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DINGDANG HEALTH TECHNOLOGY GROUP LTD.

叮嚙健康科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 09886)

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

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		Change
	2025	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	4,887,777	4,669,078	Increased by 4.7%
Loss for the year	(52,111)	(379,986)	Narrowed by 86.3%
Loss for the year attributable to owners of the Company	(49,018)	(376,498)	Narrowed by 87.0%
Adjusted net profit/(loss) for the year (non-IFRS measure) ¹	10,684	(57,228)	Increased by approximately RMB67.9 million
Adjusted net profit/(loss) margin (non-IFRS measure) ¹	0.2%	(1.2%)	Improvement of 1.4 percentage points

Note:

- 1 The Company defines adjusted net profit/(loss) (non-IFRS measure) as profit/(loss) for the year excluding certain reconciling items as set out in the section headed “Non-IFRS Measures: Adjusted Net Profit/(Loss) and Adjusted Net Profit/(Loss) Margin”.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Dingdang Health Technology Group Ltd. (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company, its subsidiaries and the consolidated affiliated entities (collectively, “**Dingdang Health**” or the “**Group**”) for the year ended December 31, 2025 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2024, as follow:

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

CHAIRMAN’S STATEMENT

Dear Shareholders,

2025 was a pivotal year for China’s economic recovery and vibrant development of technological innovation. Guided by the “Healthy China 2030” Planning Outline, China continued to deepen reforms in the medical and health industry, shifting the focus from treating diseases to promoting health, and driving the expansion and quality improvement of health service consumption. The implementation of a series of policies regarding the standardization of medical services, the coordination of medical insurance payments, and the refinement of industry supervision has systematically promoted the development of the Internet medical industry towards high-quality, inclusive, and intelligent directions. With the in-depth advancement of the “Healthy China” strategy, the market scale of the health industry has continued to expand. Ministries and commissions such as the Ministry of Commerce and the National Health Commission have actively promoted the development of new productive forces in the field of health consumption and supported innovations in the “Internet +” medical service model. In particular, the advancement of the “Weight Management Year” campaign, which incorporates weight management into the core strategy for chronic disease prevention and control, has unleashed new potential in health consumption. Meanwhile, against the backdrop of the national “Artificial Intelligence +” initiative, many regions have introduced special policies to accelerate the application of AI technology in medical services and health management. AI-driven intelligent and personalized health services are emerging as a new engine driving market growth. The state has clearly proposed to achieve the interconnection of medical data, improve “Internet +” medical services and medical insurance payments, and encourage the development of diverse health services. Driven by both technology and policies, digital healthcare is accelerating its extension from auxiliary consultation to precise and intelligent applications, bringing profound changes to the digital health industry.

Dingdang Health has been deeply engaged in the field of digital medicine and health for many years. Looking back on its development journey, we have always adhered to a clear development path: starting from addressing the pain points of people’s daily medication needs, building information and intelligent systems through technology, innovating and improving the health service ecosystem, and upgrading and reshaping the digital health development of the industry - corely reconstructing the value and service chain of traditional pharmaceutical retail. In 2025, we persisted in “focusing on advantageous regions and comprehensively promoting quality and efficiency improvements”, made timely optimizations to our layout, and laid a solid foundation for long-term development. We have keenly observed that the industry is rapidly evolving from “digital health services” to “intelligent health services”. At the infrastructure level, we have built four major smart warehouses in North China, Central China, East China and South China, which operate efficiently 24/7 through the application of technologies such as intelligent scheduling and robotic warehouse inspection. Relying on the independently developed intelligent supply chain system, we have constructed an end-to-end intelligent system covering site selection, warehousing, sorting, and distribution, fundamentally changing the operational logic of traditional pharmacies. We will leverage our data resources and technological advantages to expand the boundaries of intelligent applications, striving to become a “direct portal of intelligent health services” and a “professional medical and pharmaceutical service provider” in the “AI+ new era”.

AI intelligent pharmacies represent a new health infrastructure enabling full-chain digitalization. By deeply embedding AI technology throughout the entire health service retail chain, we have evolved from smart pharmacies ensuring timely fulfillment to an advanced model integrating artificial intelligence with health data. This transformation marks the shift from a “passive selling” to a “proactive health management” paradigm in pharmaceutical service infrastructure. Over the next decade, AI intelligent pharmacies will serve as a foundational platform for collaboration within the new pharmaceutical retail industry—enhancing AI-powered health service capabilities through digital technology with greater integration and openness, while working alongside pharmaceutical companies and platforms to collectively improve public health standards. More importantly, Dingdang Health is undergoing a strategic leap from a vertical platform to an AI intelligent ecosystem. Through technological R&D, we have developed the “AI Health Assistant – Smart Dingdang” to enhance the professionalism and accuracy of user health services, further promoting the popularization and accessibility of technology in residents’ medical, pharmaceutical, and health care. Our smart pharmacy network and digital operation system have provided a proven transformation plan for the industry and occupied a key position in the value chain.

In 2025, Dingdang Health adhered to both “stable operation and high-quality growth”, focusing on building “commodity power, channel power, innovation power, professional power, and organizational power”. Through in-depth industrial chain cooperation and digital intelligence empowerment, we have improved the “Treatment, Diagnosis, Pharmaceutical Products, and Medical Insurance (醫、檢、藥、險)” ecosystem. We closely followed policy directions, focused on core cities, and advanced services such as online medical insurance payments, professional pharmaceutical cold chain immediate home delivery, and AI smart medical services, providing residents with professional, safe, and immediate medical and health services. In the future, we will further consolidate the immediate health-to-home business in core cities to support the continuous improvement of the Company’s medium and long-term profitability.

As a participant in an industry related to the life and health of users, we are well aware of our significant responsibilities. Dingdang Health integrates social responsibility into its development strategy, pursuing the unity of economic and social benefits. In 2025, the Company continued to improve its ESG management system and achieved positive progress in pharmaceutical safety and information security. We have established an online and offline integrated service fulfillment system and a traceable quality control system, combining digitalization and intelligent innovation to ensure the sustainable and stable development of the Company’s business.

Once again, I would like to thank all Shareholders, partners, users, and community who have been supporting and helping the Company in moving forward together.

YANG Wenlong
Chairman and President

March 20, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025, the Chinese government adopted multiple measures to support economic development and introduced a series of supportive policies to promote residents' health consumption. With the in-depth advancement of the "Healthy China" strategy, the market scale of the health industry continued to expand. Ministries and commissions including the National Health Commission, the National Development and Reform Commission, and the Ministry of Commerce issued documents such as the Special Action Plan for Promoting Health Consumption (《促進健康消費專項行動方案》), further guiding new health consumption scenarios such as "Internet + electronic prescriptions + online-offline integration" and encouraging retail pharmacies to expand functions in health care and nutrition support. In addition, relevant authorities continued to optimize the service mechanisms of medical insurance, medical treatment, and pharmaceuticals, improve the medical insurance payment system, strengthen market supervision, and issued policies including the Notice on the Supervision and Application of Medical Insurance Drug Traceability Codes (《醫保藥品追溯碼監管應用通知》) and the Regulatory Policies on the Circulation of Electronic Prescriptions (《電子處方流轉監管政策》). By leveraging new technologies and systems, they continuously promoted the high-quality development of the pharmaceutical and medical health sectors. Furthermore, five ministries and commissions including the National Health Commission jointly issued the Implementation Opinions on Promoting and Regulating the Application and Development of "Artificial Intelligence + Healthcare" (《關於促進和規範“人工智能+醫療衛生”應用發展的實施意見》), the first systematic national guidance document specifically targeting "Artificial Intelligence + Healthcare". It outlines arrangements for 24 key applications across 8 areas, including AI application in primary care, clinical diagnosis and treatment, patient services, traditional Chinese medicine, public health, scientific research and teaching, industry governance, and the health industry. Cities such as Beijing, Shanghai, and Shenzhen have successively introduced special policies to accelerate the application of artificial intelligence technology in medical and health management services. AI-driven intelligent, personalized, and convenient health services are emerging as a new engine driving market growth. AI + digital healthcare has accelerated its extension from auxiliary consultation and diagnosis to more precise and intelligent applications, bringing profound changes and vast development potential to the digital health industry amid transformation.

During the Reporting Period, our total revenue amounted to RMB4,887.8 million (2024: RMB4,669.1 million), representing a year-on-year increase of 4.7%. The year-on-year increase in total revenue was attributed to the Company’s optimized urban layout, focus on and deep cultivation of advantageous regions, development of cities such as Beijing, Shanghai, and Shenzhen into “the best health service portal for residents”, active expansion and densification of the local smart pharmacy network, which drove sound business growth. In addition, the Company improved supply chain service capabilities in terms of pharmaceutical and commodity layout, maintained positive overall operations, and achieved growth in the number of registered users.

For the year ended December 31, 2025, the net loss of the Company narrowed to RMB52.1 million, and the adjusted net loss turned positive, achieving an adjusted net profit of RMB10.7 million. Excluding the net exchange loss of RMB11.9 million, the adjusted net profit would further increase to RMB22.6 million. The improved performance was due to the gross profit margin rising to 35.3%, a year-on-year increase of 2.4 percentage points; at the same time, refined operations and continuous cost reduction and efficiency improvement achieved results, and profitability is expected to continue to improve.

Dingdang Health focuses on the omni-channel on-demand retail business model, prioritizes the strategy of full-lifecycle health management and full-course disease management, and has formed a synergistic ecosystem of “Treatment, Diagnosis, Pharmaceutical Products, and Medical Insurance”. We continued to advance refined operations, concentrated on intensifying the layout of the smart pharmacy network in core cities such as Beijing, Shanghai, and Shenzhen, focused on strengthening and optimizing operations in advantageous regions, and accurately implemented the “digital store-specific strategy (數字化一店一策)”; we also continuously refined scenario-specific product content around on-demand pharmaceutical and retail services, including focusing on expanding innovative health services such as pet wellness, intimate products and healthy weight management optimizing the commodity structure, and increasing the proportion of centralized procurement varieties. At the same time, we further optimized the logistics and supply chain system, built AI smart pharmacies + cold chain home delivery services in core cities, and gradually formed the Company’s long-term sustainable competitive advantages. We continued to leverage the technological and layout advantages of online-offline integration, uphold the corporate value and belief of “Serving People’s Health and Leading the Ultimate Health-to-Home Service”, give full play to our experience in digital pharmaceuticals and medical services, better implement new national industry policies, enable medical insurance participants to benefit from medical insurance entitlements while enjoying the convenience of on-demand health-to-home services, and better meet residents’ health and medical service needs.

- **Drug Express Business**

We have been insisted on providing users with real-time, professional, omni-channel, and data-driven pharmaceutical purchase services. For the year ended December 31, 2025, our drug express business has maintained a stable growth. The breakdown of revenue by channel includes: revenue recorded from online direct sales of RMB3,551.2 million (2024: RMB3,274.6 million), representing a year-on-year increase of 8.4%; revenue recorded from business distribution of RMB546.9 million (2024: RMB642.8 million), representing a year-on-year decrease of 14.9%; revenue recorded from offline retail of RMB646.5 million (2024: RMB622.2 million), representing a year-on-year increase of 3.9% and revenue recorded from other business of RMB143.2 million (2024: RMB129.5 million), representing a year-on-year increase of 10.6%.

During the Reporting Period, we bolstered up the development of our supply chain system, including warehousing logistics and cold-chain logistics service capabilities. In specialized fields including diabetes and dermatology, we further enhanced user service capabilities through digitalization and professional logistics to ensure the safe use of drugs for users.

- ***Online Direct Sales***

In terms of the online direct sales channel, Dingdang Health reached out to its users through its online platform for service and product sales. During the Reporting Period, we recorded a revenue of RMB3,551.2 million (2024: RMB3,274.6 million) from online direct sales channel, representing a year-on-year increase of 8.4%. Through our online-to-offline order fulfillment service model and direct-sales e-commerce model, we maintained contact with our users through omni-platform channels. Dingdang Health focuses on providing express medicine, medical and healthcare services which are empowered by our smart pharmacies and E-zoning technology as well as experienced riders who could deliver efficiently and safely through an intelligent scheduling system. In the direct-sales e-commerce model, we could make both regular and scheduled deliveries with the help of third-party carriers, covering major regions and populations across China.

➤ ***Business Distribution***

Dingdang Health will further reinforce industrial advantages in the supply chain by radically forging the Company’s “commodity and innovation power”, integrating supply chain resources for OEM customization and product innovation, and enhancing collaboration with small businesses and distributors to achieve supply chain empowerment and product sales through a multi-channel e-commerce platform. Due to the optimisation and restructuring of the organisational framework, certain inefficient operations have been scaled back. During the Reporting Period, the business distribution recorded a revenue of RMB546.9 million (2024: RMB642.8 million), representing a year-on-year decrease of 14.9%.

➤ ***Offline Retail***

In addition to online direct sales and business distribution, users could also purchase our products and services directly from our extensive network of pharmacies in major cities across China. During the Reporting Period, our offline retail business recorded a revenue of RMB646.5 million (2024: RMB622.2 million), representing a year-on-year increase of 3.9%.

➤ ***Other Business***

Dingdang Health serves as a pioneering online O2O launch platform for pharmaceutical companies’ new products. By innovating marketing approaches through its O2O business model, it helped pharmaceutical companies accelerate comprehensive sales expansion for new drugs. Dingdang Health has cooperated with over 7,000 pharmaceutical manufacturers and pharmaceutical distribution companies in aggregate. While establishing alliance and continuously deepening cooperation with pharmaceutical manufacturers and enterprises, the Company also realized in-depth cooperation in terms of advertisement, promotion, marketing service and research and development for pharmaceutical products. During the Reporting Period, the other business recorded a revenue of RMB143.2 million (2024: RMB129.5 million), representing a year-on-year increase of 10.6%.

- **Online Medical Consultation**

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

- **Chronic Diseases and Health Management**

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

Public Welfare and Social Responsibility

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

In 2025, Dingdang Health launched the public welfare campaign “Great City, Little Love • Lighting Up the Medical Journey (大城小愛•照亮醫路)”. Together with China Resources Sanjiu, it organized volunteer families to care for children with leukemia and their families, providing first-aid kits, warm patches, daily necessities and other supplies, bringing warmth and care to those in need.

Future Prospects

With the optimization and implementation of the Company's urban business layout, the continuous enhancement of profitability, and the improvement of the efficiency of the smart pharmacy network and supply chain logistics, a more solid foundation will be laid for the Company's further growth. The Company will remain committed to digital healthcare, adopting an online-to-offline integrated approach to popularize user habits and ensure convenient accessibility. Furthermore, the integration of AI-driven medical technologies with online medical insurance services will open up new dimensions for industry development. In the future, based on the omni-channel on-demand retail business model, we will focus on advancing the strategy of full-lifecycle user health management and full-course disease management, actively promote the construction of smart central warehouses, and build AI intelligent pharmacies and the integration of wholesale and retail of pharmaceutical commodities. Guided by policy reforms and technological innovation, the Company will maintain the competitive advantage of the online-offline integrated service operation model, improve its technical service capabilities, and always strive to build the "Treatment, Diagnosis, Pharmaceutical Products, and Medical Insurance" service ecosystem. The Company will also focus on the present, continue to consolidate the service advantages in major cities such as Beijing, Shanghai, and Shenzhen, and continuously expand scale and improve service density. At the same time, it will "strengthen commodity power and enhance sales capacity", further improve the warehousing and distribution system and front-end service and sales system, thereby driving the optimization and strengthening of operations in more cities and bringing users more professional, convenient, and diversified high-quality service experiences.

FINANCIAL REVIEW

Revenue

Revenue increased by 4.7% from RMB4,669.1 million for the year ended December 31, 2024 to RMB4,887.8 million for the year ended December 31, 2025. The increase in our total revenue was primarily due to the increase in the revenue from our pharmaceutical and healthcare business by 4.5% from RMB4,539.6 million for the year ended December 31, 2024 to RMB4,744.6 million for the year ended December 31, 2025. The increase in revenue from the pharmaceutical and healthcare business was primarily attributable to the improved network of smart pharmacies and the enrichment of product categories.

Cost of Revenue

Cost of revenue increased by 1.1% from RMB3,130.7 million for the year ended December 31, 2024 to RMB3,164.3 million for the year ended December 31, 2025. The increase in cost of revenue was primarily due to the increase in the sales of our pharmaceutical and healthcare business.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded a gross profit of RMB1,723.5 million for the year ended December 31, 2025, representing a gross profit margin of 35.3%; and a gross profit of RMB1,538.3 million for the year ended December 31, 2024, representing a gross profit margin of 32.9%. The increase in the gross profit margin was mainly due to the improvement of operational efficiency and the change in product sales portfolio.

Fulfillment Expenses

The fulfillment expenses amounted to RMB447.7 million and RMB447.8 million for the year ended December 31, 2024 and December 31, 2025, respectively. The fulfillment expenses as a percentage of revenue decreased from 9.6% for the year ended December 31, 2024 to 9.2% for the year ended December 31, 2025, mainly due to the continuous optimization of the fulfillment system which improved fulfillment efficiency.

Selling and Marketing Expenses

The selling and marketing expenses increased by 8.5% from RMB1,013.3 million for the year ended December 31, 2024 to RMB1,099.4 million for the year ended December 31, 2025. The increase was primarily attributable to the increase in selling and marketing activities. The selling and marketing expenses as a percentage of revenue increased from 21.7% for the year ended December 31, 2024 to 22.5% for the year ended December 31, 2025.

Research and Development Expenses

The research and development expenses decreased by 11.1% from RMB61.2 million for the year ended December 31, 2024 to RMB54.4 million for the year ended December 31, 2025. The research and development expenses as a percentage of revenue decreased from 1.3% for the year ended December 31, 2024 to 1.1% for the year ended December 31, 2025.

General and Administrative Expenses

General and administrative expenses decreased by 24.4% from RMB229.7 million for the year ended December 31, 2024 to RMB173.6 million for the year ended December 31, 2025, mainly due to the decrease in share-based payments.

General and administrative expenses as a percentage of revenue decreased from 4.9% for the year ended December 31, 2024 to 3.6% for the year ended December 31, 2025.

Other Gains and Losses, Net

Other net gains amounted to RMB12.2 million for the year ended December 31, 2024 as compared to other net losses amounted to RMB12.8 million for the year ended December 31, 2025. The change was primarily attributable to the increase in net foreign exchange losses and the decrease in gain on fair value changes of financial assets at FVTPL.

Other Income

Other income decreased by 4.9% from RMB49.4 million for the year ended December 31, 2024 to RMB47.0 million for the year ended December 31, 2025. Such decrease was primarily attributable to the decrease in rental income.

Finance Costs

Finance costs increased by 39.3% from RMB8.9 million for the year ended December 31, 2024 to RMB12.4 million for the year ended December 31, 2025.

Impairment Loss recognised on Goodwill

As at December 31, 2025, the Group did not recognise any impairment loss on goodwill (2024: RMB198.9 million). During the year ended December 31, 2024, the Company identified material challenges in the operational performance of certain subsidiaries acquired between 2018 and 2020. As a result, a total provision of impairment of RMB198.9 million was recognized for goodwill allocated to these subsidiaries. The affected subsidiaries are principally engaged in the online and offline sales of prescription drugs, over-the-counter (OTC) drugs, and healthcare products across specific cities in China.

Impairment Loss recognised on Other Intangible Assets

As at December 31, 2025, the Group did not recognise any impairment loss on others intangible assets (2024: RMB6.8 million). As at December 31, 2024, the estimated recoverable amounts of the non-current assets were below the carrying amounts, accordingly the management of the Company recognized impairment losses on other intangible assets of the cash-generating units amounting to RMB6,845,000 during the year ended December 31, 2024.

Income Tax Expenses

Income tax expenses increased by 116.2% from RMB9.9 million for the year ended December 31, 2024 to RMB21.4 million for the year ended December 31, 2025, which was primarily due to the increase in our taxable income.

Loss for the Year

As a result of the above, our net loss decreased by 86.3% from RMB380.0 million for the year ended December 31, 2024 to RMB52.1 million for the year ended December 31, 2025.

Non-IFRS Measures: Adjusted Net Profit/(Loss) and Adjusted Net Profit/(Loss) Margin

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

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

	For the year ended	
	December 31,	
	2025	2024
	<i>(RMB'000, except for percentages)</i>	
Reconciliation of net loss to adjusted net profit/(loss):		
Net loss for the year	(52,111)	(379,986)
Add:		
Share-based payments	41,813	96,828
Impairment losses recognized on goodwill	–	198,917
Impairment losses recognized on other intangible assets (net of the income tax effects)	–	5,134
Amortization of other intangible assets arising from acquisitions (net of the income tax effects)	20,982	21,879
Adjusted net profit/(loss) for the year (non-IFRS measure)	10,684	(57,228)
Adjusted net profit/(loss) margin (non-IFRS measure)	0.2%	(1.2%)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	<i>Notes</i>	Year ended December 31,	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	<i>3B</i>	4,887,777	4,669,078
Cost of revenue		(3,164,264)	(3,130,729)
		<hr/>	<hr/>
Gross profit		1,723,513	1,538,349
Fulfillment expenses		(447,756)	(447,732)
Selling and marketing expenses		(1,099,370)	(1,013,254)
Research and development expenses		(54,373)	(61,187)
General and administrative expenses		(173,566)	(229,713)
Other gains and losses, net	<i>5</i>	(12,820)	12,219
Other income	<i>6</i>	46,960	49,366
Finance costs	<i>7</i>	(12,381)	(8,891)
Impairment losses recognized on goodwill		–	(198,917)
Impairment losses recognized on other intangible assets		–	(6,845)
Impairment losses (including reversals of impairment losses) on financial assets	<i>8</i>	(923)	(1,959)
Share of result of an associate		–	(1,555)
		<hr/>	<hr/>
Loss before income tax	<i>4</i>	(30,716)	(370,119)
Income tax expense	<i>9</i>	(21,395)	(9,867)
		<hr/>	<hr/>
Loss for the year		(52,111)	(379,986)
		<hr/> <hr/>	<hr/> <hr/>

		Year ended December 31,	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
Other comprehensive income/(expense)			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income (“FVTOCI”)		<u>23,170</u>	<u>(33,552)</u>
Other comprehensive income/(expense) for the year		<u>23,170</u>	<u>(33,552)</u>
Total comprehensive expense for the year		<u>(28,941)</u>	<u>(413,538)</u>
Loss for the year attributable to:			
Owners of the Company		(49,018)	(376,498)
Non-controlling interests		<u>(3,093)</u>	<u>(3,488)</u>
		<u>(52,111)</u>	<u>(379,986)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(25,848)	(410,050)
Non-controlling interests		<u>(3,093)</u>	<u>(3,488)</u>
		<u>(28,941)</u>	<u>(413,538)</u>
Loss per share (present in RMB YUAN)			
– Basic and diluted	<i>10</i>	<u>(0.04)</u>	<u>(0.28)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2025

		As of December 31,	
		2025	2024
	Notes	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property and equipment		48,368	38,840
Right-of-use assets		290,634	167,055
Goodwill		56,845	56,845
Other intangible assets		61,511	92,842
Equity instruments at FVTOCI		83,155	59,985
Rental deposits	12	16,905	15,495
Time deposits		140,769	–
Total non-current assets		<u>698,187</u>	<u>431,062</u>
Current assets			
Financial assets at fair value through profit or loss (“FVTPL”)	11	244,536	–
Inventories		647,733	571,246
Trade and other receivables and prepayments	12	370,216	374,136
Amounts due from related parties		1,748	1,651
Restricted bank deposits		27,150	36,626
Time deposits		415,278	–
Cash and cash equivalents		429,323	1,217,954
Total current assets		<u>2,135,984</u>	<u>2,201,613</u>
Total assets		<u><u>2,834,171</u></u>	<u><u>2,632,675</u></u>

		As of December 31,	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
EQUITY AND LIABILITIES			
Equity			
Share capital		879	879
Reserves		8,196,938	8,141,528
Accumulated losses		<u>(6,534,374)</u>	<u>(6,482,193)</u>
Equity attributable to owners of the Company		1,663,443	1,660,214
Non-controlling interests		<u>11,466</u>	<u>20,016</u>
Total equity		<u>1,674,909</u>	<u>1,680,230</u>
Liabilities			
Non-current liabilities			
Contract liabilities		3,987	3,488
Lease liabilities		205,368	97,680
Deferred tax liabilities		<u>12,753</u>	<u>19,257</u>
Total non-current liabilities		<u>222,108</u>	<u>120,425</u>
Current liabilities			
Trade and other payables	13	808,570	709,526
Amounts due to related parties		11,867	16,645
Contract liabilities		28,715	41,380
Lease liabilities		71,788	54,929
Income tax payable		11,563	5,820
Bank borrowings		4,651	–
Deferred income		<u>–</u>	<u>3,720</u>
Total current liabilities		<u>937,154</u>	<u>832,020</u>
Total liabilities		<u>1,159,262</u>	<u>952,445</u>
Total equity and liabilities		<u><u>2,834,171</u></u>	<u><u>2,632,675</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

1. GENERAL INFORMATION

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

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Standards/Amendments	Content	Effective for annual periods beginning on or after
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IFRS 9 and IFRS 7	Amendment to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IAS 21	Translation to a Hyper inflationary Presentation Currency	January 1, 2027

Except as described below, the directors of the Company anticipate that the application of the above new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

3A. SEGMENT INFORMATION

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

The Group's chief operating decision maker, who has been identified as the president, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As the Group's non-current assets (excluding equity instruments at FVTOCI) are all located in the PRC and all the Group's revenue are derived from the PRC, no geographical information is presented. During the year ended December 31, 2025, there is no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue (2024: nil).

3B. REVENUE

Disaggregation of revenue from contracts with customers

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
<i>Type of goods or services:</i>		
Product revenue (<i>note i</i>)		
Pharmaceutical and healthcare business	4,744,585	4,539,619
Others (<i>note ii</i>)	143,192	129,459
	<u>4,887,777</u>	<u>4,669,078</u>
Total revenue from contracts with customers	<u>4,887,777</u>	<u>4,669,078</u>
<i>Timing of revenue recognition:</i>		
At point in time	4,744,585	4,539,619
Overtime	143,192	129,459
	<u>4,887,777</u>	<u>4,669,078</u>
Total	<u>4,887,777</u>	<u>4,669,078</u>

Notes:

- i. The Group primarily sells pharmaceutical and healthcare products through online channels, such as its mobile APP or third-party online platforms, and offline channels, such as its network of physical pharmacies across the PRC. The Group also distributes some of its products to merchant customers. The Group recognizes the product revenue on a gross basis as the Group controls the specified goods before they are transferred to the customer after taking into consideration indicators such as the Group is responsible for fulfilling the promise to provide the specified goods.

Product revenue is recognized at the point in time when the customer obtains control of the products, net of discounts.

- ii. Others represents the marketing services and other revenue.

The Group provides marketing services to third parties on its online and offline channels. The Group recognizes revenue overtime from advertising placements based on the Group's advertising schedules confirmed by customers during the advertising period with an output method, as the customer simultaneously receives and consumes the benefits throughout the period.

4. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold (including write-down (reversal of) of inventories amounting to RMB7,079,000 (2024: RMB(550,000))	3,164,264	3,130,729
Employee benefit expenses (including directors' emoluments)		
– Salaries and bonuses	301,661	315,455
– Share-based payments expenses	41,813	96,828
– Retirement benefit scheme contributions	25,500	33,477
– Welfare, medical and other benefits	33,163	47,837
Total employee benefit expenses	402,137	493,597
Depreciation of property and equipment	13,998	17,350
Depreciation of right-of-use assets	93,051	84,738
Amortization of other intangible assets	33,661	36,234
Auditor's remuneration	3,940	4,940

5. OTHER GAINS AND LOSSES, NET

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange (losses)/gains	(11,936)	7,735
Loss on disposal of property and equipment and other intangible assets	(211)	(736)
Gain on fair value changes of financial assets at FVTPL	2,079	6,136
Loss on early termination of leases	(2,014)	(2,402)
Others	(738)	1,486
Total	(12,820)	12,219

6. OTHER INCOME

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income		
– Bank deposits	27,306	28,190
– Lease deposits	554	535
Government grants (<i>Note</i>)	13,142	12,556
Rental income – fixed	1,906	4,221
Dividends from equity instruments at FVTOCI	4,052	3,864
	<u>46,960</u>	<u>49,366</u>
Total	<u>46,960</u>	<u>49,366</u>

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

7. FINANCE COSTS

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on lease liabilities	12,381	8,891
	<u>12,381</u>	<u>8,891</u>

8. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment losses recognized/(reversed) on:		
– Trade receivables	1,892	1,639
– Other receivables	(969)	320
	<u>923</u>	<u>1,959</u>
Total	<u>923</u>	<u>1,959</u>

9. INCOME TAX EXPENSE

The income tax expense of the Group is analyzed as follows:

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– PRC	26,073	18,448
– HK	1,233	–
	<u>27,306</u>	<u>18,448</u>
Under provision in respect of prior year		
– PRC	593	381
Deferred income tax		
– PRC	(6,504)	(8,962)
	<u>21,395</u>	<u>9,867</u>

10. LOSS PER SHARE

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

Loss figures are calculated as follows:

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(49,018)</u>	<u>(376,498)</u>

Number of shares

	Year ended December 31,	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share*	<u>1,298,503,901</u>	<u>1,322,513,588</u>

* The weighted average number of ordinary shares for the purpose of basic loss per share has considered the impact of treasury stock purchased and ordinary shares repurchased and cancelled.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended December 31, 2025, the potential ordinary shares were not included in the calculation of diluted loss per share, as taking into account the exercise of the Company's RSUs under the 2023 RSU Scheme (as defined in below) would be anti-dilutive (2024: anti-dilutive). Accordingly, diluted loss per share for the year ended December 31, 2025 is the same as basic loss per share.

11. FINANCIAL ASSETS AT FVTPL

	As of December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current:		
Financial products issued by banks (<i>Note</i>)	242,056	–
Equity securities	<u>2,480</u>	<u>–</u>
	<u>244,536</u>	<u>–</u>

Note: The financial products of RMB30,000,000 were issued by a bank in the PRC with expected rates of return (not guaranteed) which is linked to the fluctuation of gold price. The remaining financial products of RMB212,056,000 were issued by banks, which are short-term investments with expected rates of return (not guaranteed), depending on the market price of underlying financial instruments, including treasury bonds, central bank bills and other financial assets. The financial products were classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As of December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current:		
(a) Trade receivables		
Trade receivables from third parties	123,305	120,940
Less: allowance for ECL	<u>(2,589)</u>	<u>(2,695)</u>
Subtotal	<u>120,716</u>	<u>118,245</u>
(b) Other receivables and prepayments		
Welfare receivable	1,441	1,800
Advance to suppliers	38,242	35,625
Prepaid expenses	47,356	39,038
Recoverable value-added tax	42,743	37,470
Receivable from third-party online platforms	102,535	119,166
Deposits receivables	10,835	13,986
Others	8,691	12,118
Less: allowances for ECL	<u>(2,343)</u>	<u>(3,312)</u>
Subtotal	<u>249,500</u>	<u>255,891</u>
Total	<u><u>370,216</u></u>	<u><u>374,136</u></u>
Non-current:		
Rental deposits	<u>16,905</u>	<u>15,495</u>
	<u><u>16,905</u></u>	<u><u>15,495</u></u>

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

	As of December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	106,132	99,516
3 to 6 months	8,456	7,784
6 to 12 months	4,323	7,396
Over 12 months	4,394	6,244
	<hr/>	<hr/>
Less: allowance for ECL	(2,589)	(2,695)
	<hr/>	<hr/>
	120,716	118,245
	<hr/> <hr/>	<hr/> <hr/>

As of December 31, 2025, included in the Group's trade receivables balance was debtors with aggregate carrying amount of RMB17.2 million (2024: RMB27.0 million), which were past due but not impaired as of the reporting date. The Group has not provided an impairment loss as the credit quality of these customers had not seen deteriorated. The Group does not hold any collateral over these balances.

13. TRADE AND OTHER PAYABLES

	As of December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	462,670	351,191
Notes payables	22,073	22,960
	<hr/>	<hr/>
Subtotal	484,743	374,151
	<hr/>	<hr/>
Salary and welfare payables	101,754	120,806
Other tax payable	9,069	4,572
Payables for delivery	44,043	46,643
Payables for service fee	40,207	29,494
Accrued expenses	86,005	83,877
Receipt on behalf of third-party merchants	18,411	25,789
Rental received in advance	744	670
Deposits payable	16,482	15,812
Payable for property and equipment	1,231	2,908
Others	5,881	4,804
	<hr/>	<hr/>
Subtotal	323,827	335,375
	<hr/>	<hr/>
Total	808,570	709,526
	<hr/> <hr/>	<hr/> <hr/>

The credit period of trade payables is ranging from 30 to 60 days. An aging analysis of the trade payables and notes payables based on the invoice date as of December 31, 2025 is as follows:

	As of December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	427,620	307,142
3 to 6 months	38,591	33,299
6 to 12 months	9,892	13,531
Over 12 months	8,640	20,179
	<hr/>	<hr/>
Total	484,743	374,151
	<hr/> <hr/>	<hr/> <hr/>

14. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2025 (2024: nil).

During the year ended December 31, 2025, a dividend for the year ended December 31, 2024 to the non-controlling interests of RMB7,185,000 was declared and paid by certain subsidiaries.

During the year ended December 31, 2024, a dividend to the non-controlling interests of RMB7,164,000 was declared and paid by certain subsidiaries. During the year ended December 31, 2024, dividend payable to the non-controlling interests for the year ended December 31, 2022 which was declared in the year ended December 31, 2023, amounting to RMB8,011,000, was paid by certain subsidiaries.

LIQUIDITY AND CAPITAL RESOURCES

The Group financed its operations through cash reserves and internally generated cash flows. As at December 31, 2025, we had cash and cash equivalents of RMB429.3 million (2024: RMB1,218.0 million). The following table sets forth our cash flows for the years indicated:

	For the year ended	
	December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Operating cash flows before movements in working capital	152,631	40,008
Changes in working capital	6,344	(34,239)
Income taxes paid	(22,156)	(17,121)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	136,819	(11,352)
Net cash (used in)/from investing activities	(801,193)	156,959
Net cash used in financing activities	(112,078)	(121,370)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(776,452)	24,237
Cash and cash equivalents at the beginning of the year	1,217,954	1,185,898
Effect of foreign exchange rate changes on cash and cash equivalents	(12,179)	7,819
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year, represented by	<u>429,323</u>	<u>1,217,954</u>

Net Cash From Operating Activities

For the year ended December 31, 2025, net cash from operating activities was RMB136.8 million compared to net cash used in operating activities of RMB11.4 million in the same period last year, which was primarily attributable to the loss before income tax of RMB30.7 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payments expenses of RMB41.8 million, depreciation of right-of-use assets of RMB93.1 million, and amortisation of other intangible assets of RMB33.7 million; and (ii) changes in working capital, which primarily resulted from a decrease in restricted bank deposits of RMB9.5 million, a decrease in trade and other receivables and prepayments of RMB1.1 million and an increase in trade and other payables of RMB100.1 million, partially offset by an increase in inventories of RMB83.6 million, a decrease in contract liabilities of RMB12.2 million, a decrease in amounts due to related parties of RMB4.8 million and a decrease in deferred income of RMB3.7 million.

Net Cash Used In Investing Activities

For the year ended December 31, 2025, net cash used in investing activities was RMB801.2 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB2,324.4 million and placement of time deposits of RMB1,397.6 million and partially offset by redemption of financial assets at FVTPL of RMB2,081.9 million.

Net Cash Used In Financing Activities

For the year ended December 31, 2025, net cash used in financing activities was RMB112.1 million, which was primarily attributable to repayments of lease liabilities of RMB86.6 million and interest paid of RMB12.4 million.

Borrowings and Gearing

As of December 31, 2025, bank borrowings were amounted to RMB4.7 million (2024: nil). The Group's gearing ratio (calculated as total interest-bearing bank borrowings divided by total equity) was approximately 0.3% as of December 31 2025 (2024: nil).

Capital Expenditures

Our capital expenditures primarily consisted of purchases of property and equipment, payments for right-of-use assets and purchases of other intangible assets. Our capital expenditures were RMB35.7 million for the year ended December 31, 2025 and RMB25.1 million for the year ended December 31, 2024.

Capital Commitments

As of December 31, 2025, we had no material capital commitment.

Pledges of Assets

As of December 31, 2025, we did not have any material pledge of asset.

Significant Investments Held

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at December 31, 2025) during the year ended December 31, 2025.

Future Plans for Material Investments and Capital Assets

As of December 31, 2025, save for the "Future Plans and Use of Proceeds" disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries, Associates and Joint Ventures

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

Foreign Exchange Risk

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

As of December 31, 2025, the Group had the following financial assets and financial liabilities, which were cash and cash equivalents, financial assets at FVTPL, time deposits, lease liabilities, rental deposits, and other payables, denominated in currencies other than RMB.

	As of December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Assets:		
– HKD	120,008	143,989
– USD	366,916	313,503
– EUR	1,167	–
Liabilities:		
– HKD	1,329	1,769
– USD	16,346	16,978

CONTINGENT LIABILITIES

As of December 31, 2025, we did not have any material contingent liabilities.

EMPLOYEES

As of December 31, 2025, we had 2,232 full-time employees, most of whom were based in China, mostly in Beijing, with the rest based in major cities across China such as Shenzhen and Shanghai.

The following table sets forth the number of our employees by function as of December 31, 2025:

Employee function	Number of employees
Sales, Marketing and Business Development	1,450
Technology, Research and Development	292
Management	292
Administration	198
Total	<u><u>2,232</u></u>

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

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

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

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted the Pre-IPO Share Option Scheme, the Restricted Share Scheme and the Restricted Share Unit Scheme (the "**Share Incentive Schemes**") on May 1, 2020, which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the Share Incentive Schemes shall not be more than 87,993,330 ordinary shares of the Company, representing approximately 6.8% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as of December 31, 2025. For details, please refer to "Statutory and General Information – D. ESOP Plans – Share Incentive Schemes" in Appendix IV to the Prospectus. On June 27, 2023, the Company has adopted the restricted Share units Scheme (the "**2023 RSU Scheme**") which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the 2023 RSU Scheme shall not be more than 26,829,457 ordinary shares of the Company, representing approximately 2.0% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet canceled) of the Company as at the adoption date of the 2023 RSU Scheme. For details, please refer to the announcement of the Company dated June 27, 2023.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on September 14, 2022. The net proceeds raised from the Company's Global Offering, after deduction of the underwriting commissions and other estimated expenses paid and payable by the Company in connection with the Global Offering, were approximately HK\$341.6 million. The net proceeds had been fully utilized as of December 31, 2025.

The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of December 31, 2025:

Purpose	Percentage of total net proceeds	Net proceeds incurred from the Global Offering	Unutilized amount as of January 1, 2025	Amount utilized for the year ended December 31, 2025	Unutilized amount as of December 31, 2025	Expected timeline for full utilization of the remaining net proceeds
		HK\$million	HK\$million	HK\$million	HK\$million	
Business expansion, such as the further development of smart pharmacy network, and enhancement of user growth and engagement	45.0%	153.7	-	-	-	N/A
Optimizing of our technology systems and operating platforms	15.0%	51.2	-	-	-	N/A
Upgrading our services and business, such as building professional structure of full-time doctors and pharmacists	10.0%	34.2	-	-	-	N/A
Potential investments and acquisitions or strategic alliances along with the value chain of the healthcare industry in which we operate	20.0%	68.3	23.5	23.5	-	N/A (note)
Working capital and other general corporate purpose	10.0%	34.2	-	-	-	N/A
Total	100.0%	341.6	23.5	23.5	-	

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

Further information of the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

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

During the year ended December 31, 2025, the Company repurchased a total of 9,256,500 Shares on the Stock Exchange for an aggregate consideration of approximately HK\$10.0 million (including all the relevant expenses). The repurchased Shares were for cancellation but not yet cancelled subsequently by the date of this announcement. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of purchase in 2025	No. of Shares purchased	Purchase Consideration per share		Aggregate consideration paid (including all the relevant expenses) <i>HK\$</i>
		Highest price paid <i>HK\$</i>	Lowest price paid <i>HK\$</i>	
November	900,000	1.09	1.02	959,497.66
December	<u>8,356,500</u>	1.13	1.02	<u>8,999,506.44</u>
	<u>9,256,500</u>			<u>9,959,004.10</u>

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the year ended December 31, 2025. As of December 31, 2025, the Company did not hold any treasury shares.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

Mr. YU Lei resigned as an executive Director and the vice president of the Company and all positions in the Group with effect from February 16, 2026.

Mr. MENG Fanzhou has been appointed as an executive Director and the vice president of the Company with effect from February 16, 2026.

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

DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: nil).

EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events subsequent to December 31, 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on March 20, 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

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

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2025 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the Group’s auditor, Messrs. Deloitte Touche Tohmatsu.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

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

The annual report of the Group for the year ended December 31, 2025 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched (if requested) to the Shareholders who have already provided instructions indicating their preference to receive the corporate communications in printed form in due course.

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

Hong Kong, March 20, 2026

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