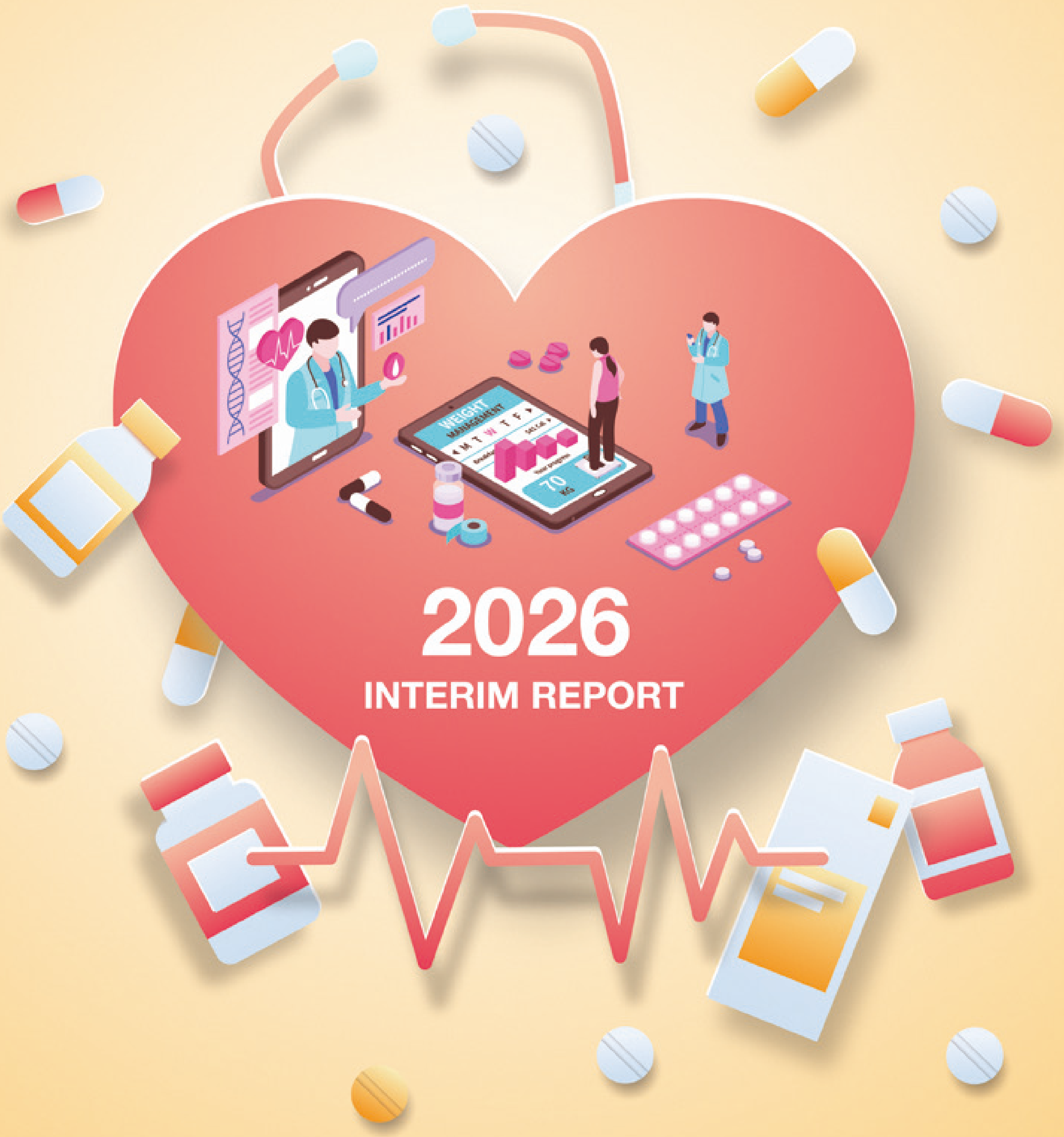
藥師幫股份有限公司

YSB Inc.

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 9885



2026 INTERIM REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Buzhen Zhang (張步鎮)
(Chairman and Chief Executive Officer)
Mr. Fei Chen (陳飛)

Non-Executive Director

Mr. Ziyang Zhu (朱梓陽)

Independent Non-Executive Directors

Ms. Rong Shao (邵蓉)
Mr. Sam Hanhui Sun (孫含暉)
Mr. Hongqiang Zhao (趙宏強)

AUDIT COMMITTEE

Mr. Hongqiang Zhao (趙宏強) *(Chairman)*
Ms. Rong Shao (邵蓉)
Mr. Sam Hanhui Sun (孫含暉)

REMUNERATION COMMITTEE

Mr. Sam Hanhui Sun (孫含暉) *(Chairman)*
Ms. Rong Shao (邵蓉)
Mr. Hongqiang Zhao (趙宏強)

NOMINATION COMMITTEE

Mr. Buzhen Zhang (張步鎮) *(Chairman)*
Ms. Rong Shao (邵蓉)
Mr. Sam Hanhui Sun (孫含暉)
Mr. Hongqiang Zhao (趙宏強)

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE COMMITTEE

Mr. Hongqiang Zhao (趙宏強) *(Chairman)*
Ms. Rong Shao (邵蓉)
Mr. Sam Hanhui Sun (孫含暉)

JOINT COMPANY SECRETARIES

Mr. Fei Chen (陳飛)
Ms. Fung Wai Sum (馮慧森)

AUTHORIZED REPRESENTATIVES

Mr. Fei Chen (陳飛)
Ms. Fung Wai Sum (馮慧森)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

HEADQUARTERS

Yaoshibang Building
No. 8 Brand Street
TIT Creative Industry Zone
No. 397 Xingang Middle Road
Guangzhou, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1910, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

LEGAL ADVISORS

As to Hong Kong law
King & Wood

As to PRC law
Anjie Broad Law Firm

As to Cayman Islands law
Harney Westwood & Riegels

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

PRINCIPAL BANKS

China Merchants Bank, Guangzhou Branch
China CITIC Bank, Guangzhou Branch
Ping An Bank, Guangzhou Branch

STOCK CODE

9885

COMPANY WEBSITE

www.ysbang.cn

Business Review and Outlook

In the first half of 2026, underpinned by the in-depth implementation of the "Healthy China (健康中國)" strategy, coupled with special policies such as the "Guideline to Advance High-quality Development of Pharmaceutical Retail Industry (《關於促進藥品零售行業高質量發展的意見》)" jointly promulgated by nine departments, the outside-of-hospital pharmaceutical and healthcare industry was entering a critical phase of shifting from demand expansion to value upgrading. With the continuous enhancement of primary healthcare service capabilities and the steady release of health consumption demand at outside-of-hospital terminals, the industry's digital penetration has been comprehensively accelerated, and the value of the entire industry chain has also been deeply restructured. In response to the overarching trend of industrial upgrading, the Company anchored in the core main track of outside-of-hospital pharmaceuticals. It relied on complete full-chain digital infrastructure and a mature compliance operation service system to continuously deepen its presence in the lower-tier market, optimise its overall layout, break down industrial supply-demand barriers, and build a collaboratively symbiotic industrial ecosystem.

During the Reporting Period, the Company's platform had an average number of monthly active buyers ("**MAB**") of approximately 460,000, with an average number of monthly paying buyers ("**MPB**") of approximately 430,000. As user loyalty remained stable, the proportion of the average number of MPB to average number of MAB remained high at 94%. The average number of orders per paying buyer per month remained stable at approximately 29. Against the industry backdrop of sluggish recovery and weak growth momentum in the pharmaceutical retail market, the repurchase depth and purchasing frequency of downstream buyers on the YSB platform have remained steady, fully validating the platform's robust supporting value for their business-side operations.

ONLINE MARKETPLACE

As a leading digital service platform for the outside-of-hospital pharmaceutical industry in China, we continued to strengthen the industrial digital infrastructure capabilities and build a full-chain compliant digital service system, improving the upstream and downstream collaborative ecosystem and continuously enhancing the depth and comprehensive value of our platform's industrial services.

During the Reporting Period, we conducted in-depth cooperation with upstream merchants to build a pharmaceutical industry ecosystem, and continuously iterated our high-quality merchant cultivation system. While steadily expanding our cohort of core strategic ecosystem partners with monthly sales in the tens of millions of RMB, we continued to incubate small and medium-sized merchants with monthly sales in RMB at the millions and hundreds-of-thousands levels, thereby establishing a long-term stable, compliant and high-quality upstream supply network. In terms of merchant empowerment, the Company leveraged big data technology as the core driver to implement refined category operation strategies, providing upstream merchants with in-depth services such as precise demand profiling, intelligent inventory early-warning and dynamic pricing references, facilitating precise supply and efficient turnover.

Leveraging the big data-driven demand insight system of the platform, we accurately captured changes in market demand, continuously optimised the category structure of the platform, aiming to achieve precise expansion of the supply side. As of 30 June 2026, the average monthly SKUs on the platform increased to approximately 4,300,000, representing an increase of 9% compared to the first half of 2025, forming a comprehensive offering matrix fully covering chemical medicines, Chinese patent medicines, Traditional Chinese Medicine ("**TCM**") decoction pieces, medical devices and tonics, among others. Through refined and differentiated category operations, the platform precisely matches the diversified and scenario-based needs of various purchasing entities, continuously consolidating its competitive barrier on the supply side.

In terms of the TCM decoction pieces business, we adhered to the development path of "standards-led, source-controlled, and digitally-empowered" and continued to deepen the construction of the "Jinfang standards" system. During the Reporting Period, we newly included one cooperative production region each for medicinal materials such as Notoginseng (田七) and Uncaria Stem with Hooks (鈎藤), expanding the Jinfang standards-covered varieties to 372, updating the grade standards to 1,266, and further extending the coverage of the comprehensive digital traceability system for decoction pieces. During the Reporting Period, the total sales volume of TCM decoction pieces on the platform exceeded 20,000 tonnes, representing a year-on-year increase of approximately 10%, fully demonstrating the strong empowerment of the construction of the standardisation system and digital management capabilities to business growth.

In terms of the iteration of the platform's digital infrastructure, the Company continued to expand its AI application system. By deeply coupling large model capabilities with the business middle platform, the Company boosted operational efficiency and decision-making precision throughout the industrial chain. With regard to the profitability model, the Company primarily generated revenue by charging upstream sellers an agreed percentage of transaction commissions, with the platform's overall average commission rate remaining stable at 3.3%. Meanwhile, we continued to optimise the subsidy mechanism and resource allocation system of the platform to balance its profitability and ecosystem vitality.

Business Review and Outlook

GENERAL SELF-OPERATION BUSINESS

As the principal segment of the Self-operation Business, during the Reporting Period, the General Self-operation Business continued its advanced approach rooted in the four core dimensions of "wide selection, fast delivery, superior quality, and cost efficiency". Based on industry trends and end-customer needs, the General Self-operation Business deepened its refined operations and digital upgrades, and continued to consolidate the core barriers of the supply chain, achieving breakthroughs in business scale, operational efficiency and user experience in all aspects.

Leveraging our mature supply chain integration foundation, we further focused on precise supply and adaptation to diverse scenarios, driving the optimisation of our self-operation product category structure towards high value and high adaptability. Based on the platform's transaction big data, procurement behaviour preferences and consumer trend analysis, we continuously optimised our full-process operational system of "demand forecasting – intelligent product selection – quality control – dynamic iteration", with a focus on introducing core categories characterised by high repeat purchase rates, high adaptability, and alignment with the trend of health consumption upgrades, thereby achieving refined SKU management and structural upgrading. As of 30 June 2026, the number of partner suppliers of Self-operation Business exceeded 12,000, and the ranges and varieties of product have expanded simultaneously, with the stability and resilience of our supply chain continuously strengthening.

During the Reporting Period, we focused on efficient fulfilment and exceptional timeliness, continuously iterating our comprehensive smart supply chain system of "procurement – warehousing – distribution". On the procurement side, we leveraged our self-developed digital collaboration system to optimise the intelligent decision-making mechanism of "sales-driven procurement and dynamic replenishment", shortening response cycles and reducing the risk of inventory overstocking. On the warehousing side, we continued to advance warehouse standardisation and intelligent operation upgrading, improving sorting turnover efficiency. On the delivery side, we optimised intelligent scheduling and route planning algorithms to improve delivery efficiency. During the Reporting Period, the on-time order-delivery rate of the Company's Self-operation Business improved to 97.4%, marking steady improvements in its fulfilment and delivery capacity.

We consistently upheld our bottom line on product quality, establishing a sound comprehensive quality control system with the quality control philosophy of "strict standards, full-process coverage and traceability". At the supplier management level, the Company has established a multi-dimensional and regular assessment mechanism. It conducts regular reviews based on indicators such as compliance qualifications, production capacity and quality control levels, so as to dynamically eliminate underperformers while selecting superior ones. At the quality traceability level, leveraging the electronic supervision code scanning system, we achieved full-process data recording and closed-loop traceability from supplier access to after-sales feedback, truly realising "source-traceable, destination-trackable, and accountable" product oversight. Through standardised and institutionalised rigid control, we had built a solid product safety defence line.

Meanwhile, we persisted in operations refinement and full-chain cost reduction and efficiency improvement. Through multi-layered collaboration involving supply chain efficiency improvement, digital cost reduction and ecosystem concessions, we achieved a virtuous development pattern of "cost reduction for customers, efficiency improvement for the Company, and win-win outcomes for the ecosystem". On the supply chain side, we continued to deepen our strategy of "direct procurement at source + direct supply from manufacturers", expanding our in-depth cooperation with leading brands in the industry. During the period, we newly established relationships with core strategic partners such as Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司) and China Traditional Chinese Medicine Holdings Co., Limited (中國中藥控股有限公司). Leveraging our advantages in large-scale centralised procurement, we reinforced our bargaining power to effectively reduce sourcing costs at the origin. On the operations side, with digital systems at the core, we systematically optimised each section of order processing, warehousing and sorting, and logistics delivery to precisely reduce operational inefficiencies. For downstream end customers, the Company continuously iterated diversified discount policies such as free shipping for single items and member-exclusive benefits, accurately adapting to the procurement needs of end customers of different levels and sizes, effectively reducing their overall procurement costs.

TARGETED PRODUCT LAUNCH BUSINESS

As a high-margin segment within the Self-operation Business, during the Reporting Period, leveraging the Company's in-depth accumulation of industry insights, industrial resources and operational experience, the Targeted Product Launch Business, on one hand, provided partner pharmaceutical companies with professional brand product promotion and terminal sales services, helping them to expand their outside-of-hospital market channels. On the other hand, it focused on developing its private label portfolio, delivering highly compatible and cost-effective private label products to downstream end customers. By pursuing this dual-track approach, it effectively promoted steady growth in business scale and continuous optimisation of its profit structure. During the Reporting Period, the transaction amounts of our Targeted Product Launch Business amounted to RMB1,281 million, representing a year-on-year increase of 18.6% and maintaining a high-speed growth trend.

Backed by our platform's capability in penetrating into pharmacies and primary healthcare institutions, we provided our partner pharmaceutical companies with professional promotion and terminal sales services for pharmaceutical and healthcare products. In response to challenges in channel development faced by pharmaceutical companies such as insufficient sales momentum in outside-of-hospital markets and regional sales disparities, our partner pharmaceutical companies were responsible for supplying their branded products, whilst we utilised our extensive distribution network and well-established marketing system to drive large-scale product sales, thereby generating stable and substantial gross profit on sales.

Business Review and Outlook

With the private label business serving as the strategic focus of our Targeted Product Launch Business, we continued to increase investment in expanding our private label categories and building our brand, striving to develop long-term, differentiated core competitiveness. Addressing the pain points faced by small and medium-sized chain pharmacies, monomer pharmacies and primary healthcare institutions, such as insufficient bargaining capability when procuring branded products and high barriers to accessing high-quality supplies, we made full use of our supply chain integration advantages and economies of scale to provide them with a stable supply of YSB private label products that offer both quality assurance and cost advantages, effectively reducing their procurement costs, enriching the product categories on their store shelves and enhancing their terminal service capabilities. Meanwhile, benefiting from our channel network advantages and professional operational capabilities, the upstream pharmaceutical partner companies of our private label also secured steady and sustainable additional production orders, thus achieving efficient capacity release. As a result of the above, our private label business has built an all-win value ecosystem for "upstream pharmaceutical companies – YSB – end customers – consumers", driving synergistic efficiency and shared benefits among all participants in the industry chain.

The implementation of private label strategy yielded significant results. Adhering to an end-market demand-driven approach, the Company precisely identified sub-categories compatible with pharmacy retail and primary healthcare scenarios and with the potential for large-scale bestsellers, steadily improving its private label product portfolio. As of 30 June 2026, the Company's private label portfolio covered high-potential categories such as chemical medicines, Chinese patent medicines, medical devices and consumables and food-medicine homology products, with more than 1,200 SKUs. The product portfolio has continued to diversify, whilst its structure continued to optimise. In terms of channel penetration, private label products extensively reach the full spectrum of customer types, including monomer pharmacies, chain pharmacies, and primary healthcare institutions. The number of customers covered by the products increased by approximately 10% as compared to the same period in 2025, with both the breadth of market coverage and the depth of penetration improving simultaneously.

Owing to its high gross margin profile, differentiated competitive advantages and precise market positioning, the Company's private label business has become its core engine of profit growth, continuously driving a steady growth in the overall gross margin of its Self-operation Business. During the Reporting Period, the transaction amounts of the Company's private label reached RMB1,111 million, representing a year-on-year increase of 30.4%.

ON-DEMAND PHARMACEUTICAL RETAIL BUSINESS

Backed by strong B2B supply chain advantages and digital capabilities, we have strategically tapped into the on-demand pharmaceutical retail sector. Through a dual-driven model of "internal incubation + external investment", we have focused on meeting the on-demand medication needs of C-end consumers and are fully committed to building an efficient and convenient on-demand medication retail service network.

In terms of building our own-brand ecosystem, we implemented a dual-track operating model of "self-operated benchmark stores + an ecosystem cooperation network", establishing an on-demand retail service network that combines service quality with coverage density. In terms of strategic investment synergies, we introduced mature external expertise and technical capabilities in on-demand retail operations, focusing on a "front warehouse + traffic platform" operational model, and are steadily advancing the network footprint and operational refinement.

OTHER BUSINESSES

ClouMinihouse (光譜小屋)

Embracing the dual opportunities brought by digital healthcare and the upgrading of primary healthcare, the Company has been continuously refining the comprehensive solutions for "ClouMinihouse (光譜小屋)" primary smart healthcare system. With "hardware iteration + software upgrades + scenario expansion" as its core pathway, the Company optimised the synergy among point-of-care testing devices, the digital primary healthcare institution management system and the smart AI doctors-aid system, comprehensively empowering primary healthcare institutions.

In terms of smart hardware, based on the platform's vast market data and research into primary healthcare scenarios, we have iterated and upgraded the "FutureClou (未來光譜)" series point-of-care testing devices under the guiding principles of "low cost, high efficiency, ease of operation and high adaptability". We have optimised the three core devices: Clou Immuno Cube (光譜免疫小方盒), Clou Chronic Disease Analyzer (光譜慢病檢測儀), and Clou Micro Hematology Analyzer (光譜微型血球儀) to improve the testing accuracy and response speed. During the Reporting Period, we not only expanded our test menu to include cardiovascular and cerebrovascular health indicators and renal function screening, but also optimised the devices' operating interface and data transmission functions. As of 30 June 2026, the "FutureClou" series devices covered approximately 25,000 end users with sales reaching around 38,000 units, demonstrating an increasing penetration rate in primary healthcare institutions.

In terms of digital empowerment, we have continuously optimised our "ClouWiseDoctor (光譜智醫)", a digital and intelligent assisted diagnosis and treatment system, which seamlessly caters to the digital upgrade needs of primary healthcare scenarios, consolidates our full-process service capabilities, including intelligent consultation, assisted diagnosis, medication recommendation and medical record integration, and comprehensively empowers primary healthcare physicians to improve diagnosis and treatment efficiency, standardise treatment pathways and enhance the quality of health management.

Meanwhile, we have continuously optimised and upgraded the "Cloud Consultation (光譜雲診)" SaaS service tailored for primary healthcare institutions, and rolled out a suite of new features for primary healthcare scenarios to address clinical pain points and operational challenges in primary healthcare. As of 30 June 2026, the number of paying users of "Cloud Consultation" exceeded 4,000. Our integration with medical insurance and health administration platforms continued to advance, allowing us to employ medical insurance functions in more than 100 cities, which enabled real-time settlement and data interoperability with more municipal medical insurance systems and significantly enhanced the operational convenience and digital compliance capabilities of primary healthcare institutions.

Other SaaS solutions

We remained focused on the core objective of enhancing operational efficiency of the upstream and downstream participants in the outside-of-hospital pharmaceutical industry chain and continuously upgraded various SaaS services. Focusing on "refined operations, intelligent decision-making, and full-scenario coverage", we built a fully integrated digital service matrix covering upstream sellers, downstream pharmacies and primary healthcare institutions, providing more targeted and efficient digital solutions for our upstream and downstream partners.

For upstream sellers, we have continuously upgraded the "CloudComm (雲商通)" SaaS service to provide them with full-process digital capabilities in core operational aspects such as intelligent inventory management, intelligent order processing and market data insights, effectively enhancing their operational efficiency and market responsiveness. As of 30 June 2026, "CloudComm" served over 10,000 sellers. During the Reporting Period, approximately 700 of them were new paying users, further boosting our market penetration.

For downstream buyers, we have continuously refined the "ePalm (掌店易)" SaaS service to provide pharmacies with dedicated intelligent tools such as one-stop purchasing, inventory management and sales analysis, facilitating their efficient operations and accurate business decision-making. As of 30 June 2026, "ePalm" service had served over 81,000 buyers, including a surge of more than 7,500 new users in the first half of the year. At the same time, we have assisted partner pharmacies in more than 200 cities nationwide in establishing direct system connections with social security departments, significantly improving the operational efficiency of pharmacy medical insurance settlement.

Leveraging precise data algorithms and a more multi-dimensional analysis, the "PHDS Pharmacy Health Diagnosis System (PHDS藥房健康診斷系統)", tailor-made for chain pharmacies, accurately identifies operational pain points and delivers targeted optimisation recommendations, effectively enhancing the operational efficiency and effectiveness of chain pharmacies. As of 30 June 2026, the system had served approximately 1,000 chain headquarters users.

YSB eLearn

In the first half of 2026, we continued to refine the professional pharmacist service ecosystem, upgrade our online structured course system and integrate our diverse models such as case-based simulations, assessment and certification, to comprehensively elevate the professional capabilities and regulatory compliance of primary-care pharmacists. As of 30 June 2026, a total of approximately 340,000 pharmacists and prospective pharmacists had received our online pharmaceutical training.

SUPPLY CHAIN MANAGEMENT

As our overall business expanded steadily, we have continuously iterated and upgraded our self-developed smart supply chain management system, which integrated AI-powered predictive algorithms and omni-channel transaction data insights to persistently advance the intelligent upgrade of the entire supply chain and optimised turnover efficiency. During the Reporting Period, with the refined operations of smart supply chain management, we maintained payable turnover days at around 78.9 days, inventory turnover days at around 37.5 days and receivable turnover days at only around 2.4 days, resulting in a cash conversion cycle of around -39.1 days. We maintained an overall healthy and fast-turnover model, with operating cash flow sustaining net inflow. This efficient and fast-turnover model continued to enhance our overall cash management efficiency, generating a stable pool of retained funds, bolstering overall liquidity, and providing solid support for the steady, large-scale expansion of our business. The continuous optimisation of the retained funds position effectively contributed to the improvement of overall gross profit margins and generated stable financial returns, thereby further optimising the overall profitability structure.

In terms of payment and industry synergy, we continued to integrate business, logistics, information flow and fund flow through digital technology, refining the full-chain supply chain financial services ecosystem. Leveraging authentic platform transaction data and partnering with high-quality third-party financial institutions, we have iterated and optimised order financing products for downstream buyers and established a purpose-specific risk control system to ensure that credit facilities were directed exclusively towards platform procurement, thereby rigorously safeguarding fund security while maximising customers' capital turnover efficiency. During the Reporting Period, the number of downstream active users for order financing products grew steadily to over 9,000, with cumulative lending amount reaching approximately RMB4,200 million, of which the cumulative lending amount of order financing products from downstream chain pharmacy buyers was approximately RMB3,500 million, continuously assisting chain pharmacies in optimising capital turnover, alleviating cash flow pressure, and strengthening their long-term procurement stickiness on the platform.

BUSINESS DEVELOPMENT

Leveraging the core advantages in market insight, resource allocation and customer services gained from years of deep engagement in the outside-of-hospital pharmaceutical sector, we continuously refined our business development strategy to closely align with market demand upgrades and regulatory policy guidelines with a focus on the three key priorities of "refined expansion, deep penetration into lower-tier markets, and customer value enhancement", achieving concurrent advancement in the efficiency of the business development team, broader market reach and customer service excellence. In terms of team building and efficiency optimisation, we continued to refine the structure of our business development team, optimise staffing allocation and division of work tailored to regional market characteristics and business needs, and strengthened professional skills training to boost our team's comprehensive capabilities in market insight, customer engagement and service delivery. As of 30 June 2026, excluding the business development team of Folding Space (Cayman) Ltd and its subsidiaries (collectively referred to as "**Yikuai Pharmaceutical**"), our business development team comprised over 2,600 members. The team structure became more rational, and the staff efficiency of our business development team further improved as compared to the previous year as each member can manage approximately 204 pharmacies on average.

Business Review and Outlook

PUBLIC WELFARE AND SOCIAL RESPONSIBILITY

We remain committed to deeply integrating corporate social responsibility into our core business. Adhering to the philosophy of "public welfare empowerment and long-term support", we foster a synergy between public good and business value, while fulfilling our social responsibilities with the aim of giving back to the society and creating long-term value.

Leveraging our own medical and health resources, we regularly host public welfare activities that are accessible to all. During the Reporting Period, the Company teamed up with local sub-district offices to launch care campaigns for people in need, bringing them warmth and thoughtful essential supplies. In summer, we launched the "Cool Summer Care" public welfare campaign, donating heat-relief medication and cooling essentials to frontline workers to show tangible care for those on the ground.

In terms of long-term public welfare and rural revitalisation, we have established a diversified support system featuring "industrial support + public welfare and education support + emergency relief". By donating saplings and participating in pro-agriculture procurement initiatives, we supported rural vitalisation through industrial empowerment. In addition, we continued to make donations for relevant public welfare programmes under the Green & Shine Foundation, supporting the improvement of rural education and the advancement of charitable causes. By replacing short-term charitable acts with regular, systematic public welfare initiatives, the Company has established a long-term support mechanism, earnestly fulfilling its social responsibilities and the calling of our era as a listed company.

OUTLOOK

As a leader in the digital ecosystem of the outside-of-hospital pharmaceutical industry, the Company will leverage its solid operational foundations built on terminal coverage, supply chain synergy and data-driven intelligent services in earlier stages, and adopt "targeted efforts, quality and efficiency improvement, and win-win collaboration" as its core principle to advance business structure optimisation, technological capability iteration and industrial value upgrading.

In terms of platform ecosystem development, the Company will amplify the core value of its digital industry hub to achieve efficient flow and precise matching of supply and demand resources. Meanwhile, the Company will continue to integrate high-quality industry resources to enrich our multi-tiered, diversified product supply system, realising precise matching of upstream and downstream demand and fostering a more dynamic platform ecosystem.

In terms of our General Self-operation Business, the Company will focus on quality improvement and cost reduction in the supply chain, and upgrade its value-added fulfilment service to continuously consolidate its business scale advantages and brand trust. On the upstream side, the Company will continue to expand direct-origin procurement, building a highly stable and cost-effective upstream supply system. On the downstream side, the Company will keep iterating its intelligent fulfilment network to improve delivery timeliness and enhance the warmth of its services, propelling our General Self-operation Business beyond efficient delivery towards cultivating profound user trust.

In terms of our Targeted Product Launch Business, the Company will steadfastly advance its private label strategy, following our development roadmap of "upgrading quality and expanding channel reach", continuously optimising its business structure and improving overall earnings quality and profitability. On the product side, the Company will persistently enhance the product portfolio under its private label and establish a full-process, high-standard quality control system. On the channel side, the Company will continue to penetrate into lower-tier markets and primary healthcare scenarios, intensify brand cultivation and marketing efforts, steadily enhance brand recognition and user loyalty, and progressively increase its market share in niche segments.

In terms of technology innovation, the Company will leverage LLM inference capabilities and proprietary operational optimisation algorithms, and deeply embed them into key supply chain operational processes such as dynamic inventory dispatch, fulfilment route planning, and intelligent matching of supply and demand. This will drive a gradual transition of the supply chain towards "data and algorithm-driven" operation, unlocking economies of scale through technological innovation and continuously improving the operational efficiency, market responsiveness and refined management capabilities across the entire industry chain.

In terms of business innovation, the Company will further explore its on-demand pharmaceutical retail business, and continuously refine its industry-specific smart fulfilment models and new operational systems. We will leverage digital capabilities such as spatiotemporal data analysis and grid-based dynamic dispatch to precisely match consumption demand for instant medication across multiple scenarios, cultivate replicable and scalable operational and cost advantages, and continuously build differentiated competitive barriers for our on-demand pharmaceutical retail business, cultivating a new growth engine for the Company.

Financial Highlights

	Six months ended 30 June		
	2026	2025	Change (%)
	(in RMB thousands, except specified otherwise or percentages)		
	(Unaudited)	(Unaudited)	
Revenue	**10,283,053**	9,842,619	4.5
– Self-operation Business	**9,883,524**	9,389,356	5.3
– Online Marketplace	**378,105**	436,297	(13.3)
– Other Businesses	**21,424**	16,966	26.3
Gross profit	**1,151,381**	1,104,502	4.2
Gross profit margin	**11.2%**	11.2%	0
Profit attributable to the owners of the Company	**110,837**	78,117	41.9
Earnings per share			
– Basic (RMB)	**0.164**	0.115	42.6
– Diluted (RMB)	**0.163**	0.113	44.2

REVENUE

For the six months ended 30 June 2026, the Group recorded a revenue of RMB10,283.1 million, representing an increase of 4.5% as compared with RMB9,842.6 million for the six months ended 30 June 2025. The increase in revenue was mainly attributable to the continued development of the Self-operation Business during the Reporting Period.

The Group's revenue from the Self-operation Business increased by 5.3% from RMB9,389.4 million for the six months ended 30 June 2025 to RMB9,883.5 million for the six months ended 30 June 2026. The change was mainly driven by (i) enlarged buyer base and the continuous optimisation of buyers' experience such as logistics and customer services; and (ii) the number of MPB of our Self-operation Business recorded a continuous and stable increase as compared with the same period of last year.

The Group's revenue from the Online Marketplace decreased from RMB436.3 million for the six months ended 30 June 2025 to RMB378.1 million for the six months ended 30 June 2026, primarily attributable to the downturn in the pharmaceutical retail market, which has exerted a relatively significant impact on the industry, with third-party sellers being affected accordingly. During the Reporting Period, the commission rate applied to third-party sellers remained stable.

The Group's revenue from the other businesses increased by 26.3% from RMB17.0 million for the six months ended 30 June 2025 to RMB21.4 million for the six months ended 30 June 2026, mainly attributable to the continued expansion of the buyer base for the SaaS solution.

COST OF SALES

The Group's cost of sales increased by 4.5% from RMB8,738.1 million for the six months ended 30 June 2025 to RMB9,131.7 million for the six months ended 30 June 2026, primarily due to the increase in sales of our Self-operation Business.

The cost of sales of the Group's Self-operation Business increased by 4.6% from RMB8,666.4 million for the six months ended 30 June 2025 to RMB9,068.1 million for the six months ended 30 June 2026. The increase in cost of sales for the six months ended 30 June 2026 was primarily due to the growth of purchase demand from buyers, as a result of which we increased the procurement of pharmaceutical products accordingly.

The cost of sales of the Group's Online Marketplace decreased by 10.9% from RMB71.3 million for the six months ended 30 June 2025 to RMB63.5 million for the six months ended 30 June 2026, mainly due to lower transaction volume on our platform.

The cost of sales of the Group's other businesses decreased significantly by 75.0% from RMB0.4 million for the six months ended 30 June 2025 to RMB0.1 million for the six months ended 30 June 2026, mainly due to the decrease in costs in relation to ClouMinihouse and ClouDiagnos.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, the Group's gross profit increased moderately by 4.2% from RMB1,104.5 million for the six months ended 30 June 2025 to RMB1,151.4 million for the six months ended 30 June 2026. The Group's gross profit margin remained broadly stable at 11.2% for both periods, mainly due to the changes in the composition of gross profit generated from the Group's Self-operation Business and the Group's Online Marketplace.

The gross profit margin for the Group's Self-operation Business recorded an increase from 7.7% for the six months ended 30 June 2025 to 8.3% for the six months ended 30 June 2026, which was primarily due to the implementation of the "Go Upstream" strategy by gradually increasing the percentages of our own brand in our product pipeline, which has much higher gross profit margin than other products.

The gross profit margin for the Group's Online Marketplace decreased slightly from 83.7% for the six months ended 30 June 2025 to 83.2% for the six months ended 30 June 2026, which was primarily attributable to (i) with the expansion of our Self-operation Business, our Online Marketplace generated increased commissions from our own stores on the platform, which were eliminated in the consolidated reporting; and (ii) the transaction processing fees related to our own stores' transactions on the platform were recorded as cost of sales for this segment.

The gross profit margin for the Group's other businesses increased from 97.5% for the six months ended 30 June 2025 to 99.4% for the six months ended 30 June 2026, mainly due to the year-on-year growth of revenue of our SaaS solution, which has a higher gross profit margin, and the corresponding increase of its proportion of revenue.

SELLING AND MARKETING EXPENSES

The Group's selling and marketing expenses increased slightly by 1.7% from RMB826.9 million for the six months ended 30 June 2025 to RMB840.9 million for the six months ended 30 June 2026, primarily due to the continued expansion of the business operations. Fulfilment expenses increased by 7.3% from RMB166.0 million for the six months ended 30 June 2025 to RMB178.2 million for the six months ended 30 June 2026, among which logistics expenses increased from RMB126.5 million for the six months ended 30 June 2025 to RMB138.6 million for the six months ended 30 June 2026. While the Group's selling and marketing expenses rose in the Reporting Period, the ratio of such expenses to total revenue decreased slightly.

GENERAL AND ADMINISTRATIVE EXPENSES

The Group's general and administrative expenses decreased slightly by 0.2% from RMB190.1 million for the six months ended 30 June 2025 to RMB189.8 million for the six months ended 30 June 2026, mainly due to a decrease in equity-settled share-based payment expenses, but offset by an increase in salaries and welfare benefits and general corporate expenses.

RESEARCH AND DEVELOPMENT EXPENSES

The Group's research and development expenses decreased by 10.2% from RMB48.6 million for the six months ended 30 June 2025 to RMB43.6 million for the six months ended 30 June 2026, primarily attributable to (i) a decrease in equity-settled share-based payment expenses; and (ii) an optimisation of the R&D workforce structure driven by the adoption of AI applications.

OTHER INCOME

The Group's other income decreased slightly from RMB36.7 million for the six months ended 30 June 2025 to RMB36.2 million for the six months ended 30 June 2026. The decrease was primarily attributable to a decrease in interest income from bank deposits as a result of bank interest rate decline, but offset by an increase in government grants.

OTHER GAINS AND LOSSES

The Group recorded net other gains of RMB5.6 million for the six months ended 30 June 2026 as compared to net other losses of RMB0.4 million for the six months ended 30 June 2025. The increase was primarily due to the fair value change of contingent consideration payables, but offset by the losses from changes in fair value of financial assets at fair value through profit or loss.

FINANCE COSTS

Finance costs decreased by 8.7% from RMB6.1 million for the six months ended 30 June 2025 to RMB5.5 million for the six months ended 30 June 2026 due to a decrease in interest expense of lease liabilities, partially offset by an increase in interest expense on discounted note receivables.

PROFIT FOR THE PERIOD

As a result of the foregoing, the Group's profit for the period increased significantly by 47.1% from RMB74.0 million for the six months ended 30 June 2025 to RMB108.9 million for the six months ended 30 June 2026.

NON-IFRS MEASURE

In evaluating our business, we consider and use (i) Adjusted Net Profit; and (ii) Adjusted Net Profit margin as supplemental measures to review and assess our operating performance. The presentation of these non-IFRS financial measures is not intended to be considered in isolation or as substitutes for the financial information prepared and presented in accordance with IFRS. We define Adjusted Net Profit as profit for the period adding back (i) equity-settled share-based payment expenses; and (ii) acquisition-related expenses in relation to the acquisition of Yikuai Pharmaceutical. We define Adjusted Net Profit margin as Adjusted Net Profit divided by revenue. We present these non-IFRS financial measures because they are used by our management to evaluate our operating performance and formulate business plans. Accordingly, we believe that the use of these non-IFRS financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board. These non-IFRS financial measures are not defined under IFRS and are not presented in accordance with IFRS. These non-IFRS financial measures have limitations as an analytical tool. Further, these non-IFRS measures may differ from the non-IFRS information used by other companies, including peer companies, and therefore its comparability may be limited. These non-IFRS financial measures should not be considered in isolation or construed as alternatives to profit/loss or any other measure of performance. Investors are encouraged to review our historical non-IFRS financial measures in light of the most directly comparable IFRS measures, as shown below. The non-IFRS financial measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting the usefulness of such measures when analysing our data comparatively. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

The Adjusted Net Profit, which is unaudited, represents profit for the period adding back (i) equity-settled share-based payment expenses; and (ii) acquisition-related expenses in relation to the acquisition of Yikuai Pharmaceutical. The Adjusted Net Profit of the Group increased significantly from RMB121.8 million for the six months ended 30 June 2025 to RMB137.5 million for the six months ended 30 June 2026, representing a year-on-year growth of 12.9%.

The following table reconciles our Adjusted Net Profit from the most directly comparable financial measure calculated and presented in accordance with IFRS (profit for the period).

	Six months ended 30 June	
	2026	2025
	(RMB'000)	(RMB'000)
	(unaudited)	(unaudited)
Profit for the period	**108,858**	73,998
Add back:		
Equity-settled share-based payment expenses	**15,692**	34,790
Acquisition-related expenses	**12,976**	12,976
Adjusted Net Profit, a non-IFRS measure	**137,526**	121,764
Adjusted Net Profit margin, a non-IFRS measure	**1.3%**	1.2%

Adjusted Net Profit is not a measure of performance under IFRS. The use of the Adjusted Net Profit has material limitations as an analytical tool, as it does not include all items that impact our profit for the relevant period.

LIQUIDITY AND SOURCE OF FUNDING AND BORROWING

The Group financed its operating and investing activities mainly through cash generated from capital contribution from shareholders and operating activities. Our cash and cash equivalents are represented by cash and bank balances and time deposits with original maturity of three months or less.

As at 30 June 2026, the Group's cash and cash equivalents increased by 13.7% from RMB710.0 million as at 31 December 2025 to RMB807.1 million. The increase in cash and cash equivalents for the six months ended 30 June 2026 was mainly due to a higher turnover efficiency of working capital.

The following table sets forth our cash flows for the period indicated:

	Six months ended 30 June	
	2026	2025
	(RMB'000)	(RMB'000)
	(unaudited)	(unaudited)
Net cash generated from operating activities	**263,977**	256,660
Net cash generated from (used in) investing activities	**104,502**	(114,626)
Net cash used in financing activities	**(271,109)**	(76,557)
Net increase in cash and cash equivalents	**97,370**	65,477
Cash and cash equivalents at the beginning of the period	**709,959**	1,041,228
Effect of foreign exchange rate changes	**(261)**	(798)
Cash and cash equivalents at the end of the period	**807,068**	1,105,907

The Group adopts a prudent financial management approach for its cash management policy to ensure that the Group's liquidity structure, comprising assets, liabilities and other commitments, is able to always meet its capital requirements. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operating activities, external borrowings, and other funds raised from the capital markets from time to time.

NET CASH GENERATED FROM OPERATING ACTIVITIES

For the six months ended 30 June 2026, net cash generated from operating activities was RMB264.0 million. It was mainly attributable to our profit before tax of RMB105.5 million for the period, as adjusted for (i) non-cash and non-operating items, primarily comprising depreciation of RMB76.6 million and equity-settled share-based payment expenses of RMB15.7 million; and (ii) changes in working capital, including a decrease of RMB140.5 million in trade and other receivables, but offset by an increase of RMB38.5 million in inventories.

NET CASH GENERATED FROM INVESTING ACTIVITIES

For the six months ended 30 June 2026, net cash generated from investing activities was RMB104.5 million. It was mainly due to (i) the net inflow of RMB395.1 million from the withdrawal of restricted bank deposits; and (ii) the purchase of other financial assets at amortised cost of RMB220.0 million.

NET CASH USED IN FINANCING ACTIVITIES

For the six months ended 30 June 2026, net cash used in financing activities was RMB271.1 million, which was mainly attributable to (i) share repurchases; and (ii) dividends paid.

SIGNIFICANT INVESTMENTS

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as at 30 June 2026) for the six months ended 30 June 2026.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2026, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies, save as disclosed in the other announcements of the Company.

PLEDGE OF ASSETS

As at 30 June 2026, the Group's interest-bearing deposits of RMB1,996.0 million (31 December 2025: RMB2,225.1 million) were used as pledge for the issuance of bank acceptance notes.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have detailed future plans for material investments or capital assets as at 30 June 2026.

GEARING RATIO

The Group's gearing ratio is calculated as total interest-bearing borrowings divided by total equity. As of 30 June 2026, as the Group had interest-bearing bank borrowings advanced from discounted notes, its gearing ratio was 5.6% (as of 31 December 2025: 6.4%).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, there were no significant events that might affect our Group since the end of the Reporting Period and up to the date of this interim report.

(1) From 1 July 2026 to 21 July 2026, the trustee of the 2023 Share Incentive Plan repurchased 2,489,200 Shares on the market to satisfy awards under the 2023 Share Incentive Plan. Details are set out in the announcement of the Company dated 20 August 2026.

(2) On 20 August 2026, the Board announced a plan to utilise up to HK$100,000,000 for the repurchase of Shares on the open market under the general mandate granted by the Shareholders to the Board by an ordinary resolution passed in the annual general meeting of the Company held on 21 May 2026. Shares repurchased under the plan will be cancelled in due course. Details are set out in the announcement of the Company dated 20 August 2026.

(3) On 20 August 2026, the Group announced that the founders and core management team of Yikuai Pharmaceutical have entered into a new three-year performance undertaking with the Group in respect of the years of 2027, 2028 and 2029, and that the post-acquisition integration of business, systems, organisation and digitalisation was progressing smoothly. Details are set out in the announcement of the Company dated 20 August 2026.

EMPLOYEES AND REMUNERATION

As at 30 June 2026, the Group had 6,795 employees. The following table sets forth the total number of employees by function as at 30 June 2026:

Function	Number of employees
General and Administrative	1,015
Selling and Marketing	3,391
Operations	2,071
Research and Development	318
Total	**6,795**

The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. Employees' remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experience and performance. The remuneration policy and package of the Group's employees are periodically reviewed.

The remuneration of the employees of the Group comprises competitive salaries, performance-based sales commissions, performance-based cash bonuses and certain other incentives. In accordance with applicable PRC regulations, the Group has made contributions to the housing fund and various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, at specified percentages of the salaries of our employees. Bonuses and sales commissions are generally discretionary and based in part on employee performance and in part on the overall performance of our business.

The Company also has adopted two share incentive plans, the 2019 Share Incentive Plan and the 2023 Share Incentive Plan to provide incentives for the Group's employees. Please refer to the section headed "Statutory and General Information – Share Incentive Plans" in Appendix IV to the Prospectus for further details of the share incentive plans.

The total remuneration cost incurred by the Group for the six months ended 30 June 2026 was RMB616.1 million, compared with RMB628.3 million for the six months ended 30 June 2025.

For the six months ended 30 June 2026, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

FOREIGN EXCHANGE EXPOSURE

For the six months ended 30 June 2026, the Group mainly operated in China and the majority of the transactions were settled in Renminbi ("**RMB**"), the Company's primary consolidated affiliated entities' functional currency. We are exposed to foreign exchange risk arising mainly from bank balances and financial assets at fair value through profit or loss denominated in foreign currency of certain entities of the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure and foreign exchange risk management strategies closely and will consider hedging significant foreign currency exposure should the need arise to minimise its foreign exchange risk.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2026 (31 December 2025: Nil).

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Company was incorporated in the Cayman Islands on 27 August 2018 as an exempted company with limited liability, and the Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date.

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.

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

Code provision C.2.1 of the CG Code recommends, but does not require, that the roles of chairperson and chief executive be separate and not be performed by the same person. Our Company deviates from this provision as Mr. Buzhen Zhang performs both the roles of chairman of our Board and the chief executive officer of our Company. Mr. Zhang is the founder of the Company and a substantial shareholder, and has extensive experience in the business operations and management of our Group. Our Board believes that vesting the roles of both chairman and chief executive officer to Mr. Zhang has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning. This structure will enable our Company to make and implement decisions promptly and effectively. Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of our Board, including the relevant board committees, and our three independent non-executive Directors. Our Board will reassess the division of the roles of chairman and the chief executive officer from time-to-time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

Code provision C.3.2 of the CG Code recommends, but does not require, that the functions reserved to the board and those delegated to management should be formalised. These arrangements should also be reviewed periodically to ensure that they remain appropriate to the issuer's needs. The Company did not review periodically the arrangement regarding the functions reserved to the Board and those delegated to management. However, when a matter arises that requires decision, the Board will determine whether it should be reserved for the Board or delegate to the management to deal with.

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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established the Audit Committee, in compliance with Rule 3.21 of the Listing Rules and the CG Code (as amended from time to time), comprising three members, being Ms. Rong Shao, Mr. Sam Hanhui Sun and Mr. Hongqiang Zhao, with Mr. Zhao (being the Company's independent non-executive Director with the appropriate professional qualifications) as chairman of the Audit Committee, among other things, to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2026 and this interim report, and has met with the independent Auditor, Deloitte Touche Tohmatsu. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company. The condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been reviewed by the Auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee, a remuneration committee and an environmental, social and corporate governance committee.

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

During the Reporting Period, save for the Shares repurchased through a trust for the purpose of satisfying grants made under the 2023 Share Incentive Plan as detailed in Note 17 to the consolidated financial statements, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury Shares (as defined under the Listing Rules)). As at 30 June 2026, there were 1,800,000 repurchased Shares for cancellation but not yet cancelled. As at 30 June 2026, the Company did not hold any treasury Shares.

Corporate Governance and Other Information

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2026. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this interim report.

INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

CHANGES IN DIRECTORS' INFORMATION

Changes in information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

(1) Mr. Fei Chen has been acting, since March 2025, as an independent non-executive director of Shanghai Seer Intelligent Technology Co., Ltd. (上海仙工智能科技股份有限公司), a company listed on the Stock Exchange (stock code: 6106) since June 2026.

(2) Ms. Rong Shao ceased to act as an independent director of Jiangsu GDK Biological Technology Co., Ltd. (江蘇金迪克生物技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688670), with effect from May 2026.

(3) Mr. Ziyang Zhu ceased to act as a non-executive director of Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), a company listed on the Stock Exchange (stock code: 1833), with effect from August 2026.

Save as disclosed above, there is no other change in information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the last published annual report and up to the date of this interim report.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in the Company

Name of Director	Capacity/ Nature of interest	Number of ordinary shares	Approximate percentage of holding[1]	Long position/ Short position
Mr. Buzhen Zhang[2]	Interest in a controlled corporation	126,278,784	18.25%	Long position
	Interest in spouse	5,400,000	0.78%	Long position
	Beneficial owner	26,041,213	3.76%	Long position
Mr. Fei Chen[3]	Beneficial owner	15,660,305	2.26%	Long position

Notes:

(1) The calculation is based on the total number of 691,792,268 Shares in issue as at 30 June 2026.

(2) Represents (i) 126,278,784 Shares held by MIYT Holdings Limited, a company controlled by MIYT Worldwide Limited, which in turn is wholly owned by a trust for the benefit of Mr. Buzhen Zhang, the Director; (ii) 4,800,000 Shares underlying options granted under the 2019 Share Incentive Plan and 600,000 Shares granted under the 2023 Share Incentive Plan, both held by Ms. Xiaoye Xu, the spouse of Mr. Zhang. Under the SFO, Mr. Zhang is deemed to be interested in the entire interests of MIYT Holdings Limited and Ms. Xu in our Company; and (iii) 26,041,213 Shares underlying options granted to Mr. Buzhen Zhang under the 2023 Share Incentive Plan.

(3) Represents (i) 5,300,000 Shares underlying options granted to Mr. Chen under the 2019 Share Incentive Plan; (ii) 6,510,305 Shares underlying options granted to Mr. Chen under the 2023 Share Incentive Plan; and (iii) 3,850,000 Shares.

Save as disclosed above, as at 30 June 2026, so far as was known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the persons other than the Directors and chief executives, whose interests had been disclosed in this interim report, had an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO, were as follows:

Name of Shareholder	Capacity/ Nature of interest	Number of ordinary shares	Approximate percentage of holding(1)	Long position/ Short position
MIYT Holdings Limited(2)	**Beneficial owner**	**126,278,784**	**18.25%**	**Long position**
MIYT Worldwide Limited(2)	Interest of a controlled corporation	126,278,784	18.25%	Long position
TMF (Cayman) Ltd.(2)	Interest of a controlled corporation	126,278,784	18.25%	Long position
Buzhen Zhang(2)(3)(4)	Interest of a controlled corporation	126,278,784	18.25%	Long position
	Interest of spouse	5,400,000	0.78%	Long position
	Beneficial owner	26,041,213	3.76%	Long position
Million Surplus Developments Limited(5)	**Beneficial owner**	**45,110,584**	**6.52%**	**Long position**
Meta Group Limited(5)	Interest of a controlled corporation	45,110,584	6.52%	Long position
Sounda Hopson Technology Holdings Limited(5)	Interest of a controlled corporation	45,110,584	6.52%	Long position
Sounda Hopson Technology Investment Limited(5)	Interest of a controlled corporation	45,110,584	6.52%	Long position
Sounda Hopson Investment Holdings Limited(5)	Interest of a controlled corporation	45,110,584	6.52%	Long position
Sounda Properties Limited(5)	**Beneficial owner**	**16,400,000**	**2.37%**	**Long position**
	Interest of a controlled corporation	45,110,584	6.52%	Long position
Chu Mang Yee(5)	Interest of a controlled corporation	61,510,584	8.89%	Long position

Name of Shareholder	Capacity/ Nature of interest	Number of ordinary shares	Approximate percentage of holding[(1)]	Long position/ Short position
H Capital V, L.P.[(6)]	**Beneficial owner**	**55,831,444**	**8.07%**	**Long position**
H Capital V GP, L.P.[(6)]	Interest of a controlled corporation	55,831,444	8.07%	Long position
H Capital V GP, Ltd.[(6)]	Interest of a controlled corporation	55,831,444	8.07%	Long position
Xiaohong Chen[(6)]	Interest of a controlled corporation	55,831,444	8.07%	Long position
Internet Fund V Pte Ltd.[(7)]	**Nominee for another person**	**53,497,200**	**7.73%**	**Long position**
Internet Fund Holding V. Ltd.[(7)]	Interest of a controlled corporation	53,497,200	7.73%	Long position
Tiger Global Private Investment Partners XI, L.P.[(7)]	Beneficial owner	53,497,200	7.73%	Long position
Tiger Global Management LLC[(7)]	Investment manager	53,497,200	7.73%	Long position
Tiger Global PIP Performance XI, L.P.[(7)]	Interest of a controlled corporation	53,497,200	7.73%	Long position
Charles P. Coleman III[(7)]	Interest of a controlled corporation	53,497,200	7.73%	Long position
Futu Trustee Limited	**Trustee[(8)]**	**32,700,467**	**4.73%**	**Long position**
	Custodian[(9)]	**8,603,148**	**1.24%**	**Long position**

Notes:

(1) The calculation is based on the total number of 691,792,268 Shares in issue as at 30 June 2026.

(2) MIYT Holdings Limited is controlled by MIYT Worldwide Limited which in turn is the holding vehicle wholly owned by TMF (Cayman) Ltd., the trustee of a trust for the benefit of Mr. Buzhen Zhang, the Director. Accordingly, under Part XV of SFO, each of Mr. Buzhen Zhang, TMF (Cayman) Ltd. and MIYT Worldwide Limited is deemed to be interested in all of the Shares held by MIYT Holdings Limited.

(3) Ms. Xiaoye Xu, the spouse of Mr. Buzhen Zhang, is interested in (i) 4,800,000 Shares underlying options granted under the 2019 Share Incentive Plan; (ii) 600,000 Shares granted under the 2023 Share Incentive Plan. By virtue of Part XV of the SFO, Mr. Buzhen Zhang is deemed to be interested in the entire interest of Ms. Xiaoye Xu in our Company.

(4) Mr. Buzhen Zhang is interested in 26,041,213 Shares underlying options granted to him under the 2023 Share Incentive Plan.

(5) Million Surplus Developments Limited is wholly owned by Meta Group Limited, which is in turn controlled by Sounda Hopson Technology Holdings Limited and by Sounda Hopson Technology Investment Limited. Both Sounda Hopson Technology Holdings Limited and Sounda Hopson Technology Investment Limited are wholly owned by Sounda Hopson Investment Holdings Limited, which in turn is wholly owned by Sounda Properties Limited. Sounda Properties Limited is controlled by Mr. Chu Mang Yee. Accordingly, under Part XV of SFO, each of Mr. Chu Mang Yee, Sounda Properties Limited, Sounda Hopson Investment Holdings Limited, Sounda Hopson Technology Holdings Limited, Sounda Hopson Technology Investment Limited and Meta Group Limited is deemed to be interested in all of the Shares held by Million Surplus Developments Limited and Mr. Chu Mang Yee is deemed to be interested in all of the Shares held by Sounda Properties Limited.

(6) H Capital V GP, L.P. is the general partner of H Capital V, L.P. H Capital V GP, Ltd. is the general partner of H Capital V GP, L.P. and is controlled by Ms. Xiaohong Chen. Accordingly, under Part XV of SFO, each of Ms. Xiaohong Chen, H Capital V GP, Ltd. and H Capital V GP, L.P. is deemed to be interested in all of the Shares held by H Capital V, L.P.

(7) Internet Fund V Pte. Ltd. is wholly owned by Internet Fund Holding V. Ltd., which is in turn controlled by Tiger Global Private Investment Partners XI, L.P., whose general partner is Tiger Global PIP Performance XI, L.P. and which is wholly owned by Tiger Global Management, LLC. Both Tiger Global PIP Performance XI, L.P. and Tiger Global Management, LLC are controlled by Mr. Charles P. Coleman III. Accordingly, under Part XV of SFO, each of Mr. Charles P. Coleman III, Tiger Global PIP Performance XI, L.P., Tiger Global Management, LLC, Tiger Global Private Investment Partners XI, L.P. and Internet Fund Holding V. Ltd. is deemed to be interested in all of the Shares held by Internet Fund V Pte Ltd.

(8) Futu Trustee Limited is the trustee of the YSB-FUTU 2023 Share Incentive Trust, which was set up for the 2023 Share Incentive Plan.

(9) These Shares are held by Futu Trustee Limited as the custodian of the vested shares for the grantees of the 2023 Share Incentive Plan.

Save as disclosed above, as at 30 June 2026 based on publicly available information, no other person (other than the Directors or chief executives of the Company) had an interest or short position in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or which were required to be entered in the register required to be kept under section 336 of the Securities and Futures Ordinance.

SHARE INCENTIVE PLANS

Details of Share Incentive Plans of our Company

The Company had two share incentive plans in effect during the Reporting Period: (a) the 2019 Share Incentive Plan, which was adopted before our Listing and does not constitute a share scheme governed by Chapter 17 of the Listing Rules and under which we may not grant any new incentive units (or awards) after Listing; and (b) the 2023 Share Incentive Plan (collectively, the "**Plans**"), which was adopted immediately prior to our Listing and constitutes a share scheme governed by Chapter 17 of the Listing Rules.

The following table summarises certain material terms of the Plans. For further information about the 2019 Share Incentive Plan, please see pages IV-15 to IV-16 of Appendix IV to the Prospectus. For further information about the 2023 Share Incentive Plan, please see pages IV-19 to IV-28 of Appendix IV to the Prospectus.

2,429,450 new Shares, representing approximately 0.36% of the weighted average of issued share capital (excluding treasury Shares) of the Company, may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Plans.

Further details and relevant breakdowns of each of the Plans are set out below:

	2019 Share Incentive Plan	2023 Share Incentive Plan
Scheme mandate limit	47,772,984 Shares	63,235,005 new Shares; and subject to an annual limit of 5% of the total issued shares immediately upon Listing, for awards over existing Shares (which is automatically refreshed on 1 January of each year up to 5% of the total issued share number on 31 December of the previous year, and which may be adjusted by the Board from time to time).
Number of options and awards (either to be satisfied by new Shares or existing Shares) available for grant under the scheme mandate and the service provider sublimit (if applicable) at the beginning and the end of the Reporting Period	No further grant of awards would be made under the 2019 Share Incentive Plan after Listing. As at 1 January 2026 and 30 June 2026, the aggregate number of underlying Shares pursuant to the outstanding options granted under the 2019 Share Incentive Plan were 28,401,072 and 28,191,972 Shares, respectively.	As at 1 January 2026, the total number of Award Shares (to be satisfied by new Shares) available for grant under the 2023 Share Incentive Plan was 48,067,328 Shares. During the Reporting Period, 2,533,700 Award Shares (to be satisfied by new Shares) had been granted and 374,497 Award Shares had lapsed pursuant to the 2023 Share Incentive Plan. As at 30 June 2026, the total number of Award Shares (to be satisfied by new Shares) available for grant under the 2023 Share Incentive Plan was 45,908,125 Shares.
Service provider sublimit	N/A	The sublimit of the number of Award Shares available for grant under the 2023 Share Incentive Plan to the service providers as at 1 January 2026 and as at 30 June 2026 was 1,144,700 new Shares.
Number of Shares available for issue (i.e., new Shares) pursuant to awards granted and ungranted under the plan *(assuming no granted awards have lapsed or are cancelled or satisfied in a manner other than issuing new Shares)*	28,191,972 Shares, representing 4.07% of the Company's total issued share number (excluding treasury Shares, if any) as at the date of the interim report, all of which represent awards already granted prior to Listing.	52,066,845 Shares, representing 7.52% of the Company's total issued share number (excluding treasury Shares, if any) as at the date of the interim report.

Details of grants made under the Plans

The following table sets out details of grantees holding outstanding share options under the 2019 Share Incentive Plan during the Reporting Period; no grants of other awards were made under the 2019 Share Incentive Plan that ought to be disclosed in this interim report.

2019 Share Incentive Plan

					Details of movements during the Reporting Period									
Name or category of grantee[1]	Position/ Relationship	Date of grant	Vesting period (from date of grant) and/or performance target[2]	Exercise price per Share[3]	Number of options outstanding as at beginning of Reporting Period	Number of options granted during the Reporting Period	Number of options exercised during the Reporting Period	Number of options cancelled during the Reporting Period	Number of options lapsed during the Reporting Period	Number of options outstanding as at end of Reporting Period	Number of Shares underlying the outstanding options as at end of Reporting Period	Closing price of Shares immediately before the date of grant	Fair value of options on date of grant and the accounting standard and policy adopted[4]	Weighted average closing price of our Shares immediately before the exercise date
Fei Chen	Director, Chief Financial Officer, Joint Company Secretary	5 May 2022	Two-third of the outstanding options will be vested within 4 years, and one-third of the outstanding options will be vested upon the completion of the core projects	US$0.40	2,650,000	-	-	-	-	2,650,000	5,300,000	N/A	N/A	N/A
Xiaoye Xu[5]	Chief Operation Officer of Online Marketplace	1 October 2019 to 1 November 2021	4 years	US$0.525-1.00	2,400,000	-	-	-	-	2,400,000	4,800,000	N/A	N/A	N/A
Employee participants in aggregate		1 July 2017 to 10 June 2023	4 years	US$0.14-1.00	9,100,536	-	41,800	-	62,750	8,995,986	17,991,972	N/A	N/A	HK$5.38
Service provider participants (consultants) in aggregate		1 January 2023	4 years	Nil	50,000	-	-	-	-	50,000	100,000	N/A	N/A	N/A
Total					**14,200,536**	**-**	**41,800**	**-**	**62,750**	**14,095,986**	**28,191,972**			

Notes:

(1) With respect to each award granted, upon each vesting date, the portion of the award that vests shall depend on the grantee meeting the vesting requirements, which are typically performance targets for a specified threshold in their performance evaluations during the one-year period prior to the vesting date, or upon successful completion of specified projects.

(2) The exercise period of these options commences from the vesting date of the relevant options and end on the tenth anniversary of the grant date thereof, subject to the terms of the 2019 Share Incentive Plan and the share option agreement signed by the grantee.

(3) No consideration was payable by grantees for these share options.

(4) The fair value of share options was calculated according to the binomial option pricing model. The fair value was determined based on a number of factors, including market conditions (e.g., share price volatility and fluctuations), the impact of any non-vesting conditions (e.g., lock-up restrictions), and excluding any impact of service and non-market performance vesting conditions (e.g., profitability, sales growth targets, employment tenure). For the relevant accounting standard and policy adopted, please see Note 3 and Note 18 to the "Notes to the Condensed Consolidated Financial Statements".

(5) Ms. Xu is the spouse (and therefore a close associate) of Mr. Buzhen Zhang, the Director. She is a former Director.

Further details of the 2019 Share Incentive Plan are also set out in Note 18 to the condensed consolidated financial statements for the six months ended 30 June 2026.

2023 Share Incentive Plan

The following table sets out details of grantees holding outstanding Award Shares over new Shares under the 2023 Share Incentive Plan during the Reporting Period; no grants of other awards over new Shares were made under the 2023 Share Incentive Plan that ought to be disclosed in this interim report.

Name or category of grantee	Position/Relationship	Date of grant	Vesting period (from date of grant)	Performance target	Outstanding as at beginning of Reporting Period	Details of movements during the Reporting Period: Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at end of Reporting Period	Closing price of Shares immediately before the date of grant	Fair value of Award Shares on date of grant and the accounting standard and policy adopted[(8)]	Weighted average closing price of Shares immediately before the exercise date
Directors, Chief Executive, Substantial Shareholders and Associates													
Xiaoye Xu[(9)]	Chief Operation Officer of Online Marketplace	6 November 2024	3 years	See Note 7	400,000	–	–	–	–	400,000	N/A	N/A	N/A
Other Grantees													
992 grantees	Employee participants	4 September 2023	2-4 years[(1)]	See Note 7	1,234,700	–	–	–	67,000	1,167,700	N/A	N/A	N/A
618 grantees	Employee participants	6 February 2024	1-4 years[(2)]	See Note 7	4,845,835	–	2,955,918	–	148,247	1,741,670	N/A	N/A	HK$5.42
1 grantee	Service provider participant	6 February 2024	2 years[(3)]	See Note 7	60,000	–	60,000	–	–	Nil	N/A	N/A	HK$5.42
35 grantees	Employee participants	6 November 2024	1-4 years[(4)]	See Note 7	710,000	–	–	–	45,000	665,000	N/A	N/A	N/A
10 grantees	Employee participants	3 April 2025	2-3 years[(5)]	See Note 7	980,000	–	330,000	–	10,000	640,000	N/A	N/A	HK$5.38
415 grantees	Employee participants	10 February 2026	1-3 years[(6)]	See Note 7	Nil	2,533,700	–	–	104,250	2,429,450	HK$5.43	HK$5.43	N/A
Total					**8,230,535**	**2,533,700**	**3,345,918**	**-**	**374,497**	**7,043,820**			

Notes:

(1) 627,900 Award Shares shall vest over two years equally on annual basis in arrears from the date of grant; and 3,190,100 Award Shares shall vest over four years equally on annual basis in arrears from the date of grant. No consideration was payable on the grant of these Award Shares.

(2) 1,462,500 Award Shares shall vest one year from the date of grant; 3,275,000 Award Shares shall vest over two years equally on annual basis in arrears from the date of grant; 5,655,000 Award Shares shall vest over three years equally on annual basis in arrears from the date of grant; and 40,000 Award Shares shall vest over four years equally on annual basis in arrears from the date of grant. No consideration was payable on the grant of these Award Shares.

(3) 120,000 Award Shares shall vest over two years equally on annual basis in arrears from the date of grant. No consideration was payable on the grant of these Award Shares.

(4) 2,000 Award Shares shall vest one year from the date of grant; 444,000 Award Shares shall vest over two years from the date of grant equally on an annual basis in arrears; 600,000 Award Shares shall vest over three years from the date of the grant equally on an annual basis in arrears; 30,000 Award Shares shall vest in two batches, with 50% to be vested on 26 March 2025 and 50% to be vested on 26 March 2026; 130,000 Award Shares shall vest in two batches, with 50% to be vested on 21 July 2025 and 50% to be vested on 21 July 2026; 12,000 Award Shares shall vest in three batches, with one-third to be vested on 7 July 2025, one-third to be vested on 7 July 2026 and one-third to be vested on 7 July 2027; and 40,000 Award Shares shall vest in four batches, with 25% to be vested on 11 July 2025, 25% to be vested on 11 July 2026, 25% to be vested on 11 July 2027 and 25% to be vested on 11 July 2028.

(5) 980,000 Award Shares shall vest between 3 April 2026 and 3 April 2028. The period between the grant date and the first vesting date is more than 12 months. No consideration was payable on the grant of these Award Shares.

(6) 1,793,700 Award Shares shall vest on the first anniversary date from the date of grant; 160,000 Award Shares shall vest equally on an annual basis over two years from the date of grant; 530,000 Award Shares shall vest on the 24-month anniversary date from the date of grant; 16,000 Award Shares shall vest in two batches, with 50% to be vested on 26 December 2027 and 50% to be vested on 26 December 2028; 20,000 Award Shares shall vest in two batches, with 50% to be vested on 10 September 2027 and 50% to be vested on 10 September 2028; and 14,000 Award Shares shall vest in two batches, with 50% to be vested on 30 July 2027 and 50% to be vested on 30 July 2028. No consideration was payable on the grant of these Award Shares.

(7) Each vesting of the Award Shares granted to the award grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by each award grantee and the Company. These performance targets are set against certain benchmark in which the individual grantee achieves, including but not limited to annual sales target, and various project milestone achievements, etc. The vesting percentage of the Award Shares will be adjusted based on his/her annual performance evaluation at each vesting.

(8) The fair value of Award Shares was determined based on the market price of the Company's Shares at the grant date. For the relevant accounting standard and policy adopted, please see Note 18 to the condensed consolidated financial statements for the six months ended 30 June 2026.

(9) Ms. Xiaoye Xu is the spouse (and therefore a close associate) of Mr. Buzhen Zhang, the Director. She is a former director of our Company.

Details regarding grants to be satisfied by existing shares will be disclosed in the annual report for the year ending 31 December 2026 according to the Listing Rules' requirements. Further details of the 2023 Share Incentive Plan are also set out in Note 18 to the condensed consolidated financial statements for the six months ended 30 June 2026.

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF YSB INC.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of YSB Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 67, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	NOTES	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	4	**10,283,053**	9,842,619
Cost of sales		**(9,131,672)**	(8,738,117)
Gross profit		**1,151,381**	1,104,502
Other income	5	**36,166**	36,687
Other gains and losses	6	**5,566**	(384)
Impairment losses reversed (recognised) under expected credit loss model, net		**404**	(264)
Selling and marketing expenses		**(840,872)**	(826,937)
Research and development expenses		**(43,609)**	(48,566)
General and administrative expenses		**(189,766)**	(190,057)
Share of result of an associate		**(8,207)**	–
Finance costs	7	**(5,541)**	(6,068)
Profit before tax		**105,522**	68,913
Income tax credit	8	**3,336**	5,085
Profit and total comprehensive income for the period	9	**108,858**	73,998
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**110,837**	78,117
Non-controlling interests		**(1,979)**	(4,119)
		108,858	73,998
Earnings per share			
Basic (RMB)	11	**0.164**	0.115
Diluted (RMB)	11	**0.163**	0.113

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	NOTES	**As at 30 June 2026 RMB'000 (unaudited)**	As at 31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment, net		**51,484**	48,119
Right-of-use assets		**156,734**	166,525
Intangible assets		**461,172**	483,198
Interest in an associate		**10,833**	19,040
Financial assets at fair value through profit or loss ("FVTPL")	13	**6,000**	6,000
Goodwill		**273,290**	273,290
Deferred tax assets		**4,848**	4,809
Amount due from an associate	21	**40,950**	–
Time deposits		**495,000**	408,000
Other financial assets at amortised cost	14	**375,397**	152,351
		1,875,708	1,561,332
Current assets			
Inventories		**1,911,856**	1,873,196
Trade and other receivables	12	**597,671**	736,307
Financial assets at FVTPL	13	**554,211**	708,160
Amount due from an associate	21	**7,733**	9,617
Time deposits		**396,154**	330,429
Restricted bank deposits		**1,241,481**	1,636,628
Bank balances and cash		**807,068**	706,874
		5,516,174	6,001,211
Current liabilities			
Trade and other payables	15	**(4,642,065)**	(4,647,365)
Tax payable		**(771)**	–
Contract liabilities		**(19,649)**	(25,174)
Lease liabilities		**(76,174)**	(80,106)
Bank borrowings		**(130,366)**	(151,653)
		(4,869,025)	(4,904,298)
Net current assets		**647,149**	1,096,913
Total assets less current liabilities		**2,522,857**	2,658,245

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	NOTES	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Non-current liabilities			
Lease liabilities		**(89,557)**	(95,694)
Deferred tax liabilities		**(102,715)**	(106,783)
Contingent consideration payables	16	**–**	(69,575)
		(192,272)	(272,052)
Net assets		**2,330,585**	2,386,193
Capital and reserves			
Share capital	17	**12**	12
Reserves		**2,383,039**	2,443,306
Equity attributable to owners of the Company		**2,383,051**	2,443,318
Non-controlling interests		**(52,466)**	(57,125)
Total equity		**2,330,585**	2,386,193

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to the owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Deferred consideration shares RMB'000	Capital reserves[1] RMB'000	Share-based payments reserves RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2025 (audited)	12	9,625,022	41,770	39,890	225,864	(7,274)	(7,606,221)	2,319,063	(50,419)	2,268,644
Profit (loss) and total comprehensive income (expense) for the period	–	–	–	–	–	–	78,117	78,117	(4,119)	73,998
Recognition of equity-settled share-based payments (Note 18)	–	–	–	–	34,790	–	–	34,790	–	34,790
Acquisition of subsidiaries (Note 16)	*	8,055	(8,055)	–	–	–	–	–	–	–
Dividends recognised as distribution (Note 10)	–	(50,786)	–	–	–	–	–	(50,786)	–	(50,786)
Repurchase of shares (Note 17)	–	–	–	–	–	(51,766)	–	(51,766)	–	(51,766)
Exercise of share options and vesting of RSUs[2] (Note 18)	*	27,404	–	–	(30,614)	1,542	–	(1,668)	–	(1,668)
At 30 June 2025 (unaudited)	12	9,609,695	33,715	39,890	230,040	(57,498)	(7,528,104)	2,327,750	(54,538)	2,273,212
At 1 January 2026 (audited)	**12**	**9,643,310**	**38,864**	**39,890**	**205,685**	**(31,187)**	**(7,453,256)**	**2,443,318**	**(57,125)**	**2,386,193**
Profit (loss) and total comprehensive income (expense) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**110,837**	**110,837**	**(1,979)**	**108,858**
Recognition of equity-settled share-based payments (Note 18)	**-**	**-**	**-**	**-**	**15,692**	**-**	**-**	**15,692**	**-**	**15,692**
Acquisition of subsidiaries (Note 16)	*****	**31,120**	**(5,856)**	**-**	**-**	**-**	**-**	**25,264**	**-**	**25,264**
Dividends recognised as distribution (Note 10)	**-**	**(75,491)**	**-**	**-**	**-**	**-**	**-**	**(75,491)**	**-**	**(75,491)**
Repurchase of shares (Note 17)	**-**	**-**	**-**	**-**	**-**	**(128,773)**	**-**	**(128,773)**	**-**	**(128,773)**
Acquisition of non-controlling interests	**-**	**(6,638)**	**-**	**-**	**-**	**-**	**-**	**(6,638)**	**6,638**	**-**
Exercise of share options and vesting of RSUs[2] (Note 18)	*****	**20,882**	**-**	**-**	**(22,929)**	**889**	**-**	**(1,158)**	**-**	**(1,158)**
At 30 June 2026 (unaudited)	**12**	**9,613,183**	**33,008**	**39,890**	**198,448**	**(159,071)**	**(7,342,419)**	**2,383,051**	**(52,466)**	**2,330,585**

* Amount is less than RMB1,000.

1. Capital reserves mainly represented deemed contribution from a shareholder arising from the waiver of the amount of approximately RMB30,925,000 due from YSB Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 December 2021.

2. RSU is defined as restricted share units.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	**263,977**	256,660
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(22,082)**	(6,152)
Proceeds on disposal of property, plant and equipment	**1,672**	309
Purchase of intangible assets	**(436)**	–
Placement of time deposits	**(415,466)**	(363,450)
Withdrawal of time deposits	**259,656**	200,428
Purchase of financial assets at FVTPL	**(6,714,891)**	(6,381,601)
Proceeds from disposal of financial assets at FVTPL	**6,866,295**	6,361,977
Investment income received from financial assets at FVTPL	**9,803**	8,530
Net cash outflow from disposal of a subsidiary	**(1,590)**	–
Loans to an associate	**(40,950)**	–
Bank interest income received	**18,507**	23,776
Purchase of other financial assets at amortised cost	**(220,000)**	–
Net cash outflow on acquisition of subsidiaries (Note 16)	**(31,163)**	(35,558)
Placement of restricted bank deposits	**(1,141,076)**	(846,945)
Withdrawal of restricted bank deposits	**1,536,223**	924,060
Net cash generated from (used in) investing activities	**104,502**	(114,626)
FINANCING ACTIVITIES		
Repayments of lease liabilities	**(40,478)**	(44,895)
New bank borrowings raised	**131,437**	98,491
Repayment of bank borrowings	**(152,724)**	(21,708)
Interest paid	**(5,541)**	(6,068)
Dividends paid	**(75,186)**	(50,786)
Repurchase of shares	**(128,773)**	(51,766)
Proceeds from exercise of share options	**156**	175
Net cash used in financing activities	**(271,109)**	(76,557)
Net increase in cash and cash equivalents	**97,370**	65,477
Cash and cash equivalents at the beginning of the period	**709,959**	1,041,228
Effect of foreign exchange rate changes	**(261)**	(798)
Cash and cash equivalents at the end of the period	**807,068**	1,105,907
Cash and cash equivalents at the end of the period, represented by		
Bank balances and cash	**807,068**	1,105,907

1. GENERAL

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 27 August 2018 under the Companies Act. Its immediate holding company is MIYT Holdings Limited, a company incorporated in the British Virgin Islands. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 June 2023 (the "Listing").

The addresses of the registered office and principal place of business of the Company are set out in the corporate information section of the interim report of the Company for the six months ended 30 June 2026.

The Company is an investment holding company. The Group mainly operates an online platform for wholesale and retail of pharmaceutical and healthcare products and provides online marketplace services to the pharmaceutical and healthcare manufacturers. The Group's principal operations and geographic markets are in the People's Republic of China (the "PRC").

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have been prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

3. ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

4. REVENUE AND SEGMENT INFORMATION

The Group is mainly engaged in i) wholesale of pharmaceutical and healthcare products offline or online through its online platform; ii) retail of pharmaceutical and healthcare products through its retail shops; iii) operating online platform that enables the pharmaceutical distributors and vendors to sell their own pharmaceutical and healthcare products using the Group's online platform; iv) providing SaaS solutions to downstream pharmacies and primary healthcare institutions to a) streamline their inventory management, or b) improve the patient management efficiency; and v) providing system technologies and operational support services to primary healthcare institutions through a smart healthcare system integrated advanced point-of-care testing and monitoring devices, digital management system and smart AI doctors-aid system.

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Disaggregation of revenue from contracts with customers

	six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Type of goods or services:		
Self-operation business (Note i)	**9,883,524**	9,389,356
Online marketplace services (Note ii)	**378,105**	436,297
Others (Note iii)	**21,424**	16,966
Total	**10,283,053**	9,842,619
Timing of revenue recognition:		
At a point in time	**10,266,731**	9,832,262
Over-time	**16,322**	10,357
Total	**10,283,053**	9,842,619

Notes:

(i) The Group sells pharmaceutical and healthcare products mainly to pharmacies and primary healthcare institutions.

(ii) The online marketplace services revenue represents the commission received by the Group from distributors and vendors using the Group's online platform, which is recognised upon end customers' acceptance and is charged based on a certain percentage of sales, net of discounts and return allowances made by the distributors and vendors through the Group's online platform.

(iii) Others mainly include

(1) The Group collects usage fee and service fee for providing SaaS solutions to downstream pharmacies and primary healthcare institutions to a) streamline their inventory management, or b) improve the patient management efficiency.

(2) The Group provides system technologies and operational support services to primary healthcare institutions through a smart healthcare system integrated advanced point-of-care testing and monitoring devices, digital management system and smart AI doctors-aid system.

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision maker, review the overall results and financial position of the Group as a whole.

Accordingly, only entity-wide disclosures and geographical information are presented.

(c) Geographic information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is all derived from operations in the PRC and the Group's non-current assets are all located in the PRC.

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Government grants (Note)	**3,708**	1,960
Interest income	**21,553**	23,776
Investment income from financial assets at FVTPL	**9,803**	8,530
Others	**1,102**	2,421
	36,166	36,687

Note: It represented cash received from grants by the local government to encourage the business operations in the PRC with no future obligations. Government grants are recognised in profit and loss when received.

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Losses on disposal of property, plant and equipment	**(1,489)**	(1,036)
Gain on disposal of a subsidiary	**793**	–
Donations	**(670)**	(96)
(Losses) gains from changes in fair value of financial assets at FVTPL	**(2,545)**	5,915
Net foreign exchange losses	**(261)**	(798)
Gains (losses) from changes in fair value of contingent consideration payables	**9,738**	(4,369)
	5,566	(384)

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expense on lease liabilities	**3,920**	4,697
Interest expense on discounted note receivables	**1,621**	1,371
	5,541	6,068

8. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PRC Enterprise Income Tax ("EIT"):		
Current tax	**(771)**	–
Deferred tax	**4,107**	5,085
	3,336	5,085

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is exempted from the Cayman Islands income tax.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profits Tax for both periods.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the PRC EIT rate of subsidiaries of the Group operating in the PRC was 25% for both periods.

9. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Cost of inventories recognised as an expense	**9,068,225**	8,663,978
Depreciation of property, plant and equipment	**14,147**	14,202
Depreciation of right-of-use assets	**40,200**	41,166
Amortisation of intangible assets	**22,263**	22,121
(Reversal of) write down for obsolete inventories	**(174)**	2,413
Auditor's remuneration	**930**	930
Staff costs:		
Directors' emoluments	**3,946**	4,203
Other staff costs	**612,137**	624,074
Total staff costs	**616,083**	628,277

10. DIVIDENDS

During the six months ended 30 June 2026, a final dividend of RMB0.110 (equivalent to HK$0.125) per share in respect of the year ended 31 December 2025 (six months ended 30 June 2025: RMB0.075 (equivalent to HK$0.081) per share in respect of the year ended 31 December 2024) was declared to owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to RMB75,491,000 (equivalent to HK$85,785,000) and RMB75,186,000 (equivalent to HK$85,438,000), respectively (six months ended 30 June 2025: RMB50,786,000 (equivalent to HK$54,608,000) and RMB50,786,000 (equivalent to HK$54,608,000), respectively).

The directors of the Company have determined that no dividend will be paid in respect of the interim period.

11. EARNINGS PER SHARE

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period attributable to the owners of the Company for the purpose of calculating basic and diluted earnings per share	**110,837**	78,117

	Six months ended 30 June	
	2026	2025
	No. of shares	No. of shares
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**676,038,481**	681,901,859
Effect of dilutive potential ordinary shares:		
Share options and RSUs	**5,267,309**	9,457,644
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**681,305,790**	691,359,503
Basic earnings per share attributable to owners of the Company (RMB per share)	**0.164**	0.115
Diluted earnings per share attributable to owners of the Company (RMB per share)	**0.163**	0.113

Note: The computation of diluted earnings per share does not assume the exercise of certain of the Company's options because the exercise prices of those options were higher than the average market price of the shares for the six months ended 30 June 2026 and 2025.

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Trade receivables	**93,528**	95,560
Less: allowance for credit losses	**(738)**	(1,142)
	92,790	94,418
Note receivables	**39,925**	40,219
Total trade and note receivables	**132,715**	134,637
Advance to suppliers	**247,694**	350,669
Receivables in custodian (Note)	**48,578**	92,320
Deposits	**43,600**	40,027
Interest receivables	**43,032**	40,604
Prepaid expense	**19,301**	28,233
Other tax recoverable	**4,225**	2,190
Other receivables	**58,526**	47,606
Receivables from exercise of share options	**–**	21
Total trade and other receivables	**597,671**	736,307

Note: The amounts represented the payments received from online customers of the self-operation business which would be deposited in escrow account and subsequently be withdrawn by the Group upon the customers' acceptance of product delivery.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables

The Group requires full payment in advance for its online product sales, certain offline product sales and retail sales. For other customers, the Group primarily allows a credit period of 30 days. Trade receivables are settled in accordance with the terms of the respective contracts.

Aging analysis of trade receivables, net of allowance for credit losses, based on invoice date is as follows:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Within 3 months	**74,339**	72,055
3–6 months	**5,735**	10,173
6–12 months	**9,313**	9,816
Over 12 months	**4,141**	3,516
	93,528	95,560
Less: allowance for credit losses	**(738)**	(1,142)
	92,790	94,418

Note receivables are trade receivables supported by bank acceptance notes and the average ageing is within 2 to 6 months based on the received date and have a maturity period of less than one year.

13. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Current		
Unlisted equity investment	**27,660**	27,660
Wealth management products (Note i)	**156,482**	318,228
Notes and investment funds (Note i)	**370,069**	362,272
	554,211	708,160
Non-current		
Limited partnership fund investment (Note ii)	**6,000**	6,000

Notes:

(i) The return of wealth management products and notes and investment funds was determined by reference to the return of their underlying investments. The wealth management products and the notes can be redeemed any time at the Group's discretion and the investment funds can be redeemed any time at the Group's discretion or require 60 business days' notice with redemption effective after a one-year period.

(ii) As at 30 June 2026 and 31 December 2025, the Group invested into a limited partnership fund. The duration of the limited partnership is eight years and the Group has no right to early withdraw from the partnership. As a limited partner, the Group has no significant influence over the investment decision-making committee. As of 30 June 2026 and 31 December 2025, the Group has a commitment of RMB9,000,000 for further investment into the fund which will be paid upon the general partner's calls.

Since the contractual cash flows of these financial assets do not represent solely the payments of principal and interest on the principal amount outstanding, the financial assets are measured at FVTPL. Details of the fair value measurement over the financial assets are disclosed in Note 20.

14. OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Long-term notes instrument		
– principal	**370,000**	150,000
– interest receivables	**5,397**	2,351
	375,397	152,351

During the six months ended 30 June 2026, the Group invested into two new 10-year notes instruments, each amounting to RMB110 million, which are principal protected with an annual interest rate of 2.885%. The instruments are callable annually by the issuer from June 2028 to June 2036.

During the year ended 31 December 2025, the Group invested into a 10-year notes instrument, which is principal protected with an annual interest rate of 3.45%. The instrument is callable annually by the issuer from July 2027 to July 2034.

The investments are held by the Group within a business model whose objective is to collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Hence, the investments in long-term notes instruments are measured at amortised cost.

15. TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Trade payables	**1,865,369**	1,515,914
Note payables	**2,145,576**	2,439,232
Salary and welfare payables	**145,626**	225,507
Other tax payables	**15,503**	22,114
Consideration payable on acquisition of subsidiaries	**34,118**	30,708
Other payables	**434,496**	412,864
Deposits received	**1,072**	1,026
Dividend payable	**305**	–
	4,642,065	4,647,365

Trade payables

The credit period of trade payables ranges from 30 to 90 days. The aging analysis of the trade payables based on the invoice date at the end of the reporting period is as follows:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
0–30 days	**1,297,129**	1,133,594
31–90 days	**431,755**	298,641
Over 90 days	**136,485**	83,679
	1,865,369	1,515,914

Note payables

All note payables issued by the Group are with a maturity period of less than six months.

16. CONSIDERATION TRANSFERRED FOR THE ACQUISITION OF SUBSIDIARIES

On 15 October 2024, the Company and the independent third parties ("Sellers") entered into an equity transfer agreement, pursuant to which the Company has agreed to purchase and the Sellers have agreed to sell 100% of the equity interest in Yikuai Pharmaceutical. Folding Space (Cayman) Ltd ("Folding Space") is an investment holding company and Yikuai Pharmaceutical is principally engaged in business-to-business pharmaceutical supply chain, operation service platform and related businesses.

The consideration consists of:

(i) the completion consideration payable to the Sellers with the cash consideration of RMB371.39 million and the remaining consideration by way of the allotment and issue of 38,868,918 consideration shares by the Company (the "Completion Consideration");

(ii) subject to the satisfaction of the performance targets, the contingent consideration payable to founder sellers (the "Founder Sellers"), with the cash consideration of RMB60 million and the remaining consideration by way of the allotment and issue of 13,065,386 consideration shares by the Company;

(iii) subject to the satisfaction of the relevant conditions, contingent consideration by way of the allotment and issue of 4,357,561 consideration shares by the Company to one of the Sellers (the "Manager Sellers") upon the completion of the sales and purchase of the shares of Folding Space held by the Manager Sellers (together with the above (ii) as the "Contingent Consideration").

The acquisition has been completed on 26 November 2024 and has been accounted for as acquisition of business using the acquisition method.

Details of the acquisition were set out in the announcements of the Company dated 15 October 2024, 28 October 2024 and 26 November 2024.

16. CONSIDERATION TRANSFERRED FOR THE ACQUISITION OF SUBSIDIARIES (CONTINUED)

Fair value and settlement of consideration transferred for the acquisitions of:

	Cash	Consideration shares (Note i)		Total
	RMB'000	Number of shares	RMB'000	RMB'000
Completion Consideration				
As of 1 January 2025 (audited)	42,721	7,190,363	41,770	84,491
During the six months ended 30 June 2025				
Settlement of the Completion Consideration	(35,558)	(1,386,617)	(8,055)	(43,613)
As of 30 June 2025 (unaudited) and 31 December 2025 (audited)	7,163	5,803,746	33,715	40,878
During the six months ended 30 June 2026				
Settlement of the Completion Consideration	**(7,163)**	**(2,775,925)**	**(16,126)**	**(23,289)**
As of 30 June 2026 (unaudited)	**–**	**3,027,821**	**17,589**	**17,589**
Presented as:				
As of 30 June 2026 (unaudited)				
– Deferred consideration shares	**–**	**3,027,821**	**17,589**	**17,589**
As of 31 December 2025 (audited)				
– Trade and other payable (Note 15)	7,163	–	–	7,163
– Deferred consideration shares	–	5,803,746	33,715	33,715
Total	7,163	5,803,746	33,715	40,878

16. CONSIDERATION TRANSFERRED FOR THE ACQUISITION OF SUBSIDIARIES (CONTINUED)

Fair value and settlement of consideration transferred for the acquisitions of: (Continued)

	Cash	Consideration shares		Total
		Number of		
	RMB'000	shares	RMB'000	RMB'000
Contingent Consideration (Note ii)				
As of 1 January 2025 (audited)	53,608	10,546,428	55,083	108,691
During the six months ended 30 June 2025				
Fair value change (Note 6)	1,569	–	2,800	4,369
As of 30 June 2025 (unaudited)	55,177	10,546,428	57,883	113,060
As of 31 December 2025 (audited)	56,745	8,560,881	41,524	98,269
During the six months ended 30 June 2026				
Fair value change (Note 6)	**1,373**	**–**	**(11,111)**	**(9,738)**
Settlement of the Contingent Consideration	**(24,000)**	**(4,203,320)**	**(14,994)**	**(38,994)**
As of 30 June 2026 (unaudited)	**34,118**	**4,357,561**	**15,419**	**49,537**
Presented as:				
As of 30 June 2026 (unaudited)				
– Trade and other payable (Note 15)	**34,118**	**–**	**–**	**34,118**
– Deferred consideration shares	**–**	**4,357,561**	**15,419**	**15,419**
Total	**34,118**	**4,357,561**	**15,419**	**49,537**
As of 31 December 2025 (audited)				
– Trade and other payable (Note 15)	23,545	–	–	23,545
– Deferred consideration shares	–	1,061,641	5,149	5,149
– Contingent consideration	33,200	7,499,240	36,375	69,575
Total	56,745	8,560,881	41,524	98,269

16. CONSIDERATION TRANSFERRED FOR THE ACQUISITION OF SUBSIDIARIES (CONTINUED)

Fair value and settlement of consideration transferred for the acquisitions of: (Continued)

Notes:

(i) The fair value of the consideration shares is determined by reference to the quoted market price of HK$6.29 (equivalent to RMB5.81) per each ordinary share of the Company at the date of obtaining the control of the Folding Space and its subsidiaries.

(ii) Based on the equity transfer agreement, the Company is required to pay additional considerations to the Founder Sellers and Manager Sellers if Yikuai Pharmaceutical meets the respective performance target of each instalment.

The Contingent Consideration consists of two parts:

Part 1: a total cash amount of RMB60 million and a total of 6,188,867 consideration shares payable to the Founder Seller and a total of 4,357,561 consideration shares to the Manager Seller, which comprises three instalments corresponding to year 2025, 2026 and first quarter of year 2027; and

Part 2: a total of 6,876,519 consideration shares to the Founder Seller, which comprises two instalments corresponding to year 2025 and year 2026.

As part of the equity transfer agreement, contingent consideration is determined by the core business operating revenue ("CBOR") growth rate and the amount of net profit of Yikuai Pharmaceutical for each of the two years 2025, 2026 and the first quarter of year 2027. Details of the Contingent Consideration were set out in the announcement of the Company dated 15 October 2024.

At the date of acquisition, based on the directors' best estimate with reference to the historical performance of Yikuai Pharmaceutical, the directors of the Company considered it is highly probable that the performance target associated with Part 1 of the Contingent Consideration will be achieved, whereas the performance target associated with Part 2 was considered unlikely to be achieved. The fair value of the Contingent Consideration at the date of acquisition was determined by i) the present value of the cash consideration payable of RMB60 million in respect of Part 1; and ii) the fair value of 10,546,428 consideration shares in respect of Part 1 which was determined by reference to the quoted market price of HK$6.29 (equivalent to RMB5.81) per each ordinary share of the Company at the date of obtaining the control of the Yikuai Pharmaceutical. The Contingent Consideration is subsequently measured at fair value with changes in fair value recognised in profit or loss.

As of 31 December 2025, Yikuai Pharmaceutical achieved the performance target of year 2025 and the Contingent Consideration of approximately RMB23,545,000 and RMB5,149,000 have been reclassified to trade and other payable and deferred consideration shares, respectively.

As of 26 June 2026, the Company entered into an early settlement arrangement with the Founder Sellers and Manager Sellers, pursuant to which the Company agreed to settle the remaining Part 1 Contingent Consideration prior to the finalisation of performance targets of 2026 and the first quarter of 2027. Such consideration remains subject to clawback should the relevant performance targets are not met. As at 30 June 2026, the directors of the Company continue to consider that it is highly probable that the Part 1 performance targets will be achieved, while the Part 2 performance target is unlikely to be achieved. The outstanding balances of the Contingent Consideration, comprising cash consideration payable of approximately RMB34,118,000 and consideration shares of approximately RMB12,126,000, have been reclassified to trade and other payable and deferred consideration shares, respectively.

17. SHARE CAPITAL

	Number of shares	Share capital US$	Presented as RMB'000
Authorised:			
At 30 June 2025 (unaudited), 31 December 2025 (audited) and 30 June 2026 (unaudited)	20,000,000,000	50,000	
Issued and fully paid:			
At 1 January 2025 (audited)	675,766,001	1,690	12
Issued in consideration for the acquisition of the issued share capital of subsidiaries (Note 16)	1,386,617	3	*
Exercise of share options and vesting of RSUs (Note 18)	4,846,977	12	*
At 30 June 2025 (unaudited)	681,999,595	1,705	12
Issued in consideration for the acquisition of the issued share capital of subsidiaries (Note 16)	1,985,547	5	*
Exercise of share options and vesting of RSUs (Note 18)	2,846,716	7	*
Share repurchase and cancellation	(5,635,000)	(14)	*
At 31 December 2025 (audited)	681,196,858	1,703	12
Issued in consideration for the acquisition of the issued share capital of subsidiaries (Note 16)	**6,979,245**	**17**	*****
Exercise of share options and vesting of RSUs (Note 18)	**3,616,165**	**9**	*****
At 30 June 2026 (unaudited)	**691,792,268**	**1,729**	**12**

* Amount is less than RMB1,000.

Note: During the six months ended 30 June 2026, the Company purchased 32,876,400 (six months ended 30 June 2025: 7,945,000) of its own ordinary shares through a trust through the Stock Exchange with an aggregate consideration of approximately HK$149,856,000 (equivalent to approximately RMB128,773,000) (six months ended 30 June 2025: HK$58,921,000, equivalent to approximately RMB51,766,000) paid.

As at 30 June 2026, the Company had outstanding treasury shares of 37,760,667 (31 December 2025: 4,537,581) shares. Except for the purchase above, none of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

18. SHARE-BASED PAYMENT RESERVES

Equity-settled share option scheme of the Group

2017 Share Incentive Plan

Effective on 2 February 2017, Guangzhou Sudao Information Technology Co., Ltd. ("Guangzhou Sudao") adopted the "2017 Share Incentive Plan" pursuant to which the Group was authorised to grant share options, share appreciation rights and restricted share to employees and non-employees of Guangzhou Sudao. Share options were granted with an exercise price not less than the fair market value of the Guangzhou Sudao's ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of Guangzhou Sudao, and are subject to a continued service relationship. Effective on 1 January 2019, the Group terminated the 2017 Share Incentive Plan, meaning that, while no additional awards of share options, share appreciation rights, or restricted share were permitted thereunder, all outstanding awards continued to be governed by their existing terms.

2019 Share Incentive Plan

Effective on 27 February 2019, the Company adopted the "2019 Share Incentive Plan" pursuant to which the Company is authorised to grant share options, share appreciation rights and restricted share to employees and non-employees who provide services to the Company and its affiliates. Share options are to be granted with an exercise price not less than the fair market value of the Company's ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of the Company, and are subject generally to a continued service relationship.

Substitution of ordinary shares of Guangzhou Sudao to the Company's ordinary shares under 2017 Share incentive Plan

As part of the share exchange arrangement, Guangzhou Sudao would i) substitute 1 share of ordinary share of Guangzhou Sudao under the 2017 Share Incentive Plan and ii) assume on the same terms and conditions as the 2017 Share Incentive Plan, share appreciation rights, and restricted share under the 2019 Share Incentive Plan as defined and detailed below. The directors of the Company considered that the modification of terms of 2017 Share Incentive Plan have no material change in fair value of the share options at the date of modification.

Two share options can be converted into one ordinary share of the Company upon exercise. Following the Share Subdivision, each share option can be converted into two ordinary shares of the Company upon exercise.

18. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled share option scheme of the Group (Continued)

Substitution of ordinary shares of Guangzhou Sudao to the Company's ordinary shares under 2017 Share incentive Plan (Continued)

The following table discloses movements of share options under 2017 Share Incentive Plan:

Options	Grant year	Vesting period	Expiry year	Exercise price US$	At 1 January 2025 (audited)	Exercised during the period (unaudited)	At 30 June 2025 (unaudited)	**At 1 January 2026 (audited)**	**Exercised during the period (unaudited)**	**At 30 June 2026 (unaudited)**
Directors and employees										
Tranche 2017-7	2017	4 years	2027	0.30	985,883	(43,927)	941,956	**799,257**	**(32,800)**	**766,457**
Tranche 2017-7	2017	4 years	2027	0.30	70,824	(21,729)	49,095	**13,685**	**–**	**13,685**
Tranche 2018-1	2018	4 years	2028	0.30	169,286	–	169,286	**169,286**	**–**	**169,286**
Tranche 2018-2	2018	4 years	2028	0.30	555,982	–	555,982	**555,982**	**–**	**555,982**
Tranche 2018-12	2018	4 years	2028	1.05	653,759	–	653,759	**653,759**	**–**	**653,759**
					2,435,734	(65,656)	2,370,078	**2,191,969**	**(32,800)**	**2,159,169**
Exercisable at the end of the period					2,435,734		2,370,078	**2,191,969**		**2,159,169**
Weighted average exercise price (US$)					0.50	0.30	0.51	**0.52**	**0.30**	**0.53**

Except for the exercised options disclosed above, no other options were exercised, forfeited or expired during the period. As at 30 June 2026, the weighted average exercise price of exercisable share options was RMB3.59 (unaudited) (31 December 2025: RMB3.68 (audited)).

18. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled share option scheme of the Group (Continued)

Substitution of ordinary shares of Guangzhou Sudao to the Company's ordinary shares under 2017 Share incentive Plan (Continued)

The following table discloses movements of share options under 2019 Share Incentive Plan:

Options	Grant year	Vesting period (Note i)	Expiry year	Exercise price US$	At 1 January 2025 (audited)	Forfeited during the period (unaudited)	Exercised during the period (unaudited)	At 30 June 2025 (unaudited)	**At 1 January 2026 (audited)**	**Forfeited during the period (unaudited)**	**Exercised during the period (unaudited)**	**At 30 June 2026 (unaudited)**
Directors and employees												
Tranche 2019-3	2019	4 years	2029	1.05	51,700	–	–	51,700	**51,700**	**-**	**-**	**51,700**
Tranche 2019-10	2019	4 years	2029	0.94	1,696,600	–	(4,900)	1,691,700	**1,605,900**	**-**	**(9,000)**	**1,596,900**
Tranche 2020-1	2020	4 years	2030	1.05	37,500	–	–	37,500	**37,500**	**-**	**-**	**37,500**
Tranche 2020-4	2020	4 years	2030	1.05	180,500	–	(3,500)	177,000	**140,800**	**-**	**-**	**140,800**
Tranche 2021-1	2021	4 years	2031	1.60	16	–	–	16	**16**	**-**	**-**	**16**
Tranche 2021-2	2021	4 years	2031	2.00	674,225	–	–	674,225	**650,750**	**-**	**-**	**650,750**
Tranche 2021-11	2021	4 years	2031	2.00	3,820,428	(35,250)	–	3,785,178	**3,540,392**	**(10,000)**	**-**	**3,530,392**
Tranche 2021-12	2021	4 years	2031	2.00	99,500	–	–	99,500	**-**	**-**	**-**	**-**
Tranche 2022-2	2022	4 years	2032	2.00	600,400	(17,000)	–	583,400	**523,910**	**-**	**-**	**523,910**
Tranche 2022-5-1	2022	4 years	2032	2.00	18,000	–	–	18,000	**18,000**	**-**	**-**	**18,000**
Tranche 2022-5-2	2022	4 years	2032	0.80	1,820,000	–	–	1,820,000	**1,820,000**	**-**	**-**	**1,820,000**
Tranche 2022-5-3	2022	Immediate After IPO (Note ii)	2032	0.80	830,000	–	–	830,000	**830,000**	**-**	**-**	**830,000**
Tranche 2022-7-1	2022	4 years	2032	2.00	530,000	(17,500)	–	512,500	**497,500**	**-**	**-**	**497,500**
Tranche 2023-1-1	2023	4 years	2033	2.00	200,000	–	–	200,000	**200,000**	**-**	**-**	**200,000**
Tranche 2023-1-1	2023	Immediate	2033	0.00	50,000	–	–	50,000	**50,000**	**-**	**-**	**50,000**
Tranche 2023-1-5	2023	4 years	2033	2.00	32,759	–	–	32,759	**27,500**	**(1,750)**	**-**	**25,750**
Tranche 2023-3-2	2023	4 years	2033	2.00	20,000	–	–	20,000	**20,000**	**-**	**-**	**20,000**
Tranche 2023-6-10	2023	4 years	2033	2.00	2,174,000	(63,500)	(4,900)	2,105,600	**1,994,600**	**(51,000)**	**-**	**1,943,600**
					12,835,628	(133,250)	(13,300)	12,689,078	**12,008,568**	**(62,750)**	**(9,000)**	**11,936,818**
Exercisable at the end of the period					7,947,378			9,652,703	**10,106,818**			**11,274,068**
Weighted average exercise price (US$)					1.58	2.00	1.36	1.58	**1.57**	**2**	**0.94**	**1.57**

18. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled share option scheme of the Group (Continued)

Substitution of ordinary shares of Guangzhou Sudao to the Company's ordinary shares under 2017 Share incentive Plan (Continued)

The following table discloses movements of share options under 2019 Share Incentive Plan: (Continued)

Notes:

(i): For the options with vesting period of 4 years, one quarter of options become vested at the end of each year during the vesting period.

(ii): In May 2022, the Company granted 1,330,000 share options to Mr. Fei Chen ("Mr. Chen"), an executive director of the Company. These options are vested on the date when the Company's shares are listed on the Main Board of the Stock Exchange.

Except for the forfeited or exercised options disclosed above, no other options were exercised, forfeited or expired during the period. As at 30 June 2026, the weighted average exercise price of exercisable share options was RMB9.93 (unaudited) (31 December 2025: RMB10.24 (audited)).

During the interim period, the Group recognised the total expense of approximately RMB2,029,000 (unaudited) (six months ended 30 June 2025: RMB6,427,000 (unaudited)) in relation to share options granted by the Group.

Equity-settled award shares of the Group

2023 Share Incentive Plan

The 2023 Share Incentive Plan was first adopted by the Board on 12 June 2023 and took effect immediately upon the Listing. Since the Listing, the 2023 Share Incentive Plan is subject to Chapter 17 of the Listing Rules. Under the 2023 Share Incentive Plan, a maximum number of 63,235,005 ordinary shares of the Company can be issued to employee participants, related party participant and service provider participant. The RSUs have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of the Company, and are subject to performance targets and other conditions on case-by-case basis.

18. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled award shares of the Group (Continued)

2023 Share Incentive Plan (Continued)

The following table discloses movements of RSUs under 2023 Share Incentive Plan:

RSUs	Grant year	Vesting period (Note)	Expiry year	At 1 January 2025 (audited)	Granted during the period (unaudited)	Forfeited during the period (unaudited)	Exercised during the period (unaudited)	At 30 June 2025 (unaudited)	**At 1 January 2026 (audited)**	**Granted during the period (unaudited)**	**Forfeited during the period (unaudited)**	**Exercised during the period (unaudited)**	**At 30 June 2026 (unaudited)**
Employees													
Tranche 2023-9-4	2023	2 years	2033	253,300	–	(17,225)	–	236,075	**-**	**-**	**-**	**-**	**-**
Tranche 2023-9-4	2023	4 years	2033	2,016,450	–	(111,375)	–	1,905,075	**1,234,700**	**-**	**(67,000)**	**-**	**1,167,700**
Tranche 2024-2-6	2024	1 year	2034	1,302,400	–	(31,240)	(1,271,160)	–	**-**	**-**	**-**	**-**	**-**
Tranche 2024-2-6	2024	2 years	2034	3,510,000	–	(185,500)	(1,692,000)	1,632,500	**1,572,500**	**-**	**(6,000)**	**(1,566,500)**	**-**
Tranche 2024-2-6	2024	3 years	2034	5,495,000	–	(189,583)	(1,642,082)	3,663,335	**3,503,335**	**-**	**(142,247)**	**(1,639,418)**	**1,721,670**
Tranche 2024-2-6	2024	4 years	2034	40,000	–	–	(10,000)	30,000	**30,000**	**-**	**-**	**(10,000)**	**20,000**
Tranche 2024-11-6	2024	1 year	2034	7,000	–	–	–	7,000	**-**	**-**	**-**	**-**	**-**
Tranche 2024-11-6	2024	2 years	2034	754,000	–	(25,000)	–	729,000	**362,000**	**-**	**(15,000)**	**-**	**347,000**
Tranche 2024-11-6	2024	3 years	2034	1,212,000	–	–	–	1,212,000	**808,000**	**-**	**-**	**-**	**808,000**
Tranche 2024-11-6	2024	4 years	2034	40,000	–	–	–	40,000	**30,000**	**-**	**(30,000)**	**-**	**-**
Tranche 2025-4-3	2025	2 years	2035	–	20,000	–	–	20,000	**20,000**	**-**	**(10,000)**	**(10,000)**	**-**
Tranche 2025-4-3	2025	3 years	2035	–	960,000	–	–	960,000	**960,000**	**-**	**-**	**(320,000)**	**640,000**
Tranche 2026-2-10	2026	1 year	2036	–	–	–	–	–	**-**	**2,063,700**	**(104,250)**	**-**	**1,959,450**
Tranche 2026-2-10	2026	2 years	2036	–	–	–	–	–	**-**	**210,000**	**-**	**-**	**210,000**
Tranche 2026-2-10	2026	2 years	2036	–	–	–	–	–	**-**	**530,000**	**-**	**-**	**530,000**
				14,630,150	980,000	(559,923)	(4,615,242)	10,434,985	**8,520,535**	**2,803,700**	**(374,497)**	**(3,545,918)**	**7,403,820**
Exercisable at the end of the period				–			–	–	**-**				**-**

Note: The RSUs generally vest ratably over a one- to four-year vesting period.

Except for the forfeited or exercised RSUs disclosed above, no other RSUs were vested, forfeited or expired during the period.

These fair values of RSUs were determined by the share price of the Company at grant date.

During the interim period, the Group recognised the total expense of approximately RMB12,994,000 (unaudited) (six months ended 30 June 2025: RMB28,363,000 (unaudited)) in relation to RSUs granted by the Group.

18. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled award shares of the Group (Continued)

2023 Share Incentive Plan (Continued)

On 24 March 2026, the Company granted 26,041,213 share options to Mr. Buzhen Zhang, an executive director and chief executive of the Company, and 6,510,305 share options to Mr. Chen (together the "2026 Share Options") under the 2023 Share Incentive Plan. The 2026 Share Options consists of 3 vesting tranches, with a vesting schedule based entirely on the attainment of market conditions, assuming continued employment through each vesting date. Each of the 3 vesting tranches of the 2026 Share Options will vest upon the arithmetic average of the average market capitalisation of the Group for any 10 consecutive Business Days on the Stock Exchange first reaches or exceeds HK$12,000,000,000, HK$20,000,000,000 and HK$30,000,000,000, respectively within 10 years from the date of grant.

The following table discloses movements of 2026 Share Options under 2023 Share Incentive Plan:

Options	Grant year	Vesting condition HK$'000	Expiry year	Exercise price HK$	At 1 January 2026 (audited)	Granted during the period (unaudited)	Exercised during the period (unaudited)	At 30 June 2026 (unaudited)
Tranche 2026-3-24	2026	12,000,000	2036	4.61	–	5,482,362	–	5,482,362
Tranche 2026-3-24	2026	20,000,000	2036	4.61	–	10,279,427	–	10,279,427
Tranche 2026-3-24	2026	30,000,000	2036	4.61	–	16,789,729	–	16,789,729
					–	32,551,518	–	32,551,518
Exercisable at the end of the period					–			–
Weighted average exercise price (HK$)					–	4.61	–	4.61

No options were exercised, forfeited or expired during the period.

18. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled award shares of the Group (Continued)

2023 Share Incentive Plan (Continued)

Share-based payment expense associated with the 2026 Share Options is recognised over the expected achievement period for each market capitalization milestone. The market capitalization milestone period and the valuation of each tranche are determined using a Monte Carlo simulation. The fair value of the condition option, expected vesting date and the key inputs into the model were as follows:

	Tranche 2026-3-24	Tranche 2026-3-24	Tranche 2026-3-24
Vesting condition	HK$12,000,000,000	HK$20,000,000,000	HK$30,000,000,000
Expected vesting date	1/12/2032	9/21/2032	3/25/2033
Grant date fair value per option	HK$1.08	HK$0.60	HK$0.34
Weighted average share price	HK$4.46	HK$4.46	HK$4.46
Expected dividend yield	2.80%	2.80%	2.80%
Expected volatility	34.95%	34.95%	34.95%
Expected risk-free rate	2.87%	2.87%	2.87%

During the interim period, the Group recognised the total expense of approximately RMB669,000 (unaudited) (six months ended 30 June 2025: nil) in relation to share options granted by the Group.

19. CAPITAL COMMITMENTS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**10,797**	3,150

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The board of directors of the Company has set up a treasury management team, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The treasury management team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the treasury management team's findings to the board of directors of the Company semi-annually to explain the cause of fluctuations in the fair value.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Certain of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets/ liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)	Fair value hierarchy	Valuation technique and key input
Financial assets				
Financial assets at FVTPL				
– Wealth management products, notes and investment funds	**526,551**	680,500	Level 2	Quoted value from banks and financial institutions based on expected return with reference to underlying investments
– Unlisted equity investments	**27,660**	27,660	Level 3	Back-solve method (Note i)
– Limited partnership investment	**6,000**	6,000	Level 3	Quoted value from fund administrator based on the net assets value of the fund
Financial liabilities				
Contingent consideration for a business combination				
– Cash consideration payables	**–**	(33,200)	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate (Note ii) (Note iii)
Contingent consideration for a business combination				
– Consideration shares	**–**	(36,375)	Level 3	Quoted market price per each ordinary share of the Company is used to capture the value of the expected shares to be allotted and issued from the contingent consideration (Note iii)

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Notes:

(i) Key inputs included possibilities under different scenarios, such as qualified IPO, redemption, liquidation and other inputs, such as time to liquidation or redemption, risk-free interest rate, expected volatility value and dividend yield.

(ii) Key unobservable inputs included discount rate and probability-adjusted revenue and profits of Yikuai Pharmaceutical. No sensitivity analysis in relation to the discount rate has been presented as changes in fair values due to changes the discount rate are insignificant.

(iii) Key inputs included quoted market price of the share of the Company and probability-adjusted revenue and profits of Yikuai Pharmaceutical. As at 31 December 2025, it is estimated that with all other variables held constant, a decrease in the expected probability-adjusted revenue and gross profits for year 2026 and 2027 by 5% would decrease the carrying amount of the contingent consideration payables, including cash and shares consideration, by RMB52,608,000 (audited).

There was no transfer between Level 1 and 2 during both periods.

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL RMB'000	**Financial liabilities at FVTPL** RMB'000
As at 1 January 2025 (audited)	10,198	108,691
– changes in fair value	96	4,369
As at 30 June 2025 (unaudited)	10,294	113,060
As at 1 January 2026 (audited)	**33,660**	**69,575**
– changes in fair value	**–**	**(9,738)**
– settlement of contingent consideration	**–**	**(13,593)**
– transfers out of level 3 with the early payment arrangement (Note 16)	**–**	**(46,244)**
As at 30 June 2026 (unaudited)	**33,660**	**–**

Fair values of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

21. RELATED PARTY TRANSACTIONS/AMOUNTS DUE FROM AN ASSOCIATE

Significant transactions with related parties

During the six months ended 30 June 2026, the Group has following transactions with the related party:

Name	Nature of transactions	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Guangdong Yiyao Digital Technology Co., Ltd. ("Guangdong Yiyao")	Trade sales	**21,495**	N/A

Name	Nature of balances	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Guangdong Yiyao	Trade nature (Note i)	**1,333**	3,217
Guangdong Yiyao	Non-trade nature (Note ii)	**47,350**	6,400
Amount due from an associate		**48,683**	9,617

Notes:

(i) Guangdong Yiyao is an associate of the Group. The trade related balances with the associate arose from sales of goods, which were unsecured and interest-free with aging within 3 months as at 30 June 2026 and 31 December 2025.

(ii) Included in the non-trade balances with the associate, approximately RMB40,950,000 (unaudited) (31 December 2025: nil) were unsecured, carry interests ranging from 0% to 2.6% per annum and repayable 18 months from the dates of advances, the remaining balances were interest-free, unsecured and repayable on demand.

Compensation of key management personnel

The remuneration of directors who are also the key management personnel during the six months ended 30 June 2026 and 2025 are set out in Note 9.

22. EVENT AFTER THE REPORTING PERIOD

There have been no material subsequent events identified subsequent to 30 June 2026.

Definitions

"Award Shares"	the Shares underlying an award granted under the 2023 Share Incentive Plan, which includes new Shares or existing Shares
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules (as amended from time to time)
"China" or the "PRC"	the People's Republic of China, and for the purpose of this interim report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	YSB Inc. (藥師幫股份有限公司) (formerly known as YSB Capital Limited), a limited liability company incorporated under the Laws of the Cayman Islands on 27 August 2018, the shares of which are listed on the Main Board of the Stock Exchange under the stock code "9885"
"Consolidated Affiliated Entity(ies)"	Guangzhou Sudao, Guangzhou Yaobang and their subsidiaries and affiliated entities, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of contractual arrangements
"Director(s)"	the director(s) of the Company
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "we", "us" or "our"	the Company and its subsidiaries and 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
"Guangzhou Sudao"	Guangzhou Sudao Information Technology Co., Ltd. (廣州速道信息科技有限公司)
"Guangzhou Yaobang"	Guangzhou Yaobang Information Technology Co., Ltd. (廣州藥幫信息科技有限公司)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Public Offering"	has the meaning ascribed to it in the Prospectus

"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"International Offering"	has the meaning ascribed to it in the Prospectus
"Listing"	the listing of our shares on the Main Board of the Stock Exchange
"Listing Date"	28 June 2023, the date on which our shares were listed and on which dealings in our shares were first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Zhang"	Mr. Buzhen Zhang (張步鎮), the founder, executive Director, Chairman of the Board and Chief Executive Officer of our Group
"Prospectus"	the Company's prospectus dated 15 June 2023, a copy of which is available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk
"Reporting Period"	the financial period for the six months ended 30 June 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.0000025 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

Definitions

"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), and includes our consolidated affiliated entities and any other entity the financials of which are consolidated into the accounts of the Company
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"2019 Share Incentive Plan"	the share incentive plan approved and adopted by our Company and effective since 1 January 2019 (as amended from time to time), the principal terms of which are set out in "Statutory and general information – Share Incentive Plans" in Appendix IV of the Prospectus
"2023 Share Incentive Plan"	the share incentive plan approved and adopted by our Company and effective upon Listing, which constitutes a share scheme under Chapter 17 of the Listing Rules, the principal terms of which are set out in "Statutory and general information – Share Incentive Plans" in Appendix IV of the Prospectus
"%"	percent