toward a patient-centered approach and promoting improvements in the efficiency of healthcare resource allocation through digital transformation. As an early mover, the Company has incorporated these priorities into its strategic planning, with a focus on ensuring sustainable, policy-aligned growth.

This strategic focus drove significant breakthroughs in scale and profitability during the Reporting Period. Total revenue grew 30.2% year-over-year to RMB3.53 billion, as we achieved a financial turnaround with net profit of RMB12.0 million, compared to a net loss in 2024, underscoring the strength of our business model. Our operational metrics tracked this growth, as user base and engagement continued to expand. As of December 31, 2025, the cumulative number of registered users on our platform reached 56.4 million, while average MAU climbed 35% reaching 13.7 million for the 12 months ended December 31, 2025. User loyalty remained robust with a repeat purchase rate above 85%, and prescription drugs consistently accounted for over 80% of gross merchandise value (GMV), validating our core focus on CDM.

## **Comprehensive Medical Services**

In 2025, our Comprehensive Medical Services segment evolved its strategy to balance robust scale expansion with a focus on service quality and depth. During the Reporting Period, revenue from this segment increased by 21.9% year-on-year reaching RMB788.0 million, driven by ongoing expansion of our healthcare provider network, and deployment of platform technologies and refinements to better address user needs.

We have continued to expand the breadth of our physician network. By the end of the Reporting Period, the total number of registered doctors on our platform reached 251,000. We have prioritized professional caliber expertise and senior-level practitioners: 57% of these doctors are from Class III hospitals, while 38% held the title of Associate Chief Physician or above. This top-tier network provides a solid foundation for delivering high-quality care at scale.

We also refined our user interfaces and functionality to better align with user needs, specifically emphasizing critical interactions such as streamlined follow-up consultations, prescription issuance, and intelligent medication recommendations. These upgrades help to reduce friction and enhance conversion rates, contributing directly to overall service scale growth.

Another major development this year was the integration of AI functionality to better support patients and doctors. We launched a number of AI agents and AI-enabled applications built on our XS LLM to address common use cases and pain points in CDM. Our “AI-Electronic Medical Record (EMR) Agent” and “AI Pre-Consult Agent” facilitate intelligent pre-consultations and medical record retrieval, while our “AI Health Manager” assists patients with intelligent triage and physician and therapeutic area selection. For healthcare providers, our “AI Doctor Assistant” and “AI Academic Assistant” provide physicians with consultation and diagnosis support and medical literature search tools to enhance consultation efficiency and service quality. In addition, we initiated pilot testing for our AI Avatar Doctor, which allows physicians to deploy virtual counterparts to assist in their online consultations. We believe that this model effectively integrates the trust and expertise of human healthcare with the scalability of digital delivery, offers the potential to enable doctors to significantly expand their service capacity to a broader patient population.

Finally, we expanded our collaboration with leading local and global pharmaceutical partners to increase access to innovative therapies in core therapeutic areas such as oncology, metabolic disorders, and neurology. These ongoing efforts help to expand treatment options and address critical unmet needs for our patient population, reinforcing our commitment to advancing “Better Health for All”.

## Online Retail Pharmacy Services

Our online retail pharmacy services remained a significant component of our business performance in 2025. Full-year revenue surged 33.4% year-on-year to RMB1.87 billion. This robust growth was driven by expansion of our user base, as well as our continued focus on user experience upgrades and continuous technology-driven innovation.

During the Reporting Period, we focused on search optimization and precision recommendations as the two core pillars for our user experience strategy.

- **Search Optimization:** We enhanced our search algorithms with next-gen machine learning to better understand user intent and launched our “AI Medication Guide” to provide 24/7 medication guidance and assistance to users.
- **Precision Recommendations:** We leveraged our product knowledge graph and system generated user portraits to deliver highly targeted user recommendations, while optimizing our App and mini program interfaces to shorten path-to-purchase and boost conversion rates.

We also moved quickly to address the rapidly emerging demand in the metabolic sector in alignment with the national Healthy China 2030 Initiative, including partnerships with a number of local and multinational pharmaceutical companies to provide innovative medications to patients on our platform.

## Customized Content and Marketing Solutions

2025 marked a year of strategic transformation for our customized content and marketing solutions business as we continue to evolve beyond marketing support into a comprehensive digital intelligence partner. We achieved revenue of RMB85.0 million during the Reporting Period, as we pivoted our platform to support the entire pharmaceutical product life cycle.

AI technology has also been central to the evolution of this business segment. During the Reporting Period, we introduced our “AI Content Creation Assistant”, which enables rapid, high quality content creation while reducing operational costs.

## **Pharmaceutical Supply Chain Optimization**

Our unique “AI + CDM” platform model continues to gain traction among upstream pharmaceutical company partners. As of December 31, 2025, our supply chain network included robust partnerships with over 1,700 suppliers and 900 pharmaceutical companies, with deepening strategic collaborations across leading domestic and foreign enterprises.

During the Reporting Period, our “Fangzhou Quality Procurement” system was further enhanced with AI functionality. Our upgraded “AI Procurement Assistant” leverages multifactor inputs — including real-time sales forecasts, seasonal trends, and supplier performance — to dynamically generate optimal purchasing and inventory plans. This includes a proactive alert mechanism that identifies and resolves potential supply disruptions before they materialize. Driven by these innovations, we improved our annual average inventory turnover from 23.1 days for the year ended December 31, 2024, to 19.8 days for the year ended December 31, 2025, despite rapid volume growth, underscoring our operational efficiency and industry-leading supply chain resilience.

## **Social Healthcare Insurance**

Integration with social healthcare insurance remains a key component of our long-term strategy. Building on our initial 2024 launch of online social healthcare insurance payment in Guangzhou, during the Reporting Period, we completed the rollout for version 2.0 of our medical insurance system, which established a modularized, scalable “Digital Medical Insurance Service Solution” framework. This upgrade provided improved settlement efficiency while establishing a robust foundation for more advanced functionality, including online reimbursement for chronic disease and specialty medications, and family account pooling. As we expand this platform functionality in alignment with national policies, we aim to provide insured users with convenient, seamless access to quality care, further advancing our mission of inclusive healthcare.

## **Future Prospects**

As we look toward 2026, we have established “Medicine as a Service” (MaaS) as our overarching strategic focus as we guide the Company further towards a patient-centered, service-driven operating model. We remain dedicated to enhancing the capabilities of our platform to effectively address the evolving needs of both our customers and industry partners. Our development strategy emphasizes the following core areas:

### *1. Talent Acquisition and Team Development*

The continuous evolution of our business depends heavily on the strength and expertise of our workforce. We will maintain an active recruitment pipeline targeting individuals with specialized skills in AI, digital healthcare, and pharmaceutical operations. Beyond the addition of new hires, we are committed to the ongoing development of our existing team. By offering competitive incentive structures and opportunities for internal mobility, we aim to build a motivated and highly capable organization ready to execute our strategic goals.

### *2. Accelerating AI Investments to Drive User Experience and Operational Efficiency*

We will continue to prioritize AI investment as a core driver of long-term success. Guided by our “AI + CDM” strategy, we will continue to enhance our XS LLM and proprietary applications (including our “AI Doctor Assistant”, “AI Pre-Consult Agent”, and “AI Follow-up Agent”) to improve clinician and patient experiences, strengthen diagnostic accuracy, and elevate standards of care. By leveraging machine learning and data analytics, we will improve demand forecasting and dynamic inventory management to ensure broad medication availability. In addition, we expect these AI capabilities to streamline customer support, optimize demand matching, and increase efficiency across other core operations.

### 3. *Expanding Healthcare Insurance Collaboration and Improving Affordability*

Making chronic disease treatment more affordable and accessible is a crucial part of our mission. In the coming year, we will seek to expand our connectivity with government social healthcare insurance systems across more regions. Additionally, we will strengthen collaboration with commercial health insurance providers to create practical, tailored insurance products that complement our core medical and pharmacy services, ultimately reducing the out-of-pocket financial burden for our patients.

## **FINANCIAL REVIEW**

### **Revenue**

During the Reporting Period, we generated our revenue primarily from (i) online retail pharmacy services; (ii) comprehensive medical services; (iii) wholesale; and (iv) customized content and marketing solutions. The following table sets forth the breakdown of our revenue by major products or service lines for the periods indicated.

	<b>As of December 31,</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Online retail pharmacy services	<b>1,873,395</b>	1,404,790
Comprehensive medical services	<b>788,221</b>	646,549
Wholesale	<b>780,170</b>	550,949
Customized content and marketing solutions	<b>84,376</b>	105,080
<b>Total</b>	<b><u>3,526,162</u></b>	<b><u>2,707,368</u></b>

Our revenue increased by 30.2% from RMB2,707.4 million for the year ended December 31, 2024 to RMB3,526.2 million for the year ended December 31, 2025, primarily reflecting an increase in revenue from online retail pharmacy services, wholesale, and comprehensive medical services which was partially offset by a decrease in revenue from customized content and marketing solutions.

#### *Online Retail Pharmacy Services*

Revenue from online retail pharmacy services primarily represents revenue from sales of pharmaceutical and healthcare products on our online retail pharmacy service platform, third-party platforms and, to a minimal extent, our offline retail pharmacies.

Revenue generated from online retail pharmacy services increased by 33.4% from RMB1,404.8 million for the year ended December 31, 2024 to RMB1,873.4 million for the year ended December 31, 2025, driven by the increased sales volume of our pharmaceutical and healthcare products which benefited from ongoing expansion of our user base and increased platform engagement. Furthermore, growth in our business scale allowed us to negotiate more favorable procurement terms, enabling us to offer competitive pricing on a range of products while maintaining our overall gross margins at 21.0% for the year ended December 31, 2025, compared with 22.6% for the year ended December 31, 2024.

### *Comprehensive Medical Services*

Revenue from comprehensive medical services primarily consists of (i) revenue from online consultation services provided by physicians to patients, e-prescription services and sales of pharmaceutical and other products on our H2H service platform; and (ii) to a minimal extent, revenue from physician consultations and sales of pharmaceutical products through offline hospitals.

Revenue generated from comprehensive medical services increased by 21.9% from RMB646.5 million for the year ended December 31, 2024 to RMB788.2 million for the year ended December 31, 2025. To advance our long-term mission of delivering affordable chronic disease care solutions to a broader patient population, we leveraged pharmaceutical partnerships and adjusted our product mix toward high-demand therapeutic areas with significant unmet need. While this approach moderated our gross margin from 17.2% for the year ended December 31, 2024 to 11.0% for the year ended December 31, 2025, we believe it will create strong momentum for our long-term growth.

### *Wholesale*

Wholesale revenue primarily consists of revenue from wholesale of pharmaceutical products to third-party customers. Revenue for this segment increased by 41.6% from RMB550.9 million for the year ended December 31, 2024 to RMB780.2 million for the year ended December 31, 2025. As industry conditions evolved over the course of the year, we leveraged our growing scale, supply chain network, and long-standing supplier relationships to execute on significant sourcing opportunities at favorable margins, driving strong annual growth.

## *Customized Content and Marketing Solutions*

Revenue from customized content and marketing solutions mainly comprises income generated from the customized content and marketing services we offered to pharmaceutical companies. Revenue from customized content and marketing solutions decreased by 19.7% from RMB105.1 million for the year ended December 31, 2024 to RMB84.4 million for the year ended December 31, 2025, as we transitioned our business from conventional promotional approaches to providing comprehensive, higher value, one-stop solutions that deliver integrated marketing capabilities which enhance brand visibility, engagement, and overall effectiveness. This change also resulted in gross margins increasing from 74.4% for the year ended December 31, 2024 to 78.9% for the year ended December 31, 2025. While this transformation presents near-term challenges as we introduce our enhanced solutions to pharmaceutical companies, we expect it will ultimately drive market penetration and serve as key growth catalyst going forward.

### **Cost of Sales**

Our cost of sales primarily consists of (i) procurement costs for pharmaceutical and other healthcare products; (ii) medical service costs directly related to registered physicians in providing online consultations and cost of sales in relation to the operations of our offline hospital; (iii) staff costs, representing wages, benefits and bonuses of our sales and marketing personnel for our customized content and marketing solutions and staff of our offline hospital; (iv) content production costs in connection with our customized content and marketing solutions; and (v) others, mainly representing depreciation and amortization.

Our cost of sales increased by 35.4% to RMB2,966.7 million for the year ended December 31, 2025, as compared to RMB2,191.4 million for the year ended December 31, 2024, in line with our increase in revenue.

### **Gross Profit and Gross Profit Margin**

Our gross profit increased by 8.4% from RMB515.9 million for the year ended December 31, 2024 to RMB559.4 million for the year ended December 31, 2025 as we grew our business scale. Our overall gross profit margin fell to 15.9% for the year ended December 31, 2025, as compared to 19.1% for the year ended December 31, 2024. This change was primarily due to changes in margins for each underlying business segment, and shifts in segment mix.

## **Other Net Income/(Loss)**

Other net income or loss primarily consists of (i) government grants, which mainly represent incentives and subsidies received from local governments for the purpose of encouraging business development; (ii) foreign exchange gain or loss primarily in connection with changes in present value of redemption amount of Preferred Shares denominated in US dollars; (iii) fair value changes on financial assets measured at FVPL; and (iv) other gain or loss, mainly representing interest income from cash deposits and our donations.

Other net income/(loss) turned from a net loss of RMB28.1 million for the year ended December 31, 2024 to a net income of RMB4.2 million for the year ended December 31, 2025, primarily reflecting a decrease in foreign exchange loss resulting from the translation of the USD-denominated Preferred Shares, and a change from fair value loss to fair value gain on financial assets measured at FVPL.

## **Selling and Distribution Expenses**

Our selling and distribution expenses primarily consist of (i) advertising and platform service fees, which mainly represent advertising and marketing fees we paid to third-party online platforms to promote our brand and services; (ii) service fees to registered physicians as compensation for their activities on our platform; (iii) logistics expenses for engaging third-party couriers for delivery services; (iv) staff costs, representing wages, benefits and bonuses of our sales and marketing personnel; (v) outsourcing expenses charged by outsourcing agencies in connection with the outsourced support staff for our operations, such as customer service personnel and warehouse workers; (vi) telecommunication expenses in relation to our promotional activities; (vii) share-based compensation to our sales and marketing personnel; and (viii) others, including utilities and depreciation and amortization.

Our selling and distribution expenses increased by 12.8% from RMB355.8 million for the year ended December 31, 2024 to RMB401.2 million for the year ended December 31, 2025. Our selling and distribution expenses as a percentage of revenue decreased from 13.1% for the year ended December 31, 2024 to 11.4% for the year ended December 31, 2025, due to ongoing improvements in our operational efficiency and effective cost optimization strategies related to personnel, logistics, and other operating expenditures.

## **Administrative Expenses**

Our administrative expenses primarily consist of (i) research and development costs; (ii) staff costs, representing wages, benefits and bonuses of our administrative personnel; (iii) professional service fees, which primarily represent fees paid to professional parties, including auditors, lawyers and consultants; (iv) handling fees that we paid to third-party payment platforms in relation to our sales of pharmaceutical and other products; (v) business expenses, including business development fees, office expenses and travel expenses incurred in our daily operations; (vi) technical service fees paid to third-party service providers for online technical support solutions; (vii) share-based compensation attributable to our administrative personnel; (viii) depreciation of right-of-use assets; (ix) outsourcing expenses for certain administrative functions; and (x) others, including rent and utility expenses, telecommunication expenses related to administrative activities, and depreciation and amortization.

Our administrative expenses decreased by 83.8% from RMB909.5 million for the year ended December 31, 2024 to RMB147.3 million for the year ended December 31, 2025. This was primarily the result of a decrease in share-based compensation from our RSU Scheme, which amounted to RMB733.0 million for the year ended December 31, 2024, mainly attributable to grants of RSUs prior to the Listing. Excluding this share-based compensation, our administrative expenses as a percentage of revenue decreased from 6.5% for the year ended December 31, 2024 to 4.0% for the year ended December 31, 2025, reflecting the continued improvement in our administrative efficiency and effective cost optimization strategies related to personnel and other administrative expenditures.

## **Recognition of Impairment Losses**

Our recognition of impairment losses mainly represents impairment losses recognized on trade receivables from enterprise customers for our customized content and marketing solutions, which amounted to RMB0.3 million and RMB1.7 million for the years ended December 31, 2024 and 2025, respectively, mainly due to an increase in our trade receivables balance which accompanied our revenue growth, and our conservative approach for provisioning against aged receivables.

## **Finance Costs**

Our finance costs mainly represent (i) changes in the carrying amount of preferred shares liability, which were recognized in relation to the present value of the redemption amount of our convertible redeemable Preferred Shares; and (ii) interest on lease liabilities and bank loans.

Our finance costs decreased by 98.2% to RMB1.4 million for the year ended December 31, 2025, as compared to RMB77.2 million for the year ended December 31, 2024. Upon the Listing Date, all of the Preferred Shares automatically converted into Ordinary Shares at a one to one ratio, and the carrying amount of the Preferred Shares was transferred to share capital and share premium.

## **Income Tax Expenses**

For the year ended December 31, 2025, we recorded RMB194 thousand in income tax expense, compared to RMB32 thousand for the year ended December 31, 2024.

## **Profit/(Loss) and Total Comprehensive Income for the Year**

As a result of the foregoing, our profit/(loss) and total comprehensive income for the year improved from a loss of RMB854.9 million for the year ended December 31, 2024 to a profit of RMB11.8 million for the year ended December 31, 2025.

## **Non-HKFRS measure: Adjusted Net Profit and Adjusted Net Profit Margin**

We believe that the presentation of non-HKFRS measures, namely adjusted net profit (non-HKFRS measure) and adjusted net profit margin (non-HKFRS measure), facilitates comparisons of operating performance from year to year and provides useful information for investors to understand and evaluate our consolidated results of operations in the same manner as our management by eliminating the impact of certain items. The use of adjusted net profit (non-HKFRS measure) and adjusted net profit margin (non-HKFRS measure) has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

We define adjusted net profit (non-HKFRS measure) as profit/(loss) and total comprehensive income for the period after excluding the effects of (i) equity settled share-based transactions; (ii) listing expenses; (iii) changes in the carrying amount of preferred shares liability; (iv) foreign exchange from preferred shares liability; and (v) fair value changes on financial assets measured at FVPL. We account for the compensation cost from equity settled share-based transactions with employees, since it is a non-cash item and does not result in cash outflow. In addition, we eliminate the impact of changes in the carrying amount of preferred shares liability and foreign exchange differences associated with our Preferred Shares, primarily because these items are non-cash in nature. The convertible redeemable Preferred Shares were automatically converted into Ordinary Shares upon the completion of the Global Offering, and the carrying amount of the financial liabilities were transferred to share capital and capital reserve. The fair value loss on financial assets measured at FVPL does not reflect our underlying operating performance. We define adjusted net profit margin (non-HKFRS measure) as adjusted net profit (non-HKFRS measure) divided by revenue for the period and multiplied by 100%.

The following table reconciles our adjusted net profit (non-HKFRS measure) for the year ended December 31, 2025, compared to the year ended December 31, 2024:

	<b>As of December 31,</b>	
	<b>2025</b>	2024
	<i>RMB'000, except for percentages</i>	
<b>Profit/(loss) and total comprehensive income for the year</b>	<b>11,832</b>	(854,885)
Add:		
Equity settled share-based transactions	<b>10,193</b>	743,330
Listing expenses	–	19,484
Changes in the carrying amount of preferred shares liability	–	74,923
Foreign exchange from preferred shares liability	–	13,542
Fair value changes on financial assets measured at FVPL	<b>(1,628)</b>	20,725
	<b>20,397</b>	17,119
<b>Adjusted net profit (non-HKFRS measure)</b>	<b>20,397</b>	17,119
<b>Adjusted net profit margin (non-HKFRS measure)</b>	<b>0.6%</b>	0.6%

## **Property, Plant and Equipment**

Our property, plant and equipment consist of (i) right-of-use assets; (ii) furniture, fixtures and other equipment; (iii) leasehold improvement; (iv) machinery and equipment; and (v) motor vehicles.

Our property, plant and equipment decreased by 31.4% to RMB36.7 million as of December 31, 2025, compared to RMB53.5 million as of December 31, 2024, primarily due to the depreciation of right-of-use assets in 2025.

## **Intangible Assets**

Our intangible assets consist of computer software, licenses and trademarks. Our intangible assets remained stable at RMB2.7 million and RMB2.2 million as of December 31, 2025 and December 31, 2024, respectively.

## **Inventories**

Our inventories mainly consist of pharmaceutical and healthcare products. Our inventories increased to RMB180.4 million as of December 31, 2025 compared to RMB141.4 million as of December 31, 2024, while our average inventory turnover days decreased to 19.8 days for the year ended December 31, 2025, from 23.1 days for the year ended December 31, 2024. This improvement underscored our supply chain efficiency and resilience, despite rapid volume growth.

## **Trade and Other Receivables**

Our trade receivables increased to RMB61.8 million as of December 31, 2025 as compared to RMB36.3 million as of December 31, 2024, primarily reflecting a higher balance of monthly-settled receivables due to the expansion of our business involving online social healthcare insurance payments.

Our other receivables primarily represent rebates from suppliers and deposits in connection with our procurement of pharmaceutical and other products. Our other receivables increased to RMB94.8 million as of December 31, 2025, as compared to RMB53.9 million as of December 31, 2024, primarily due to the increase in receivables from suppliers for purchase returns.

## **Prepayments**

Our prepayments primarily represent prepayments to service providers for renovation, interior decoration, online promotion, and advertising services, and prepayments for our procurement of pharmaceutical and other products. Our prepayments decreased to RMB10.0 million as of December 31, 2025, compared to RMB16.7 million as of December 31, 2024, primarily due to the improved credit and payment terms resulting from strengthened supplier relationships.

## **Trade and Other Payables**

Our trade and other payables primarily represent payables to our suppliers, which are normally settled within 30 to 75 days. Our other payables primarily consist of (i) staff cost payables; (ii) other tax payables; (iii) deposits from suppliers for the procurement of pharmaceutical products; and (iv) other payables and accrued charges, primarily representing rent payables, payables to registered physicians and payables to suppliers for online promotion and advertising services and logistics services.

Our trade and other payables increased to RMB602.9 million as of December 31, 2025, compared to RMB457.5 million as of December 31, 2024, primarily due to the growth in our business scale during the Reporting Period.

## **Contract Liabilities**

Our contract liabilities represent (i) payments we receive in advance from customers for sales of pharmaceutical and healthcare products, which are recognized as revenue when the products are delivered and control is transferred to the customers; and (ii) advance payments from our customers' loyalty points program, which are recognized as revenue when users make payments using these loyalty points or when these loyalty points expire. Our contract liabilities decreased slightly to RMB19.7 million as of December 31, 2025, compared to RMB22.5 million as of December 31, 2024, primarily reflecting a decrease in advance payments received from customers.

## **Liquidity and Capital Resources**

During the Reporting Period, we primarily financed our operations through cash flow from operating activities and equity financing. As of December 31, 2025, we had cash and cash equivalents of RMB233.5 million, compared to RMB174.6 million as of December 31, 2024. We monitor and maintain a level of cash and cash equivalents we believe adequate to finance our operations and mitigate the effects of fluctuations in cash flows.

Our Directors believe that we have sufficient working capital to meet our present and future cash requirements for the forthcoming year of 2026, taking into account our anticipated improvement in operating cash flows, working capital management, efforts to obtain more favorable credit terms from suppliers and net proceeds from the Global Offering and Placing.

### **Bank Loans**

As of December 31, 2025, the repayment schedule of bank loans was within one year and the balances were unsecured. Our bank loans during the Reporting Period were denominated in RMB and were primarily used to supplement our working capital. We had bank loans of RMB4.0 million with interest rate of 2.5% and RMB3.0 million with interest rate of 3.0% as of December 31, 2025 and 2024, respectively.

### **Lease Liabilities**

We recognized right-of-use assets and the corresponding lease liabilities in respect of all leases, except for short term leases and leases of low value assets. Our lease liabilities decreased from RMB47.9 million as of December 31, 2024 to RMB31.8 million as of December 31, 2025, primarily due to a reduction in office and warehouse rental expenses.

### **Capital Commitments**

As of December 31, 2025 and December 31, 2024, we had no material capital commitments.

### **Contingent Liabilities**

As of December 31, 2025, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or operating results.

### **Capital Expenditures**

Our capital expenditures primarily consist of purchases of property, plant and equipment and intangible assets. Our capital expenditures were RMB5.6 million for the year ended December 31, 2025 and RMB3.9 million for the year ended December 31, 2024.

Our capital expenditures were primarily used to purchase property, plant and equipment and intangible assets in 2025. We plan to fund our planned capital expenditures with our cash balance.

## Key Financial Ratios

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

	As of December 31,	
	2025	2024
Gross profit margin <sup>(1)</sup>	<b>15.9%</b>	19.1%
Net profit/(loss) margin <sup>(2)</sup>	<b>0.3%</b>	(31.4)%
Adjusted net profit margin (non-HKFRS measure) <sup>(3)</sup>	<b>0.6%</b>	0.6%
Current ratio <sup>(4)</sup>	<b>1.2</b>	1.2
Quick ratio <sup>(5)</sup>	<b>0.9</b>	0.9

### Notes:

- (1) Gross profit margin is calculated using gross profit divided by revenue for the year and multiplied by 100%.
- (2) Net profit/(loss) margin is calculated using net profit/(loss) divided by revenue for the year and multiplied by 100%.
- (3) Adjusted net profit margin (non-HKFRS measure) is calculated using the adjusted net profit (non-HKFRS measure) divided by revenue for the year and multiplied by 100%.
- (4) Current ratio is calculated by using current assets divided by current liabilities as of the same date.
- (5) Quick ratio is calculated by using current assets less inventories and divided by current liabilities as of the same date.

## Significant Investments

We did not make significant investments during the year ended December 31, 2025. In addition, our Group has no plan for significant investments or additions of significant capital assets as of the date of this announcement.

## Material Acquisitions and Disposals

We did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended December 31, 2025.

## Foreign Exchange Risk and Hedging

Our Group's financial statements were expressed in RMB, but our Group undertook certain transactions in foreign currencies, which exposed us to foreign currency risk. We currently do not hold any financial instruments for hedging purposes. Our Group manages our currency risks by closely monitoring the movement of the foreign currency rates and would consider hedging significant foreign currency exposure should the need arise.

## Pledge of Assets

As of December 31, 2025, our Group pledged a restricted bank deposit of RMB62.9 million in a margin account to secure bills payable. Apart from this deposit, the Group did not have any pledge of assets.

## Employees and Remuneration

As of December 31, 2025, our Group had 494 employees. The total remuneration cost incurred by our Group for the year ended December 31, 2025 was RMB153.0 million, as compared to RMB887.3 million for the year ended December 31, 2024. This decrease was primarily due to a decrease in expenses incurred from our RSU Scheme. The following table sets forth the number of full-time employees by function as of December 31, 2025.

	<b>Number of employees</b>	<b>% of total</b>
General and administrative personnel	102	20.6%
In-house medical professionals	52	10.5%
Operational personnel	110	22.3%
Research and development personnel	108	21.9%
Sales and marketing personnel	122	24.7%
<b>Total</b>	<b>494</b>	<b>100.0%</b>

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other items, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing provident fund through a PRC government-mandated benefit contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time.

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

Our Company has also adopted the RSU Scheme to provide incentives for our employees. Please refer to the section headed “Statutory and General Information – D. RSU Scheme” in Appendix IV to the Prospectus for further details.

### **Gearing Ratio**

Our Group monitored its capital sufficiency using gearing ratio. As of December 31, 2024 and 2025, our Group’s gearing ratio (total liabilities/total assets) was 0.8 and 0.8, respectively.

## **SIGNIFICANT EVENTS**

### **Resignation of Chairman of the Board and Chief Executive Officer, and Change of Authorised Representative and Board Committee Composition**

Mr. Xie resigned as chairman of the Board, chairperson and member of the Nomination Committee, chief executive officer of the Company and an authorised representative of the Company for the purpose under Rule 3.05 of the Listing Rules (the “**Authorised Representative**”) with effect from December 7, 2025. Mr. Xie was re-designated as a non-executive Director with effect from the same date. Following Mr. Xie’s resignation, Mr. Hand was appointed as the chairman of the Board, Mr. Zhou and Mr. Hand were appointed as the members of the Nomination Committee, Mr. ZHU Xiaolu was appointed as the chairperson of the Nomination Committee, and Mr. ZOU Yuming was appointed as the Authorised Representative with effect from the same date.

### **Placing of New Shares in February 2026**

References are made to the announcements of the Company dated January 27, 2026, and February 2, 2026, respectively. The completion of the Placing took place on January 29, 2026, and the completion of the Subscription took place on February 2, 2026. A total of 45,181,000 Placing Shares have been successfully placed at the Placing Price of HK\$3.32 per Share by the Placing Agent.

The net proceeds (after deduction of all costs and expenses) from the Subscription amount to approximately HK\$144.30 million. The Placing Shares were placed to not less than six professional investors. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons, and not acting in concert with the Vendor, its associates and persons acting in concert with the Vendor. None of the Placees and their ultimate beneficial owners has become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing and the Subscription.

The Directors consider that the Placing and Subscription represent an opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. The Company intends to apply the net proceeds as follows: (i) approximately 90% or HK\$129.87 million will be allocated to accelerate development of the Company's AI-driven chronic disease management platform, encompassing model development and optimization, infrastructure and computational resource expansion, talent recruitment across AI and clinical specialties, data collection and annotation and knowledge base development, and roll-out and marketing of AI-enhanced services to capture underserved patient and physician populations; and (ii) approximately 10% or HK\$14.43 million will be used for working capital and other general corporate purposes.

## **OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

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.

Our Company's corporate governance practices are based on the principles and code provisions set forth in the Corporate Governance Code. We have adopted certain corporate governance measures in compliance with the Corporate Governance Code. We aim to achieve a high standard of corporate governance, which is crucial to safeguard the interests of the Shareholders. During the Reporting Period and up to the date of this announcement, our Company has complied with all applicable code provisions set out in the Corporate Governance Code, except for the following:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Xie was the chairman of the Board as well as the chief executive officer of the Company during the Reporting Period until December 7, 2025. Mr. Xie has resigned as chairman of the Board and chief executive officer of the Company with effect from December 7, 2025 and following his resignation, Mr. Hand is currently serving as the chairman of the Board. The position of the chief executive officer has been vacant since the resignation of Mr. Xie. To ensure a smooth transition, the Board has requested the Nomination Committee commence a formal search for a new chief executive officer, considering both internal and external candidates to identify the most suitable successor to lead the Company forward.

Save as disclosed above, as of the date of this announcement and to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, the Directors are not aware of any deviation from the code provisions of the Corporate Governance Code.

### **Compliance with the Model Code**

Our Company has adopted the Model Code as its code of conduct regarding Directors' dealing in the Company's securities. Having made specific enquiries to all of the Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period and up to the date of this announcement.

Our Company's senior management and employees, who are likely to be in possession of inside information of our Company, are also subject to the Model Code for securities transactions. During the Reporting Period and up to the date of this announcement, we did not detect any incident of non-compliance with the Model Code by our Company's relevant senior management and employees.

### **Use of Proceeds from the Global Offering**

On July 9, 2024, the Shares of our Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering were approximately HK\$67.09 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, which will be used in accordance with the intended use of net proceeds as disclosed in the Prospectus by our Company.

As of the date of this announcement, there has been no change in the intended use of net proceeds disclosed in the Prospectus. The expected timeline for utilizing the net proceeds from the Global Offering is based on the best estimate of future progress of regulatory approvals and market conditions made by our Company and subject to changes in accordance with our actual business operations and markets conditions. The table below sets out the details of the use of the net proceeds of the Company as of December 31, 2025:

Use of proceeds from Listing	Amount of net proceeds for planned applications (HK\$million)	Percentage of total net proceeds (%)	Utilized net proceeds during the Reporting Period (HK\$million)	Utilized net proceeds as of December 31, 2025 (HK\$million)	Unutilized net proceeds as of December 31, 2025 (HK\$million)	Expected time frame for unutilized amount
<b>Business expansion</b>	<b>45.22</b>	<b>67.4%</b>	<b>22.19</b>	<b>36.03</b>	<b>9.19</b>	<b>Before December 2028</b>
1. Promoting brand awareness	11.61	17.3%	6.08	11.61	–	Before December 2028
2. Enhancing user growth and engagement, and maintaining a highly active user base	14.42	21.5%	7.87	12.03	2.39	Before December 2028
3. Attracting and retaining talent, especially those with extensive experience in media and technology-powered medical services and insights in the fields of chronic disease management	15.50	23.1%	6.22	10.37	5.13	Before December 2028
4. Expanding product offerings and enhancing supply chain capabilities	3.69	5.5%	2.02	2.02	1.67	Before December 2028
<b>Research and development activities</b>	<b>10.74</b>	<b>16.0%</b>	<b>4.98</b>	<b>8.31</b>	<b>2.43</b>	<b>Before December 2028</b>
1. Recruiting a team of approximately 40 software engineers by 2028, of which 70% are senior software engineers and the remainder are junior software engineers	4.70	7.0%	2.18	3.64	1.06	Before December 2028

	Amount of net proceeds for planned applications (HK\$million)	Percentage of total net proceeds (%)	Utilized net proceeds during the Reporting Period (HK\$million)	Utilized net proceeds as of December 31, 2025 (HK\$million)	Unutilized net proceeds as of December 31, 2025 (HK\$million)	Expected time frame for unutilized amount
<b>Use of proceeds from Listing</b>						
2. (i) improve the application of AI technology and big data analysis capabilities in CDM to more accurately capture user habits throughout their activities, from seeking consultations, purchasing pharmaceutical products to their preferences for viewing content on our platform, thereby improving user experience and improving the conversion rate of paying users on our platform; (ii) optimize our infrastructure in various technological areas, such as (a) computer vision, to improve the efficiency of order identification and processing and user information management, (b) natural language processing, to optimize the question-answering engine of our AI medical assistant, and (c) search-based recommendation algorithms to deliver the most relevant information catered to the users' evolving needs; (iii) improve stability of the system to withstand the increasing pressure as we scale our online operations; and (iv) optimize the functions of our WeChat mini programs and perform routine system upgrade and maintenance	6.04	9.0%	2.80	4.67	1.37	Before December 2028
<b>Potential investments and acquisitions or strategic alliances with other stakeholders in the value chain of the online CDM industry</b>	<b>7.78</b>	<b>11.6%</b>	<b>4.55</b>	<b>4.55</b>	<b>3.23</b>	<b>Before December 2028</b>
<b>Working capital and general corporate purposes</b>	<b>3.35</b>	<b>5.0%</b>	<b>1.96</b>	<b>2.63</b>	<b>0.72</b>	<b>Before December 2028</b>
<b>Total</b>	<b>67.09</b>	<b>100.0%</b>	<b>33.68</b>	<b>51.52</b>	<b>15.57</b>	

## **Significant Events after the Reporting Period**

Save as disclosed above, the Directors are not aware of any other significant event requiring disclosure that has taken place subsequent to December 31, 2025 and up to the date of this announcement.

## **Purchase, Sale or Redemption of our Company's Listed Securities**

Save for the shares issued pursuant to the Placing, neither our Company nor any of its subsidiaries purchased, sold or redeemed any of our Company's listed securities (including sale of treasury Shares, if any) during the Reporting Period and up to the date of this announcement.

## **Audit Committee**

We have established the Audit Committee with terms of reference in compliance with Rule 3.21 of the Listing Rules as well as paragraph D.3 of part 2 of the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. ZHU Xiaolu, Dr. WANG Haizhong and Ms. KANG Wei. The chairman of the Audit Committee is Mr. ZHU Xiaolu, who has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The annual results of the Group for the year ended December 31, 2025 have been reviewed by the Audit Committee. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Company and overseeing the audit process.

After the discussion with the Auditor, the members of the Audit Committee have reviewed our Company's audited consolidated financial statements for the year ended December 31, 2025. The Audit Committee has reviewed the accounting principles and practices adopted by our Company and discussed matters in respect of risk management and internal control of our Company. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by our Company. The Audit Committee reviewed and considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

### **Auditor's Scope of Work**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed by the Auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

### **Material Litigation**

Our Company was not involved in any material litigation or arbitration during the year ended December 31, 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against our Group during the Reporting Period and up to the date of this announcement.

### **Final Dividend**

The Board does not recommend any payment of a final dividend for the year ended December 31, 2025.

### **Annual General Meeting and Closure of the Register of Members**

The dates of the forthcoming annual general meeting of the Company and the closure of the register of members of the Company will be announced in due course.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in RMB)

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Revenue</b>	4	<b>3,526,162</b>	2,707,368
Cost of sales		<u>(2,966,719)</u>	<u>(2,191,427)</u>
<b>Gross profit</b>		<b>559,443</b>	515,941
Other net income/(loss)	5	<b>4,208</b>	(28,062)
Selling and distribution expenses		<b>(401,238)</b>	(355,769)
Administrative expenses		<b>(147,293)</b>	(909,469)
Recognition of impairment losses	6(c)	<u><b>(1,698)</b></u>	<u>(334)</u>
<b>Profit/(loss) from operations</b>		<b>13,422</b>	(777,693)
Finance costs	6(a)	<u><b>(1,396)</b></u>	<u>(77,160)</u>
<b>Profit/(loss) before taxation</b>	6	<b>12,026</b>	(854,853)
Income tax	7	<u><b>(194)</b></u>	<u>(32)</u>
<b>Profit/(loss) and total comprehensive income for the year</b>		<u><b>11,832</b></u>	<u>(854,885)</u>
<b>Earnings/(loss) per share</b>			
Basic (in RMB)	8	<b>0.01</b>	(0.88)
Diluted (in RMB)		<u><b>0.01</b></u>	<u>(0.88)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

		As at December 31,	
		2025	2024
	Note	RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>36,689</b>	53,455
Intangible assets		<b>2,707</b>	2,239
Other non-current assets		<b>2,261</b>	75
		<u>41,657</u>	<u>55,769</u>
<b>Current assets</b>			
Financial assets measured at fair value through profit or loss (“FVPL”)	9	<b>80,990</b>	86,870
Inventories	10	<b>180,404</b>	141,421
Trade and other receivables	11	<b>156,581</b>	90,224
Other current assets		<b>47,842</b>	32,943
Prepayments		<b>10,044</b>	16,664
Restricted bank deposits		<b>62,881</b>	65,565
Cash and cash equivalents		<b>233,490</b>	174,638
		<u>772,232</u>	<u>608,325</u>
<b>Current liabilities</b>			
Trade and other payables	12	<b>602,853</b>	457,497
Contract liabilities		<b>19,737</b>	22,450
Bank loans		<b>4,012</b>	3,001
Lease liabilities		<b>15,390</b>	16,801
Other current liabilities		<b>1,639</b>	1,537
Current taxation		<b>141</b>	14
		<u>643,772</u>	<u>501,300</u>
<b>Net current assets</b>		<u>128,460</u>	<u>107,025</u>
<b>Total assets less current liabilities</b>		<u>170,117</u>	<u>162,794</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***(Expressed in RMB)*

		<b>As at December 31,</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current liabilities</b>			
Lease liabilities		<u>16,388</u>	<u>31,090</u>
		<u>16,388</u>	<u>31,090</u>
<b>NET ASSETS</b>		<b><u>153,729</u></b>	<b><u>131,704</u></b>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	189	189
Reserves		<u>153,540</u>	<u>131,515</u>
<b>TOTAL EQUITY</b>		<b><u>153,729</u></b>	<b><u>131,704</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 1 CORPORATE INFORMATION

Fangzhou Inc. (the “**Company**”) was incorporated in the Cayman Islands on September 26, 2019 as an exempted company with limited liability under the Companies Act (As Revised) (as consolidated and revised) of the Cayman Islands.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in online retail pharmacy services, comprehensive medical services, wholesale and customized content and marketing solutions.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on July 9, 2024 (the “**Listing**”).

### 2 BASIS OF PREPARATION

The consolidated results set out in this announcement do not constitute the Group’s financial statements for the year ended December 31, 2025 but are extracted from those financial statements.

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

### 3 CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements 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.

## 4 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The principal activities of the Group are online retail pharmacy services, comprehensive medical services, wholesale and customized content and marketing solutions.

#### *Disaggregation of revenue*

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Online retail pharmacy services	<b>1,873,395</b>	1,404,790
Comprehensive medical services	<b>788,221</b>	646,549
Wholesale	<b>780,170</b>	550,949
Customized content and marketing solutions	<b>84,376</b>	105,080
	<b><u>3,526,162</u></b>	<u>2,707,368</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is set out as below:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Disaggregated by timing of revenue recognition</b>		
– Point in time	<b>3,441,786</b>	2,602,288
– Over time	<b>84,376</b>	105,080
	<b><u>3,526,162</u></b>	<u>2,707,368</u>

No revenue from individual customer contributed over 10% of total revenue of the Group during the years ended December 31, 2025 and 2024.

The Group has also applied the practical expedient in paragraph 121(a) of HKFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts of the Group are within one year or less.

#### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

##### (b) Segment Reporting

The Group manages its businesses by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented four reportable segments. The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

##### (i) Segment results

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Disaggregated by segment</b>		
<b>Online retail pharmacy services</b>		
Revenue	1,873,395	1,404,790
Gross profit	393,521	317,925
<b>Comprehensive medical services</b>		
Revenue	788,221	646,549
Gross profit	86,678	110,985
<b>Wholesale</b>		
Revenue	780,170	550,949
Gross profit	12,644	8,878
<b>Customized content and marketing solutions</b>		
Revenue	84,376	105,080
Gross profit	66,600	78,153
<b>Reportable segment gross profit derived from the Group's external customers</b>	<b>559,443</b>	<b>515,941</b>

#### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(ii) *Reconciliations of reportable segment profit or loss*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Disaggregated by segment</b>		
Reportable segment profit derived from the Group's external customers	559,443	515,941
Other net income/(loss)	4,208	(28,062)
Selling and distribution expenses	(401,238)	(355,769)
Administrative expenses	(147,293)	(909,469)
Recognition of impairment losses	(1,698)	(334)
Finance costs	(1,396)	(77,160)
	<u>12,026</u>	<u>(854,853)</u>
Consolidated profit/(loss) before taxation	<u>12,026</u>	<u>(854,853)</u>

(iii) *Geographic information*

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as over 99% of the Group's profit/loss from operations for the years ended December 31, 2025 and 2024 were generated from the PRC market.

#### 5 OTHER NET INCOME/(LOSS)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants	615	415
Foreign exchange loss ( <i>Note</i> )	(725)	(12,878)
Fair value changes on financial assets measured at FVPL	1,628	(20,725)
Others	2,690	5,126
	<u>4,208</u>	<u>(28,062)</u>

*Note:*

The foreign exchange loss for the year ended December 31, 2024 primarily resulted from the translation of the preferred shares which are denominated in USD.

## 6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>(a) Finance costs</b>		
Interest on lease liabilities	1,288	1,715
Interest on bank loans	108	522
Changes in the carrying amount of preferred shares	—	74,923
	<u>1,396</u>	<u>77,160</u>
<b>(b) Staff costs (including directors' emoluments)</b>		
Salaries, wages and other benefits	135,174	138,727
Equity settled share-based transactions	10,193	743,330
Contributions to defined contribution retirement plan ( <i>Note (i)</i> )	7,647	5,246
	<u>153,014</u>	<u>887,303</u>

*Note:*

- (i) Pursuant to the relevant labour rules and regulations in the PRC, the Group's entities in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organized by the local government authorities whereby the Group's entities in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan.

The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

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

**6 LOSS BEFORE TAXATION (CONTINUED)**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>(c) Other items</b>		
Amortization		
– intangible assets	<u>373</u>	<u>871</u>
Depreciation		
– property, plant and equipment	<b>3,480</b>	3,910
– right-of-use assets	<u>17,228</u>	<u>19,335</u>
	<u>20,708</u>	<u>23,245</u>
Recognition of impairment losses		
– trade debtors	<u>1,698</u>	<u>334</u>
Auditors' remuneration	<b>2,280</b>	2,400
Research and development costs (i)	<b>36,315</b>	41,608
Listing expenses	–	19,484
Cost of inventories (note 10(b)) (ii)	<u>2,929,624</u>	<u>2,144,549</u>

*Notes:*

- (i) During the year ended December 31, 2025, research and development costs include staff costs, depreciation and amortization of RMB35,545,000 (2024: RMB40,233,000), which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.
- (ii) During the year ended December 31, 2025, cost of inventories includes staff costs, depreciation and amortization of RMB4,003,000 (2024: RMB4,141,000), which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

## 7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

(a) **Taxation in the consolidated statements of profit or loss and other comprehensive income represents:**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current tax</b>		
Provision for the year	<u>194</u>	<u>32</u>

(i) *The Cayman Islands income tax*

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

(ii) *Hong Kong income tax*

For the subsidiary in Hong Kong, the first HKD2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. No Hong Kong profits tax on the subsidiary has been provided as there was no assessable profit arising in Hong Kong during the reporting period.

(iii) *The PRC corporate income tax*

The provision for current income tax in Chinese Mainland is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the Corporate Income Tax Law of the PRC and the respective regulations except for the following subsidiaries:

Fangzhou Information Technology Co., Ltd. was certified as “High and New Technology Enterprises” and entitled to the preferential income tax rate of 15% for the years ended December 31, 2025 and 2024.

Certain subsidiaries were eligible as a small low-profit enterprise and entitled to a tax relief policy. The portion of annual taxable income amount of a small low-profit enterprise, which does not exceed RMB3 million, shall be computed at a reduced rate of 25% as taxable income amount, and be subject to enterprise income tax at 20% tax rate.

7 **INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

(b) **Reconciliation between tax expense and accounting loss at applicable tax rates:**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Profit/(loss) before taxation	<u><b>12,026</b></u>	<u>(854,853)</u>
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profit/(loss) in the jurisdictions concerned	<b>10,126</b>	5,428
Tax concessions	<b>(5,519)</b>	(3,233)
Tax effect of non-deductible expenses	<b>594</b>	877
Tax effect of temporary differences and tax losses not recognized in current year	<b>(3,016)</b>	(784)
Additional deduction of qualified research and development costs (Note)	<u><b>(1,991)</b></u>	<u>(2,256)</u>
Actual tax expenses	<u><b>194</b></u>	<u>32</u>

*Note:* According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, an additional 100% of qualified research and development costs incurred is allowed to be deducted from taxable income.

## 8 EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB10,856,000 (2024: loss of RMB854,885,000) and the weighted average number of 1,332,982,000 ordinary shares (2024: 975,922,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	<b>2025</b>	2024
	<b>'000</b>	'000
Issued ordinary shares at January 1	<b>1,340,267</b>	617,562
Effect of shares held for the Company's RSU Incentive Plan at January 1	<b>(10,205)</b>	(57,429)
Effect of ordinary shares issued upon the Listing	–	11,411
Effect of conversion of preferred shares to ordinary shares	–	274,085
Effect of deemed issue of shares upon vesting under the Company's RSU Incentive Plan	<b>2,920</b>	130,293
	<b><u>1,332,982</u></b>	<u>975,922</u>
Weighted average number of ordinary shares at December 31	<b><u>1,332,982</u></b>	<u>975,922</u>

### Diluted earnings/(loss) per share

For the year ended December 31, 2025, the calculation of basic earning per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB10,856,000 and the weighted average number of 1,345,569,000 ordinary shares, as follows:

Weighted average number of ordinary shares (diluted)

	<b>2025</b>
	<b>'000</b>
Weighted average number of ordinary shares at December 31	<b>1,332,982</b>
Diluted effect of the Company's RSU Incentive Plan	<b>12,587</b>
	<b><u>1,345,569</u></b>
Weighted average number of ordinary shares (diluted) at December 31	<b><u>1,345,569</u></b>

For the year ended December 31, 2024, preferred shares and restricted share units were not included in the calculation of diluted loss per share, as their effect would have been anti-dilutive. Accordingly, diluted loss per share for 2024 was the same as basic loss per share.

## 9 FINANCIAL ASSETS MEASURED AT FVPL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Listed securities	15,829	14,129
Units in private funds	<u>65,161</u>	<u>72,741</u>
	<u><b>80,990</b></u>	<u>86,870</u>

## 10 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Pharmaceutical and healthcare products	<u>180,404</u>	<u>141,421</u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of inventories sold	2,932,453	2,180,053
Write-down of inventories	1,559	5,563
Reversal of write-down of inventories ( <i>Note</i> )	<u>(4,388)</u>	<u>(41,067)</u>
	<u><b>2,929,624</b></u>	<u>2,144,549</u>

*Note:* The reversal of write-down of inventories made in prior year arose due to an increase in the estimated net realizable value in 2025.

## 11 TRADE AND OTHER RECEIVABLES

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade debtors	<b>63,653</b>	36,775
Less: loss allowance	<b>(1,890)</b>	(496)
	<b>61,763</b>	36,279
Purchase rebates with suppliers	<b>54,212</b>	35,117
Deposits	<b>11,441</b>	11,612
Other receivables	<b>29,165</b>	7,216
	<b>156,581</b>	90,224

All of the trade and other receivables are expected to be recovered or recognized as expense within one year or are on demand.

### Ageing analysis:

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>44,569</b>	23,099
Over 3 months but within 6 months	<b>5,623</b>	9,520
Over 6 months but within 1 year	<b>7,525</b>	3,047
Over 1 year	<b>4,046</b>	613
	<b>61,763</b>	36,279

Trade debtors are generally due within 120 days from the date of billing.

## 12 TRADE AND OTHER PAYABLES

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Total trade and bills payables ( <i>Note (ii)</i> )	<b>495,726</b>	348,627
Staff cost payables	<b>23,817</b>	32,439
Other tax payables	<b>16,630</b>	12,842
Deposits	<b>1,567</b>	1,962
Other payables and accrued charges	<b>65,113</b>	61,627
	<b><u>602,853</u></b>	<u>457,497</u>

### *Notes:*

- (i) All of the trade and other payables are expected to be settled or recognized as income within one year or are repayable on demand.
- (ii) As at year end of the reporting period, the ageing analysis of total trade and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 month	<b>252,177</b>	154,351
1 to 3 months	<b>175,797</b>	133,623
Over 3 months but within 6 months	<b>67,537</b>	60,485
Over 6 months but within 1 year	<b>113</b>	11
Over 1 year but within 2 years	<b>102</b>	157
	<b><u>495,726</u></b>	<u>348,627</u>

## 13 CAPITAL AND RESERVES

### (a) Authorized share capital

The authorized share capital of the Company was USD50,000 divided into 2,500,000,000 shares of a nominal value of USD0.00002 each.

### (b) Issued share

The details of the changes in the issued ordinary shares of the Company was as follows:

	Number of ordinary shares	Nominal value of ordinary shares <i>USD'000</i>	Nominal value of ordinary shares <i>RMB'000</i>
<b>Ordinary shares, Issued</b>			
As at January 1, 2024	617,562,340	12	86
Issued during the year	151,042,178	3	21
Conversion of preferred shares	<u>571,662,939</u>	<u>11</u>	<u>82</u>
As at December 31, 2024 and 2025	<u>1,340,267,457</u>	<u>26</u>	<u>189</u>

*Note:* In May 2024, the Company allotted and issued 127,242,178 Class A Ordinary Shares of par value of USD0.00002 each to the platforms for RSU Incentive Plan.

On July 9, 2024, the Company completed its Listing on the Stock Exchange and issued 23,800,000 shares at an initial offering price of HKD8.18 each.

### (c) Dividends

The directors of the Company did not propose any declaration of dividend for the years ended December 31, 2025 and 2024.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([investors.jianke.com](http://investors.jianke.com)).

The annual report of the Company for the year ended December 31, 2025 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders (if requested) and published on the respective websites of the Stock Exchange and our Company in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contribution to the Group.

## **DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS**

“Audit Committee”	the audit committee of the Board
“Auditor”	KPMG, an independent auditor of our Company
“Board”	the board of Directors of the Company
“CDM”	the establishment of an integrated system of intervention and management for chronic disease throughout different stages of the continuum of chronic disease care, ultimately strengthening disease control, preventing disease deterioration, and controlling the overall medical cost
“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China which, except where the context requires, refers in this announcement to the PRC or Chinese Mainland excluding Hong Kong, China; Macau, China; and Taiwan, China
“Company”, “our Company” or “the Company”	Fangzhou Inc. (方舟云康控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on September 26, 2019

“Consolidated Affiliated Entities”	the entities we control through the contractual arrangements, namely Fangzhou Yunkang and its subsidiaries
“Corporate Governance Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of our Company
“Global Offering”	has the meaning ascribed thereto in the Prospectus
“GMV”	gross merchandise volume, the total value of all orders placed, regardless of whether the services or products are performed or delivered or whether the products are returned
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	our Company, its subsidiaries and the Consolidated Affiliated Entities from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“H2H”	hospital-to-home
“H2H service platform”	the platforms where we offer H2H services, which are online medical services forming the primary part of our comprehensive medical services. These platforms include the Jianke Doctor App (健客醫生), Jianke Hospital App (健客醫院) and certain of our WeChat mini programs
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jianke Platform”	the platforms where we offer certain of our services, including Jianke Doctor App (健客醫生), Jianke Hospital App (健客醫院), Jianke Online Pharmacy App (健客網上藥店), the website of Jianke.com and WeChat official accounts and mini programs

“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	July 9, 2024, being the date on which dealings in the Shares first commenced on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM (formerly known as the Growth Enterprise Market) of the Stock Exchange
“MAU”	monthly active users and, in relation to us, the number of active users who access our services on the Jianke Platform at least once during a calendar month
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Hand”	Mr. David McKee HAND, a non-executive Director and chairman of the Board
“Mr. Xie”	Mr. XIE Fangmin (謝方敏), a non-executive Director
“Mr. Zhou”	Mr. ZHOU Feng, an executive Director and chief strategy officer of our Company
“Nomination Committee”	the nomination committee of the Board
“Placees”	any professional institutional and other investors whom the Placing Agent has procured to purchase any of the Placing Shares pursuant to its obligations under the Placing and Subscription Agreement

“Placing”	the placing of the Placing Shares to the Placees procured by the Placing Agent on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Placing Agent”	Guotai Junan Securities (Hong Kong) Limited
“Placing and Subscription Agreement”	the placing and subscription agreement dated January 27, 2026 entered into among the Vendor, the Company and the Placing Agent in relation to the Placing and Subscription
“Placing Price”	HK\$3.32 per Share
“Placing Shares”	45,181,000 existing issued Shares held by the Vendor to be placed pursuant to the Placing and Subscription Agreement
“Preferred Share(s)”	preferred share(s) in the share capital of our Company with a par value of US\$0.00002 each, including the series A preferred shares, series A-1 preferred shares, series B preferred shares, series C preferred shares, series D preferred shares and series D+ preferred shares
“Prospectus”	the prospectus issued by our Company on June 28, 2024
“Reporting Period”	the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“RSU”	the restricted share unit
“RSU Scheme”	the restricted share unit scheme adopted by our Company on January 1, 2020
“Share(s)” or “Ordinary Share(s)”	ordinary shares in the share capital of our Company with a par value of US\$0.00002 each
“Shareholder(s)”	holder(s) of our Share(s)
“SKU”	stock keeping unit

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “Vendor”	Celaeno Group Limited, a company wholly owned by Mr. Zhou, one of our Controlling Shareholders
“Subscription”	the subscription of the Subscription Shares by the Subscriber on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Subscription Price”	HK\$3.32 per Share, which is equal to the Placing Price
“Subscription Shares”	45,181,000 new Shares to be issued by the Company to the Subscriber under the Subscription
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“US”	United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the US
“%”	per cent

By order of the Board

**Fangzhou Inc.**

**Mr. ZOU Yuming**

*Executive Director and Joint Company Secretary*

Hong Kong, March 19, 2026

*As of the date of this announcement, the Board comprises Mr. ZHOU Feng and Mr. ZOU Yuming as executive Directors, Mr. David McKee HAND and Mr. XIE Fangmin as non-executive Directors, and Dr. WANG Haizhong, Ms. KANG Wei and Mr. ZHU Xiaolu as independent non-executive Directors.*