



DINGDANG HEALTH TECHNOLOGY GROUP LTD.

叮噹健康科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 09886



2026

INTERIM REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yang Wenlong (楊文龍) (*Chairman & President*)
Mr. Yang Yibin (楊益斌)
Mr. Xu Ning (徐寧)
Mr. Yu Qinglong (于慶龍)
Mr. Meng Fanzhou (孟繁周) (*Appointed on February 16, 2026*)
Ms. Yang Xiao (楊曉) (*Appointed on July 21, 2026*)
Mr. Yu Lei (俞雷) (*Resigned on February 16, 2026*)

Non-executive Directors

Ms. Li Chuheng (李楚衡) (*Resigned on July 21, 2026*)

Independent Non-executive Directors

Mr. Zhang Shouchuan (張守川)
Dr. Fan Zhenhong (樊臻宏)
Mr. Jiang Shan (姜山)

AUDIT COMMITTEE

Mr. Jiang Shan (*Chairman*)
Mr. Zhang Shouchuan
Dr. Fan Zhenhong

NOMINATION COMMITTEE

Mr. Yang Wenlong (*Chairman*)
Dr. Fan Zhenhong
Mr. Zhang Shouchuan
Mr. Jiang Shan
Ms. Yang Xiao (*Appointed on July 21, 2026*)
Ms. Li Chuheng (*Resigned on July 21, 2026*)

REMUNERATION COMMITTEE

Dr. Fan Zhenhong (*Chairman*)
Mr. Zhang Shouchuan
Mr. Jiang Shan (*Appointed on July 21, 2026*)
Ms. Li Chuheng (*Resigned on July 21, 2026*)

AUTHORIZED REPRESENTATIVES

Mr. Xu Ning
Mr. Lam Yiu Por

JOINT COMPANY SECRETARIES

Mr. Lam Yiu Por
Mr. Liu Zhenxuan (*Resigned on June 26, 2026*)

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building 1, Yard 50
Dengshikou Street
Dongcheng District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 703, 7/F
Empire Centre, 68 Mody Road
Tsim Sha Tsui, Kowloon
Hong Kong

COMPANY WEBSITE

www.ddjkt.com

LEGAL ADVISORS TO THE COMPANY

As to Hong Kong laws:
Clifford Chance

As to Cayman Islands law:
Maples and Calder (Hong Kong) LLP

AUDITOR

Deloitte Touche Tohmatsu
*Certified Public Accountants and Registered Public
Interest Entity Auditor*

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

PRINCIPAL BANKER(S)

Agricultural Bank of China, Beijing Branch
China Merchants Bank, Beijing Branch
Bank of Beijing, Dengshikou Sub-branch
Pingan Bank, Beijing Branch
CMB Wing Lung Bank
China Merchants Bank, Hong Kong Branch

STOCK CODE

09886

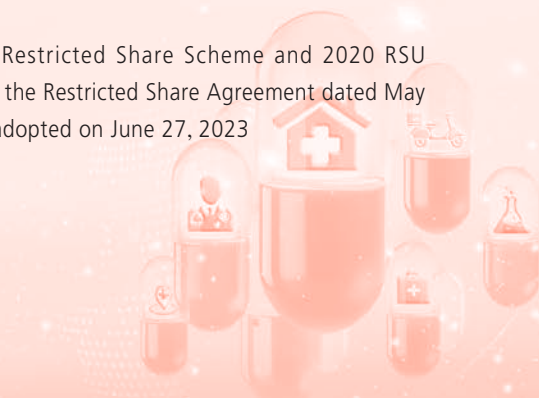


Definitions

In this interim report, the following expressions have the meanings set out below unless the context otherwise requires:

"2020 RSU Scheme"	the restricted share unit scheme adopted by the Company on May 1, 2020
"2023 RSU Scheme"	the restricted share unit scheme adopted by the Company on June 27, 2023
"affiliate"	with respect to any specific person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Articles" or "Articles of Association" or "Memorandum and Articles of Association"	the articles of association of the Company, as amended and restated from time to time
"Audit Committee"	the audit committee of the Company
"Auditor"	Deloitte Touche Tohmatsu, the auditor of the Company
"Board" or "Board of Directors"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company" or "the Company"	Dingdang Health Technology Group Ltd., an exempted company incorporated in the Cayman Islands with limited liability on August 20, 2014
"Consolidated Affiliated Entity(ies)"	entities whose financial results have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements, including Dingdang Medicine Express Technology, Jiangxi Dingdang Health Pharmacy Chain Co., Ltd. (江西叮嚀健康藥房連鎖有限公司), Hainan Dingdang Kuaiyi, Hainan Internet Hospital and Hainan Telemedicine Center and any subsidiaries of the above companies
"Contractual Arrangements"	the series of contractual arrangements entered into by, among others, the WFOE, Dingdang Medicine Express Technology and the Registered Shareholders
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and refers to each of Mr. Yang Wenlong, Mr. Yang Yibin, Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited and Go Far Limited

"Controlling Shareholders Group"	Mr. Yang Wenlong, Mr. Yang Yibin, Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited, and Go Far Limited are deemed to be a group of Controlling Shareholders
"Designated Person"	an employee of the Company designated by the 2023 RSU Scheme Administrator, who shall not be one of the Controlling Shareholders, or any person who act accustomed to instructions from the Controlling Shareholders
"Dingdang Medicine Express Technology"	Dingdang Medicine Express Technology Group Ltd. (叮嚀快藥科技集團有限公司), a company incorporated under the laws of the PRC on September 2, 2014 with limited liability and a Consolidated Affiliated Entity, which is a holding company of all the other Consolidated Affiliated Entities of our Group
"Dingdang No. 1"	Zhuhai Dingdang No. 1 Enterprise Management Consulting Center (Limited Partnership) (珠海叮嚀一號企業管理諮詢中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 26, 2016 and one of the Registered Shareholders
"Dingdang No. 2"	Zhuhai Dingdang No. 2 Enterprise Management Consulting Center (Limited Partnership) (珠海叮嚀二號企業管理諮詢中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 26, 2016 and one of the Registered Shareholders
"Dingdang No. 3"	Zhuhai Dingdang No. 3 Enterprise Management Consulting Center (Limited Partnership) (珠海叮嚀三號企業管理諮詢中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 26, 2016 and one of the Registered Shareholders
"Dingdang No. 4"	Zhuhai Dingdang No. 4 Investment Center (Limited Partnership) (珠海叮嚀四號投資中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 26, 2016 and one of the Registered Shareholders
"Director(s)"	the director(s) of the Company
"ESOP Plans"	Pre-IPO Share Option Scheme, Restricted Share Scheme and 2020 RSU Scheme adopted on May 1, 2020, the Restricted Share Agreement dated May 31, 2021 and 2023 RSU Scheme adopted on June 27, 2023



Definitions

"Excluded Participant"	any 2023 RSU Scheme Participant who is resident in a place where the award and/or the vesting and transfer of the RSU Shares or cash amount which is equivalent to the market value of the RSU Shares pursuant to the rules of the 2023 RSU Scheme is not permitted under the applicable laws or where in the view of the 2023 RSU Scheme Administrator or the Trustee (as the case may be), compliance with the applicable laws makes it necessary or expedient to exclude such 2023 RSU Scheme Participant
"Global Offering"	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
"Group" or "our Group" or "we" or "us" or "Dingdang Health"	our Company, its subsidiaries and the Consolidated Affiliated Entities (or our Company and any one or more of its subsidiaries or the Consolidated Affiliated Entities, as the context may require)
"Hainan Dingdang Kuaiyi"	Dingdang Kuaiyi (Hainan) Medical Technology Co., Ltd. (叮嚀快醫(海南)醫療科技有限公司), a company incorporated under the laws of the PRC on April 18, 2019 with limited liability and our Consolidated Affiliated Entity
"Hainan Internet Hospital"	Dingdang Kuaiyi (Hainan) Internet Hospital Co., Ltd. (叮嚀快醫(海南)互聯網醫院有限公司), a company incorporated under the laws of the PRC on September 4, 2019 with limited liability and our Consolidated Affiliated Entity
"Hainan Telemedicine Center"	Dingdang Kuaiyi (Hainan) Telemedicine Center Co., Ltd. (叮嚀快醫(海南)遠程醫療中心有限公司), a company incorporated under the laws of the PRC on August 26, 2019 with limited liability and our Consolidated Affiliated Entity
"HK\$" or "HK dollars" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"IFRS(s)"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
"Listing"	listing of the Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	September 14, 2022, on which our Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange

"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"Nanjing Zhaoyin Gongying"	Nanjing Zhaoyin Gongying Equity Investment Partnership (Limited Partnership) (南京市招銀共贏股權投資合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 10, 2019
"Nomination Committee"	the nomination committee of the Company
"Pre-IPO Share Option Scheme"	the Pre-IPO share option scheme adopted by the Company on May 1, 2020
"Prospectus"	the prospectus of the Company dated September 1, 2022
"Registered Shareholders"	the registered shareholders of Dingdang Medicine Express Technology, namely Mr. Yang Wenlong, Dingdang No. 1, Dingdang No. 2, Dingdang No. 3, and Dingdang No. 4
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the six months ended June 30, 2026
"Restricted Share Agreement"	the restricted share agreement entered into by the Company, Mr. Yang Wenlong and Future Health Limited, a company held as to 60% of its equity interests by Mr. Yang Wenlong on May 31, 2021 which has been approved by the Shareholders of the Company on May 25, 2021
"Restricted Share Scheme"	the restricted share scheme adopted by the Company on May 1, 2020
"Returned Shares"	such RSU Shares or related income which are not vested and/or are forfeited in accordance with the rules of the 2023 RSU Scheme, or such Shares being deemed to be returned shares in accordance with the rules of the 2023 RSU Scheme and the Trust Deed
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"RSU(s)"	a restricted share unit conferring the grantee a conditional right upon vesting of the restricted share unit to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the vesting date, as determined by the RSU scheme administrator in its absolute discretion, less any tax, fees, levies, stamp duty and other charges applicable

Definitions

"RSU Shares"	such number of Shares that are conferred on the grantee pursuant to the award
"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 Incentive Schemes"	Pre-IPO Share Option Scheme, Restricted Share Scheme and 2020 RSU Scheme adopted on May 1, 2020
"Share(s)"	ordinary shares in the share capital of our Company with a par value of US\$0.0001
"Shareholder(s)"	holder(s) of our Shares
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"treasury shares"	has the meaning ascribed to it in the Listing Rules
"Trust"	the trust constituted by the Trust Deed
"Trust Deed"	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the 2023 RSU Scheme
"Trust Holdco"	Dingdang HT RSU Holding Limited, a company incorporated in the British Virgin Islands for purpose of holding the Trust, and is wholly owned by the Trustee
"Trustee"	CMB Wing Lung (Trustee) Limited, the trustee corporation to be appointed by the Company for the administration of the 2023 RSU Scheme
"Vesting Date"	in respect of a grantee, the date on which his entitlement to the relevant award is vested in such grantee in accordance with the 2023 RSU Scheme
"WFOE"	Dingdang Kuaiyao (Beijing) Technology Development Co., Ltd. (叮嚀快藥(北京)技術開發有限公司), a company incorporated under the laws of the PRC on September 30, 2016 with limited liability and our indirect wholly-owned subsidiary
"%"	per cent

Management Discussion and Analysis

BUSINESS REVIEW

During the Reporting Period, our total revenue was RMB2,409.1 million (for the six months ended June 30, 2025: RMB2,326.9 million), representing a period-on-period increase of 3.5%. Despite intensified industry competition posing certain challenges to the Company's operations, total revenue still recorded a period-on-period increase, primarily attributable to the improvement in overall business efficiency, optimization of product structure, and enhancement of supply chain service capabilities.

For the six months ended June 30, 2026, the net loss of the Company expanded to RMB64.9 million (for the six months ended June 30, 2025: RMB52.0 million), and the adjusted net loss decreased to RMB1.0 million (for the six months ended June 30, 2025: RMB5.8 million). The increase in loss during the Reporting Period was primarily attributable to the fact that, considering the challenges in the performance of certain subsidiaries of the Company, the Company made a provision for impairment losses recognized on goodwill of RMB51.5 million and impairment losses recognized on other intangible assets of RMB9.4 million allocated to the relevant subsidiaries during the Reporting Period. The aforesaid impairment is a one-off non-cash expense and is not expected to have any material impact on the overall operations of the Group.

In the first half of 2026, China continued to promote steady growth of the macro economy and introduced a number of industrial policies placing equal emphasis on guidance and regulation concerning residents' health consumption and the pharmaceutical retail sector, including the Opinions on Promoting the High-quality Development of the Pharmaceutical Retail Sector (《關於促進藥品零售行業高質量發展的意見》) issued by nine departments including the Ministry of Commerce, the National Development and Reform Commission, and the National Health Commission, to further guide the transformation of retail pharmacies into community health service stations, encourage chain pharmacies to expand professional services such as chronic disease management and medication guidance, and optimize and densify the layout of smart pharmacy networks. In addition, relevant authorities continued to optimize the medical insurance payment mechanism and strengthen industry supervision. Relevant promulgated policies including the Guidelines for Compliance of Online Retail of Prescription Drugs (《處方藥網絡零售合規指南》) leveraged digital supervision tools and standardized institutional constraints to continuously drive the pharmaceutical retail industry to improve quality, enhance efficiency and pursue sound development.

Looking back at the past six months, Dingdang Health has actively cooperated with relevant departments in regulating pharmaceutical distribution and medical insurance fund supervision in the implementation of the above-mentioned policies, including traceability codes and online medical insurance systems integration, and thereby promoted the healthy and sustainable development of the pharmaceutical retail industry. We have focused on strengthening the presence of smart pharmacies in core cities such as Beijing, Shanghai, and Shenzhen, and continued to improve the capabilities of instant pharmaceutical and retail services, better meeting the pharmaceutical and health needs of the people.



Management Discussion and Analysis

- **Drug Express Business**

We remain committed to providing an instant, professional, omni-channel and data-driven drug purchase service portfolio to our users. For the six months ended June 30, 2026, our drug express business maintained steady growth. The breakdown of revenue by channel includes: revenue recorded from online direct sales of RMB1,741.5 million (for the six months ended June 30, 2025: RMB1,688.5 million), representing a period-on-period increase of 3.1%; revenue recorded from business distribution of RMB265.9 million (for the six months ended June 30, 2025: RMB266.7 million), representing a period-on-period decrease of 0.3%; revenue recorded from offline retail of RMB337.7 million (for the six months ended June 30, 2025: RMB305.0 million), representing a period-on-period increase of 10.7%, and revenue recorded from other business of RMB64.0 million (for the six months ended June 30, 2025: RMB66.7 million), representing a period-on-period decrease of 4.0%.

During the Reporting Period, we continuously optimized our supply chain and product structure, and deepened ecological collaboration with third-party platforms. Relying on our mature smart pharmacy network, we jointly operated medical device flagship stores and launched innovative medicines via exclusive channel debuts. Meanwhile, we further upgraded our cold chain home delivery services capabilities, consistently delivering premium to-home health services to users and ensuring the safe use of drugs for users.

➤ **Online Direct Sales**

In terms of the online direct sales channel, Dingdang Health reached out to its users through its online platforms for service and product sales. During the Reporting Period, we recorded revenue of RMB1,741.5 million (for the six months ended June 30, 2025: RMB1,688.5 million) from the online direct sales channel, representing a period-on-period increase of 3.1%. We maintained contact with users through our online-to-offline order fulfillment service model and direct-sales e-commerce service model, as well as omni-platform channels. Dingdang Health focuses on providing express medicine, medical and healthcare services which are empowered by our smart pharmacy and E-zoning technology as well as experienced riders who can deliver efficiently and safely through an intelligent scheduling system. In the direct sales e-commerce model, we can make both regular and scheduled deliveries with the help of third-party carriers, covering major regions and populations across the country.

➤ **Business Distribution**

Dingdang Health will further reinforce its industrial advantages in the supply chain by actively forging its commodity and innovation power, integrate OEM customization and product innovation through supply chain resources, and strengthen collaboration with small enterprises and distributors to achieve supply chain empowerment and product sales via multi-channel e-commerce platforms. During the Reporting Period, business distribution recorded revenue of RMB265.9 million (for the six months ended June 30, 2025: RMB266.7 million), representing a period-on-period decrease of 0.3%.



➤ *Offline Retail*

In addition to online direct sales and business distribution, users could also purchase our products and services directly from our extensive network of pharmacies in major cities across China. During the Reporting Period, our offline retail recorded revenue of RMB337.7 million (for the six months ended June 30, 2025: RMB305.0 million), representing a period-on-period increase of 10.7%.

➤ *Other Business*

As the go-to online O2O launch platform for pharmaceutical companies' new products, Dingdang Health innovates marketing approaches through its O2O business model, accelerating pan-regional sales expansion for novel drugs. We have cooperated with over 7,000 pharmaceutical manufacturers and pharmaceutical distribution companies in aggregate. While establishing alliance and continuously deepening cooperation with pharmaceutical manufacturers and enterprises, the Company also realized in-depth cooperation in terms of advertisement, promotion, marketing service, and research and development for pharmaceutical products. During the Reporting Period, the other business recorded revenue of RMB64.0 million (for the six months ended June 30, 2025: RMB66.7 million), representing a period-on-period decrease of 4.0%.

- **Online Medical Consultation**

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

- **Chronic Disease and Health Management**

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



Management Discussion and Analysis

Public Welfare and Social Responsibility

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

In 2026, Dingdang Health launched the “Ringing Care Plan” (響鈴計劃), upgrading the health pods at hundreds of smart pharmacies across 10 cities including Beijing, Shanghai, and Shenzhen into health stations. These stations provide public welfare services to outdoor workers nationwide, including warm beverages, emergency first-aid kits, 24-hour hot water, sheltered rest areas, blood pressure and temperature monitoring, and free online pharmacist consultations. The Company also joined the Beijing Association of STD & AIDS Prevention and Control (北京性病艾滋病防治協會) as a corporate member, leveraging its on-demand delivery network to provide PEP (post-exposure prophylaxis) delivery and health education, thereby enhancing the accessibility and privacy of specialized medications.

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

Future Prospects

Looking ahead, we will continue to deepen our presence in the digital healthcare sector, reinforcing our foundation for high-quality growth through core city business optimization, smart pharmacy network upgrades, and enhanced supply chain logistics efficiency. With the introduction of the 15th Five-Year Plan for National Health (《國民健康“十五五”規劃》), the pharmaceutical retail industry is poised for a strategic transformation toward community-based health stations. We will further advance the integration of online and offline methods, capitalizing on policy catalysts such as the cross-province sharing of personal medical insurance accounts and the implementation of online drug purchasing under national medical insurance, thereby unlocking new dimensions of business growth. Building on our pan-regional instant retail business model, we will focus on whole health lifecycle management and full-course disease management for our users, drive the next-generation upgrade of on-demand medical device retail, enhance our fulfillment network comprising “smart pharmacies and smart vending terminals”, deepen collaborative synergies with third-party platforms, and iterate our AI technology applications to build an integrated service ecosystem of “Treatment, Diagnosis, Pharmaceutical Products and Medical Insurance (醫、檢、藥、險)”. Concurrently, we will adhere to a disciplined operational approach, consolidating our competitive strengths in core cities such as Beijing, Shanghai, and Shenzhen. We will reinforce our merchandise power and sales power, improve the warehousing and distribution system and the front-end service system, and refine the unit economics of our store operations. Our priority is to pursue superiority and strength in core regions, delivering a more professional, convenient, and diversified healthcare service experience to our users.



FINANCIAL REVIEW

Revenue

Revenue increased by 3.5% from RMB2,326.9 million for the six months ended June 30, 2025 to RMB2,409.1 million for the six months ended June 30, 2026. The increase in our total revenue was primarily due to the increase in the revenue from our pharmaceutical and healthcare business by 3.8% from RMB2,260.2 million for the six months ended June 30, 2025 to RMB2,345.1 million for the six months ended June 30, 2026. The increase in revenue from the pharmaceutical and healthcare business was primarily attributable to the improved network of smart pharmacies and the enrichment of product categories.

Cost of Revenue

Cost of revenue increased by 1.2% from RMB1,511.1 million for the six months ended June 30, 2025 to RMB1,529.8 million for the six months ended June 30, 2026. The increase in cost of revenue was primarily due to the increase in the sales of our pharmaceutical and healthcare business.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded a gross profit of RMB879.3 million for the six months ended June 30, 2026, representing a gross profit margin of 36.5%; and a gross profit of RMB815.8 million for the six months ended June 30, 2025, representing a gross profit margin of 35.0%. The increase in the gross profit margin was mainly due to the improvement of operational efficiency and the change in product sales portfolio.

Fulfillment Expenses

The fulfillment expenses decreased by 3.4% from RMB222.0 million for the six months ended June 30, 2025 to RMB214.5 million for the six months ended June 30, 2026. The fulfillment expenses as a percentage of revenue decreased from 9.5% for the six months ended June 30, 2025 to 8.9% for the six months ended June 30, 2026, mainly due to the continuous optimization of the fulfillment system which improved fulfillment efficiency.



Management Discussion and Analysis

Selling and Marketing Expenses

The selling and marketing expenses increased by 8.3% from RMB525.9 million for the six months ended June 30, 2025 to RMB569.7 million for the six months ended June 30, 2026. The increase was primarily attributable to the increase in selling and marketing activities. The selling and marketing expenses as a percentage of revenue increased from 22.6% for the six months ended June 30, 2025 to 23.6% for the six months ended June 30, 2026.

Research and Development Expenses

The research and development expenses decreased by 8.0% from RMB25.0 million for the six months ended June 30, 2025 to RMB23.0 million for the six months ended June 30, 2026. The research and development expenses as a percentage of revenue decreased from 1.1% for the six months ended June 30, 2025 to 1.0% for the six months ended June 30, 2026.

General and Administrative Expenses

The general and administrative expenses decreased by 34.6% from RMB101.7 million for the six months ended June 30, 2025 to RMB66.5 million for the six months ended June 30, 2026, mainly due to the decrease in share-based payment.

The general and administrative expenses as a percentage of revenue decreased from 4.4% for the six months ended June 30, 2025 to 2.8% for the six months ended June 30, 2026.

Other Gains and Losses, Net

The other net loss increased by 260.0% from RMB3.5 million for the six months ended June 30, 2025 to RMB12.6 million for the six months ended June 30, 2026. The increase was primarily attributable to the increase in net foreign exchange losses.

Other Income

Other income decreased by 25.9% from RMB24.3 million for the six months ended June 30, 2025 to RMB18.0 million for the six months ended June 30, 2026. Such decrease was primarily attributable to the decrease in interest income in bank deposits.

Finance Costs

Finance costs increased by 21.8% from RMB5.5 million for the six months ended June 30, 2025 to RMB6.7 million for the six months ended June 30, 2026. The increase was primarily attributable to the increase in interest on lease liabilities.

Impairment Loss recognized on Goodwill

1. Circumstance that led to the impairment

For the six months ended June 30, 2026, the Company identified material challenges in the operational performance of certain subsidiaries acquired between 2018 and 2020. As a result, a total provision of impairment of RMB51.5 million was recognized for goodwill allocated to these subsidiaries (2025: nil). The affected subsidiaries are principally engaged in the online and offline sales of prescription drugs, over-the-counter (OTC) drugs, and healthcare products across specific cities in China.

The carrying amounts of goodwill allocated to these subsidiaries and the impairment are summarized as follows:

	As of January 1, 2026 RMB'000	Impairment of goodwill during the period RMB'000	As of June 30, 2026 RMB'000
Renhe Yaofangwang (Beijing) Medicine Technology Co., Ltd. (仁和藥房網(北京)醫藥科技有限公司) ("Renhe Yaofangwang")	18,266	18,266	–
Dingdang Smart Pharmacy (Guangdong) Co., Ltd.* (叮嚕智慧藥房(廣東)有限公司) ("Guangdong Smart Pharmacy")	22,231	22,231	–
Dingdang Smart Pharmacy (Shanghai) Co., Ltd.* (叮嚕智慧藥房(上海)有限公司) ("Shanghai Smart Pharmacy")	10,978	10,978	–
Total	51,475	51,475	–

* English names are for identification purposes only.



Management Discussion and Analysis

As disclosed in note 14B to the condensed consolidated financial statements, goodwill has been allocated to cash-generating units (“CGUs”) of these subsidiaries. The CGUs generate their revenue and profits through sales of pharmaceutical and healthcare products. The Group has assessed the carrying amount of goodwill and the impairment of goodwill with reference to a valuation carried out by an independent qualified professional valuer. The recoverable amount of the CGUs, to which the goodwill is allocated, is the higher amount of fair value less costs of disposal (FVLCD) and the value-in-use (VIU) calculated by using the discounted cash flow method.

For the six months ended June 30, 2026, the management of the Company assessed the carrying value and recoverable amount of the Renhe Yaofangwang, Guangdong Smart Pharmacy and Shanghai Smart Pharmacy (the “Impairing CGUs”) and goodwill allocated to the Impairing CGUs after considering the following factors:

- During the first half of 2026, particularly in the second quarter, competition in the instant medicine purchasing sector intensified, exacerbating competition of O2O business in the regions of the Impairing CGUs, which had a negative impact on gross profit margins; at the same time, operating costs across the various CGUs also rose relatively.
- For Renhe Yaofangwang, revenue from E-commerce business and direct-to-patient (“DTP”) products declined more sharply than expected.
- The management has reviewed the financial performance of the Impairing CGUs for the six months ended June 30, 2026 and expected that projected cash flows for the forecast period would decline.

The above factors were identified close to the end of the six months ended June 30, 2026 and were assessed and considered during the course of the preparation of the interim financial information of the Impairing CGUs for the relevant period.

The impairment test for the goodwill indicated the estimated recoverable amounts of Renhe Yaofangwang, Guangdong Smart Pharmacy and Shanghai Smart Pharmacy were below the carrying amounts as at June 30, 2026. Accordingly, during the period ended June 30, 2026, the Company recognized impairment loss of a total of RMB51.5 million (2025: nil) related to the goodwill associated with the acquisition of Renhe Yaofangwang, Guangdong Smart Pharmacy and Shanghai Smart Pharmacy, due to the fact that their business performance failed to meet expectations.



2. Valuation method and reason for using that method

The Company adopted the discount cash flow method ("DCF") for valuation of the CGUs and the reasons are as follows:

- (a) IAS 36 requires the entire carrying amount of the CGUs to be tested for impairment by comparing its recoverable amount with the carrying amount;
- (b) the recoverable amount of an asset or a CGU is the higher of its FVLCD and its VIU in accordance with the IAS 36.6; and
- (c) the Group adopted the DCF method under the income-based approach in arriving at the VIU. According to the IAS 36.31, estimating the value in use of an asset involves the following steps: (a) estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal; and (b) applying the appropriate discount rate to those future cash flows.

3. Details of values of inputs used together with basis and assumptions

Values of inputs:

According to the valuation report, the key value of inputs are as follows:

- (i) The projected cash flows within the projection period;
- (ii) The discount rate; and
- (iii) The estimated terminal growth rate beyond the projection period extrapolated.

The details of which are summarised as follows:

(i) The projected cash flow within the projection period

The projected cash flow ("CF") of the CGUs was based on financial projections covering a five-year period from the financial year ending December 31, 2026 to the financial year ending December 31, 2030, (the "Forecast Period") and was calculated using the following formula:

$$CF = NI + DEPR - CAPEX - NWC$$



Management Discussion and Analysis

Where:

- **NI** = Loss/Profit for the year, which is determined by revenue, gross profit margin, operating expenses, other expenses and corporate income tax ("CIT"). Other expenses during the Forecast Period are estimated according to historical operating experience. CIT is calculated by multiplying profit/loss before tax by applicable tax rate.
- **DEPR** = depreciation and amortization expenses, which are calculated according to the ending balance of property and equipment and other intangible assets as of June 30, 2026, together with corresponding depreciation/amortization schedule.
- **CAPEX** = capital expenditures, which are necessary maintenance expenses to keep CGUs operation during the Forecast Period, e.g. upgrading of electronic devices. The amount of capital expenditures is not material during the Forecast Period.
- **NWC** = investment in net working capital (current assets net of current liabilities), where net working capital is calculated based on turnover days, while turnover days are forecasted according to historical turnover from the financial year ended December 31, 2024 to the six months ended June 30, 2026.

Set out below are the analysis of bases and assumptions adopted for the key parameters used in the projected cash flow, which are revenue, gross profit margin and operating expenses for CGUs.

1) Renhe Yaofangwang

Revenue

The forecasted average annual revenue growth rate of Renhe Yaofangwang is expected to be -1% during the Forecast Period.

Revenue of Renhe Yaofangwang consists of four components: (1) Smart Pharmacies (which mainly generates revenue from Online-to-Offline (“O2O”) model), (2) E-commerce model, (3) DTP Pharmacies, and (4) Business Distribution.

During the Forecast Period, revenue from Smart Pharmacies is expected to increase driven by expansion of smart pharmacies network. Revenue from E-commerce model is expected to decrease due to increase in competition of emerging channels.

The Group plans to restrain the promotion of retail products with low profit margin; revenue from DTP Pharmacies for the financial year ending December 31, 2026 (“FY2026”) is expected to be lower than that for the financial year ended December 31, 2025 (“FY2025”).

Revenue from Business Distribution for FY2026 is expected to be lower than that for FY2025.

Gross Profit Margin

The forecasted average gross profit margins of Renhe Yaofangwang is expected to be 11.1% during the Forecast Period, primarily due to intensified competition, which has led to a decline in gross profit of Renhe Yaofangwang during the Forecast Period.

Operating Expenses

The operating expenses are projected to decline due to a corresponding reduction in variable costs, such as fulfillment expenses, during the Forecast Period, in line with the projected decline in revenue.



Management Discussion and Analysis

2) Guangdong Smart Pharmacy

Revenue

Revenue of Guangdong Smart Pharmacy consists of two components: (1) Smart Pharmacies, which mainly generates revenue from Online-to-Offline model, and (2) E-commerce model.

The forecasted average annual revenue growth rate of Guangdong Smart Pharmacy is expected to be 5% during the Forecast Period primarily driven by the expansion of the smart pharmacies network in Shenzhen. The revenue from E-commerce model is expected to remain at a level similar to that of FY2026 during the Forecast Period.

Gross Profit Margin

The forecasted average gross profit margins of Guangdong Smart Pharmacy is expected to be 30.6% during the Forecast Period, primarily due to intensified competition in the instant medicine purchasing sector, which is expected to lead to a decline in gross profit of Guangdong Smart Pharmacy during the Forecast Period.

Operating Expenses

Operating expenses from the CGU is expected to increase by 3% on average during the Forecast Period.

3) Shanghai Smart Pharmacy

Revenue

Revenue of Shanghai Smart Pharmacy consists of two components: (1) Smart Pharmacies, which mainly generates revenue from Online-to-Offline model, and (2) E-commerce model.

The forecasted average annual revenue growth rate of Shanghai Smart Pharmacy is expected to be 5% during the Forecast Period primarily driven by the expansion of the smart pharmacies network. The revenue from E-commerce model is expected to remain at a level similar to that of FY2026 during the Forecast Period.

Gross Profit Margin

The forecasted average gross profit margins of Shanghai Smart Pharmacy is expected to be 31.0% during the Forecast Period, primarily due to intensified competition in the instant medicine purchasing sector, which is expected to lead to a decline in gross profit of Shanghai Smart Pharmacy during the Forecast Period.

Operating Expenses

Operating expenses from the CGU is expected to increase by 4% on average during the Forecast Period.

(ii) The discount rate

The post-tax discount rate and pre-tax discount rate per annum adopted in the valuations for the CGUs were as follows:

CGUs	Post-tax discount rate	Pre-tax discount rate
Renhe Yaofangwang	19.00%	23.39%
Guangdong Smart Pharmacy	19.00%	23.72%
Shanghai Smart Pharmacy	19.00%	22.51%



Management Discussion and Analysis

The Capital Assets Pricing Model was used to determine appropriate expected rate of return of equity, which is 5.8% derived from the average of the cost of equity for China and U.S. (based on comparable companies), with the addition of company size and specific risk premium of a total as shown in the table below to account for the effect of company size of the CGUs (in comparison with comparable public companies) and the specific risks of the CGUs that are independent of the general market.

	company size and specific risk premium
Renhe Yaofangwang	13.1%
Guangdong Smart Pharmacy	13.1%
Shanghai Smart Pharmacy	13.1%

The cost of equity for China is 7.1%, which is the sum of the risk-free rate of 2.2% (based on Chinese government bond yield), the equity risk premium of 5.1% (China's market risk premium) multiplied by estimated beta of the business of 0.97 (based on Chinese comparable companies) required by investors to compensate for the market risk assumed.

The cost of equity for U.S. is 4.5%, which is the sum of the risk-free rate of 4.9% (based on U.S. government bond yields), the equity risk premium of 4.5% (U.S.'s market risk premium) multiplied by the estimated beta of the business at 0.37 (based on U.S. comparable companies), adjusted for the interest rate differential between China and the U.S. of -2.7% and the country risk differential of 0.6%.

The weighted average of the cost of equity (as shown in the table below) and the cost of debt (post-tax RMB Loan Prime Rate of 2.6%) based on expected debt-to-equity ratio of 0% (post-tax basis) were used to arrive at the weighted average cost of capital, which represents the post-tax discount rate. Tax effects are then removed to arrive at the pre-tax discount rate.

	The weighted average of the cost of equity (Note)
Renhe Yaofangwang	18.9%
Guangdong Smart Pharmacy	18.9%
Shanghai Smart Pharmacy	18.9%

Note: The WACC used in the impairment test is rounded to the nearest multiple of 0.5%

The discount rate as at June 30, 2026 was arrived at in a manner similar to and consistent to that of the year ended December 31, 2025.

(iii) The estimated terminal growth rate beyond the projection period extrapolated

Cash flows for all CGUs beyond the five-year period are extrapolated using an estimated terminal growth rate of 1.2%. The projected long-term inflation rates of China were adopted as the proxy for the terminal growth rate. It is reasonable to assume that the long-term growth rate of the cash flows would be in line with the long-term inflation rate of the overall economy.

The basis and key assumptions used in the assessment are as follows:

- (a) The growth in revenue and gross profit margin will be affected due to the increasing market competition.
- (b) For Renhe Yaofangwang and Guangdong Smart Pharmacy, the expected growth rate in revenue and the gross profit margin will be adjusted downward. For Shanghai Smart Pharmacy, the gross profit margin will be adjusted downward.
- (c) For the impairment testing, the recoverable amount was determined based on value in use calculation which was performed by the management together with the Company's valuer. The cash flow forecast of the Impairing CGUs was based on financial projection covering a five-year period. The Group's management estimated that the Impairing CGUs' cash flows generated in the Forecast Period would decrease after taking into consideration the factors stated above. The key assumption includes the future expected cash flows based on management's view of future business prospects and historical performance of the Impairing CGUs and the pre-tax discount rate.



Management Discussion and Analysis

4. Changes in the inputs or assumptions from those previously adopted

Save as disclosed below, there were no significant changes in the value of inputs or assumptions from those previously adopted.

1 Renhe Yaofangwang

For Renhe Yaofangwang, the summary of certain key changes is as follows:

	Forecasted average annual revenue growth rate		Forecasted average gross profit margins	
	As of June 30, 2026	As of December 31, 2025	As of June 30, 2026	As of December 31, 2025
Renhe Yaofangwang	-1%	6%	11.1%	12.5%

With reference to the assumptions adopted in the impairment test undertaken by the Group with record date being December 31, 2025 (the “2025 Impairment Test”), set out below are the key changes in the value of inputs and assumptions of Renhe Yaofangwang. After review and comparison of the financial forecast of Renhe Yaofangwang CGUs in the 2025 Impairment Test and the actual revenue and profit generated by Renhe Yaofangwang for the first half of 2026, shortfalls in revenue and profit were identified.

The growth rate of revenue of Renhe Yaofangwang for FY2026 is expected to be lower than the projected growth rate in the 2025 Impairment Test which was mainly due to shortfalls in revenue from the E-commerce model, DTP Pharmacies and Business Distribution.

As a result, the forecasted average annual revenue growth rate during the Forecast Period decreased from 6% as projected in the 2025 Impairment Test to -1% as adopted in the impairment test undertaken by the Group with a record date being June 30, 2026.

The actual gross profit margin as at June 30, 2026 was lower than the figure projected in the 2025 Impairment Test due to intensified competition in the instant medicine purchasing sector, which led to a decline in gross profit at Renhe Yaofangwang during the Forecast Period. As a result, the forecasted average gross profit margins during the Forecast Period decreased from 12.5% as projected in the 2025 Impairment Test to 11.1% as adopted in the impairment test undertaken by the Group with a record date being June 30, 2026.

The downward revisions to both the revenue growth rate and the gross profit margin have collectively led to a significant reduction in forecast cash inflows, thereby resulting in the impairment assessment outcome as at June 30, 2026.

2 Guangdong Smart Pharmacy

For Guangdong Smart Pharmacy, the summary of certain key changes is as follows:

	Forecasted average annual revenue growth rate		Forecasted average gross profit margins	
	As of June 30, 2026	As of December 31, 2025	As of June 30, 2026	As of December 31, 2025
Guangdong Smart Pharmacy	5%	6%	30.6%	30.8%

After review and comparison of the financial forecast of Guangdong Smart Pharmacy CGUs in the 2025 Impairment Test and the actual revenue and profit generated by Guangdong Smart Pharmacy as at June 30, 2026, shortfalls in profit were identified.

The forecasted average annual revenue growth rate during the Forecast Period was adjusted downward from 6% as adopted in the 2025 Impairment Test to 5% as adopted in the impairment test undertaken with a record date being June 30, 2026. Furthermore, the actual gross profit margin as at June 30, 2026 was lower than the figure projected in the 2025 Impairment Test. As a result, the forecasted average gross profit margins for the Forecast Period were adjusted downward from 30.8% as adopted in the 2025 Impairment Test to 30.6% as projected in the impairment test undertaken by the Group with a record date being June 30, 2026, reflecting the decline in gross profit of Guangdong Smart Pharmacy for the Forecast Period due to intensified competition in the instant medicine purchase sector within the region of the CGU.

The actual expense ratio as at June 30, 2026 was higher than the forecast data used in the 2025 impairment test; consequently, the forecasted average expense ratio for the Forecast Period was adjusted upward from 27.6% as adopted in the 2025 Impairment Test to 28.9% as projected in the impairment test undertaken by the Group with a record date being June 30, 2026.

The downward adjustments on both revenue and gross profit margin and the upward adjustments on actual expense ratio, together, significantly decreased the projected cash inflows, which results in the impaired valuation results as at June 30, 2026.



Management Discussion and Analysis

3 Shanghai Smart Pharmacy

For Shanghai Smart Pharmacy, the summary of certain key changes is as follows:

	Forecasted average annual revenue growth rate		Forecasted average gross profit margins	
	As of June 30, 2026	As of December 31, 2025	As of June 30, 2026	As of December 31, 2025
Shanghai Smart Pharmacy	5%	5%	31.0%	31.9%

After review and comparison of the financial forecast of Shanghai Smart Pharmacy CGUs in the 2025 Impairment Test and the actual revenue and profit generated by Shanghai Smart Pharmacy as at June 30, 2026, shortfalls in profit were identified.

Owing to the expansion of the sales network, the forecasted average annual revenue growth rate is maintained at 5%. However, the actual gross profit margin as at June 30, 2026 was lower than the figure projected in the 2025 Impairment Test. As a result, the forecasted average gross profit margins for the Forecast Period were adjusted downward from 31.9% as adopted in the 2025 Impairment Test to 31.0% as projected in the impairment test undertaken by the Group with a record date being June 30, 2026, reflecting the decline in gross profit of Shanghai Smart Pharmacy for the Forecast Period due to intensified competition in the instant medicine purchase sector within the region of the CGU.

The actual expense ratio as at June 30, 2026 was higher than the forecast data used in the 2025 Impairment Test; consequently, the forecasted average expense ratio for the Forecast Period was adjusted upward from 30.2% as adopted in the 2025 Impairment Test to 31.2% as projected in the impairment test undertaken by the Group with a record date being June 30, 2026.

The downward adjustments on gross profit margin and the upward adjustments on actual expense ratio, together, significantly decreased the projected cash inflows, which results in the impaired valuation results as at June 30, 2026.

There is no change in the valuation method used in the impairment test as compared to those conducted in previous years.

Taking into account the above factors and the reasonable approach of adopting the relevant accounting standard and suitable discount rate when making cash flow forecast, the Board considers that the impairment of goodwill is fair and reasonable. Under the current challenging environment, the Group's management will closely monitor the market situations and will adjust business strategy timely.

Impairment Losses Recognized on Other Intangible Assets

As at June 30, 2026, the estimated recoverable amounts of non-current assets of certain Impairing CGUs were below the carrying amounts, accordingly the management of the Company recognized impairment losses on other intangible assets of the cash-generating units amounting to RMB9.4 million (six months ended June 30, 2025: nil) during the Reporting Period.

Income Tax Expenses

Income tax expenses decreased by 19.2% from RMB7.8 million for the six months ended June 30, 2025 to RMB6.3 million for the six months ended June 30, 2026.

Loss for the Period

As a result of the above, our net loss increased by 24.8% from RMB52.0 million for the six months ended June 30, 2025 to RMB64.9 million for the six months ended June 30, 2026.

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

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



Management Discussion and Analysis

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

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
	(RMB'000, except for percentages)	
Reconciliation of net loss to adjusted net loss:		
Net loss for the period	(64,898)	(52,021)
Add		
Share-based payments	1,007	36,961
Impairment losses recognized on goodwill	51,475	–
Impairment losses recognized on other intangible assets (net of the income tax effects)	7,043	–
Amortization of other intangible assets arising from acquisitions (net of the income tax effects)	4,365	9,301
Adjusted net loss for the period (non-IFRS measure)	(1,008)	(5,759)
Adjusted net loss margin (non-IFRS measure)	(0.04%)	(0.24%)

LIQUIDITY AND CAPITAL RESOURCES

The Group financed its operations through cash reserves and internally generated cash flows. As at June 30, 2026, we had cash and cash equivalents of RMB939.0 million (December 31, 2025: RMB429.3 million). The following table sets forth our cash flows for the periods indicated:

	For the six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Operating cash flows before movements in working capital	77,645	52,716
Changes in working capital	105,894	147,117
Income taxes paid	(15,547)	(11,662)
Net cash from operating activities	167,992	188,171
Net cash from/(used in) investing activities	469,163	(778,922)
Net cash used in financing activities	(115,796)	(46,826)
Net increase/(decrease) in cash and cash equivalents	521,359	(637,577)
Cash and cash equivalents at the beginning of the period	429,323	1,217,954
Effect of foreign exchange rate changes on cash and cash equivalents	(11,638)	(4,103)
Cash and cash equivalents at the end of the period	939,044	576,274

Net Cash From Operating Activities

For the six months ended June 30, 2026, net cash from operating activities was RMB168.0 million compared to net cash from operating activities of RMB188.2 million in the same period last year, which was primarily attributable to the loss before income tax of RMB58.6 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payments expenses of RMB1.0 million, depreciation of right-of-use assets of RMB52.2 million, impairment losses recognized on goodwill of RMB51.5 million, impairment losses recognized on other intangible assets of RMB9.4 million and amortisation of other intangible assets of RMB8.7 million; and (ii) changes in working capital, which primarily resulted from an increase in amounts due to related parties of RMB29.5 million and an increase in trade and other payables of RMB152.1 million, partially offset by an increase in inventories of RMB29.1 million and an increase in restricted bank deposits of RMB37.9 million.



Management Discussion and Analysis

Net Cash From Investing Activities

For the six months ended June 30, 2026, net cash from investing activities was RMB469.2 million, which was primarily attributable to redemption of financial assets at FVTPL of RMB1,208.4 million and redemption of time deposits of RMB415.5 million and partially offset by purchases of financial assets at FVTPL of RMB967.8 million and placement of time deposits of RMB178.3 million.

Net Cash Used in Financing Activities

For the six months ended June 30, 2026, net cash used in financing activities was RMB115.8 million, which was primarily attributable to repayments of lease liabilities of RMB47.4 million, interest paid of RMB6.7 million, payments of repurchase and cancellation of ordinary shares of RMB61.9 million, repayments of bank borrowings of RMB34.9 million and partially offset by new bank borrowings raised of RMB35.1 million.

Borrowings and Gearing

As of June 30, 2026, bank borrowings amounted to RMB4.9 million (December 31, 2025: RMB4.7 million). The Group's gearing ratio (calculated as total interest-bearing bank borrowings divided by total equity) was approximately 0.3% as of June 30, 2026 (December 31, 2025: approximately 0.3%).

Capital Expenditures

Our capital expenditures primarily consisted of purchases of property and equipment, payments for right-of-use assets and purchases of other intangible assets. Our capital expenditures were RMB13.8 million for the six months ended June 30, 2026 and RMB13.4 million for the six months ended June 30, 2025.

Capital Commitments

As of June 30, 2026, we had no material capital commitment.

Pledges of Assets

As of June 30, 2026, we did not have any material pledge of asset.

Significant Investments Held

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

Future Plans for Material Investments or Capital Assets

The Group had no other plans for material investments or capital assets as of June 30, 2026.

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

The Group did not have any material acquisitions and/or disposals of subsidiaries, associates and joint ventures during the six months ended June 30, 2026.

Foreign Exchange Risk

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

CONTINGENT LIABILITIES

As of June 30, 2026, we did not have any material contingent liabilities.

EMPLOYEES

As of June 30, 2026, we had 2,198 full-time employees, most of whom were based in China, mostly in Beijing, with the rest based in major cities across China such as Shenzhen and Shanghai.



Management Discussion and Analysis

The following table sets forth the number of our employees by function as of June 30, 2026:

Employee function	Number of employees
Sales, Marketing and Business Development	1,468
Technology, Research and Development	272
Management	265
Administration	193
Total	2,198

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

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

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

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted the Share Incentive Schemes on May 1, 2020, which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the Share Incentive Schemes shall not be more than 87,993,330 ordinary shares of the Company, representing approximately 7.09% of the total issued share capital (excluding treasury shares and shares repurchased but not yet cancelled) of the Company as of June 30, 2026. For details, please refer to "Statutory and General Information – D. ESOP Plans – Share Incentive Schemes" in Appendix IV to the Prospectus. On June 27, 2023, the Company has adopted the 2023 RSU Scheme which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the 2023 RSU Scheme shall not be more than 26,829,457 ordinary shares of the Company, representing approximately 2.0% of the total issued share capital (excluding treasury shares and shares repurchased but not yet cancelled) of the Company as at the adoption date of the 2023 RSU Scheme. For details, please refer to the announcement of the Company dated June 27, 2023.

The total employee benefit expenses, including share-based payment expenses, for the six months ended June 30, 2026 were RMB187.2 million, as compared to RMB221.6 million for the six months ended June 30, 2025.

Corporate Governance and Other Information

COMPLIANCE WITH THE CG CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the code provisions (the “**Code Provisions**”) of the CG Code. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all Shareholders. During the Reporting Period, the Company has complied with the Code Provisions as set out in the CG Code except for the following deviation.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding the Directors’ dealings in the securities of the Company. Having made specific enquiry to all Directors, each of the Directors has confirmed that he/she has complied with the required standards set out in the Model Code during the Reporting Period.



INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2026, so far as the Directors were aware, the following persons (other than Directors and chief executive of the Company) had interests and/or short position in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO (save as otherwise defined, capitalized terms used herein shall have the same meaning as defined in the Prospectus):

		Total number of Shares held in the Company	Approximate percentage of relevant Shares in the issued share capital of the Company (%)
Delight Health Limited ⁽¹⁾⁽⁸⁾	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	52.62%
Delight Faith Limited ⁽¹⁾⁽²⁾⁽⁸⁾	Interest in controlled corporation, interest held jointly with other persons	660,205,360 (L)	52.62%
Future Health Limited ⁽³⁾⁽⁸⁾	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	52.62%
Go Far Limited ⁽³⁾⁽⁴⁾⁽⁸⁾	Interest in controlled corporation, interest held jointly with other persons	660,205,360 (L)	52.62%
Excel Returns Group Limited ⁽⁵⁾⁽⁸⁾	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	52.62%
Go Prosper Enterprises Corporation ⁽⁶⁾⁽⁸⁾	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	52.62%
Much Premium Investment Limited ⁽⁶⁾⁽⁸⁾	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	52.62%
Mr. Yang Wenlong ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾	Beneficial owner, interest in controlled corporation, interest through voting rights entrustment arrangements, interest held jointly with other persons	660,205,360 (L)	52.62%
Mr. Yang Yibin ⁽¹⁾⁽²⁾⁽⁸⁾	Interest held jointly with other persons	660,205,360 (L)	52.62%
Mr. Yang Xiao ⁽³⁾⁽⁴⁾⁽⁸⁾	Interest held jointly with other persons	660,205,360 (L)	52.62%
Tianjin Shanhaiyihao Business Management Consulting Partnership (Limited Partnership) ("Shanhaiyihao") ⁽⁹⁾	Beneficial owner	91,216,123 (L)	7.27%
CMB Financial Holdings (Shenzhen) Co., Ltd. ⁽⁹⁾	Interest in controlled corporation	95,267,130 (L)	7.10%
CMB International Capital Corporation Limited ⁽⁹⁾⁽¹⁰⁾	Interest in controlled corporation	95,267,130 (L)	7.10%
CMB International Capital Holdings Corporation Limited ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	Interest in controlled corporation	95,267,130 (L)	7.10%
China Merchants Bank Co., Ltd. ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾	Interest in controlled corporation	95,267,130 (L)	7.10%
TPG Asia VII SF Pte. Ltd. ⁽¹³⁾	Beneficial owner	79,054,346 (L)	5.99%
TPG Capital ⁽¹³⁾	Interest in controlled corporation	79,054,346 (L)	5.99%



Notes:

- (1) Delight Health Limited directly holds 276,712,555 Shares in the Company and is wholly owned by Delight Faith Limited.
- (2) Delight Faith Limited is owned by Mr. Yang Wenlong as to 60% of its equity interests and Mr. Yang Yibin as to 40% of its equity interests.
- (3) Future Health Limited directly holds 295,499,475 Shares in the Company and is wholly owned by Go Far Limited.
- (4) Go Far Limited is owned by Mr. Yang Wenlong as to 60% of its equity interests and Mr. Yang Xiao as to 40% of its equity interests.
- (5) Excel Returns Group Limited directly holds 11,760,000 Shares in the Company and is wholly owned by Delight Faith Limited. Excel Returns Group Limited functions as the platform to hold Shares subject to the Pre-IPO Share Option Scheme and the 2020 RSU Scheme. It will transfer the Shares to the relevant grantees upon exercise of the options under the Pre-IPO Share Option Scheme and/or the vesting of RSUs under the 2020 RSU Scheme, and the grantee will in turn irrevocably delegate the voting rights attached to such Shares owned by him/her upon vesting to Mr. Yang Wenlong or such other person as designated by Mr. Yang Wenlong. Each of Mr. Yang Wenlong and Excel Returns Group Limited undertakes that, upon the Listing, he/it will not exercise voting rights attached to any Shares held by Excel Returns Group Limited in relation to options or RSUs which have not been exercised or vested.
- (6) Go Prosper Enterprises Corporation and Much Premium Investment Limited directly hold 54,400,000 and 21,833,330 Shares in the Company, respectively, and function as the platforms of the Restricted Share Scheme. Go Prosper Enterprises Corporation and Much Premium Investment Limited are wholly owned by Restricted Share Scheme participants.
- (7) Mr. Yang Wenlong is indirectly interested in a total of 660,205,360 Shares in the Company, representing approximately 52.62% of the Company's total issued Shares, including (i) 288,472,555 Shares being held through Delight Faith Limited and its subsidiaries, (ii) 295,499,475 Shares being held through Go Far Limited and its subsidiaries, and (iii) 76,233,330 Shares being held or controlled through voting right entrustment arrangements with Go Prosper Enterprises Corporation and Much Premium Investment Limited.
- (8) Mr. Yang Wenlong, Mr. Yang Yibin and Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited, and Go Far Limited formed the Controlling Shareholders Group of the Company. As such, each of Mr. Yang Wenlong, Mr. Yang Yibin, Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited and Go Far Limited is deemed to be interested in the Shares held by other members of the Controlling Shareholders Group for purpose of Part XV of the SFO.



Corporate Governance and Other Information

- (9) CMB Financial Holdings (Shenzhen) Co., Ltd. indirectly controls 95,267,130 Shares of the Company, representing 7.1% of the Company's voting rights, including 92,567,623 Shares through Shanhaiyihao and 2,699,507 Shares through Nanjing Zhaoyin Gongying. The general partner of Shanhaiyihao is CMB International Financial Holdings (Shenzhen) Co., Ltd., a wholly-owned subsidiary of CMB Financial Holdings (Shenzhen) Co., Ltd. The general partner of Nanjing Zhaoyin Gongying is Jiangsu Zhaoyin Industrial Fund Management Co., Ltd., a wholly-owned subsidiary of CMB International Capital Management (Shenzhen) Ltd., which in turn is a wholly-owned subsidiary of CMB Financial Holdings (Shenzhen) Co., Ltd. As such, CMB Financial Holdings (Shenzhen) Co., Ltd. is deemed to be interested in the Shares held by Shanhaiyihao and Nanjing Zhaoyin Gongying for purpose of Part XV of the SFO.
- (10) CMB Financial Holdings (Shenzhen) Co., Ltd. is wholly owned by CMB International Capital Corporation Limited. As such, CMB International Capital Corporation Limited is deemed to be interested in the Shares controlled by CMB Financial Holdings (Shenzhen) Co., Ltd. for purpose of Part XV of the SFO.
- (11) CMB International Capital Corporation Limited is held as to 83.2% by CMB International Capital Holdings Corporation Limited. As such, CMB International Capital Holdings Corporation Limited is deemed to be interested in the Shares controlled by CMB International Capital Corporation Limited for purpose of Part XV of the SFO.
- (12) CMB International Capital Holdings Corporation Limited is wholly owned by China Merchants Bank Co., Ltd. As such, China Merchants Bank Co., Ltd. is deemed to be interested in the Shares controlled by CMB International Capital Holdings Corporation Limited for purpose of Part XV of the SFO.
- (13) TPG Asia VII SF Pte. Ltd. is an affiliate of TPG Capital. TPG Asia VII SF Pte. Ltd. is controlled by TPG Asia VII Finance, Limited Partnership and a series of intermediate holding entities, namely TPG Asia GenPar VII, L. P., TPG Asia GenPar VII Advisors, Inc., TPG Operating Group III, L. P., TPG Holdings III-A, L. P., TPG Holdings III-A, LLC, TPG Operating Group II, L. P., TPG GPCo, LLC. and TPG Inc. By virtue of the SFO, each of the abovementioned entities, TPG Inc. was deemed to be interested in the 79,054,346 Shares held by TPG Asia VII SF Pte. Ltd.
- (14) "L" stands for long position.
- (15) In the above table, the information on the companies in which the interests are held, the capacity/nature of such interests and the number of Shares or underlying Shares is based on information available on the website of the Stock Exchange (<http://www.hkexnews.hk/>).

Save as disclosed above, as at June 30, 2026, the Directors were not aware of any other person (other than Directors and chief executive of the Company) who had any interest and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which would have 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 he/she is taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interests in the Shares and underlying Shares of the Company

Name of Director or chief executive	Capacity/Nature of interest	Number of Shares held in the Company	Approximate percentage of the issued share capital of the Company (%)
Yang Wenlong ⁽¹⁾	Beneficial owner, interest in controlled corporation, interest through voting rights entrustment arrangements, interest held jointly with other persons	660,205,360 (L)	52.62%
Yang Yibin ⁽²⁾	Interest held jointly with other persons	660,205,360 (L)	52.62%
Xu Ning ⁽³⁾	Beneficial owner	5,560,000 (L)	0.44%
Yu Qinglong ⁽⁴⁾	Beneficial owner	8,640,000 (L)	0.69%
Meng Fanzhou ⁽⁵⁾	Beneficial owner	2,300,000 (L)	0.18%

Notes:

- (1) Mr. Yang Wenlong is indirectly interested in a total of 660,205,360 Shares of the Company, representing approximately 52.62% of the Company's total issued Shares, including (i) 288,472,555 Shares being held through Delight Faith Limited and its subsidiaries, (ii) 295,499,475 Shares being held through Go Far Limited and its subsidiaries, and (iii) 76,233,330 Shares being held or controlled through voting rights entrustment arrangements with Go Prosper Enterprises Corporation and Much Premium Investment Limited.
- (2) Mr. Yang Yibin is a member of the Controlling Shareholders Group and is deemed to be interested in the Shares held by other members of the Controlling Shareholders Group for purpose of Part XV of the SFO. Therefore, Mr. Yang Yibin was deemed to be interested in an aggregate of 660,205,360 Shares of the Company, representing approximately 52.62% of the Company's total issued Shares within the meaning of Part XV of the SFO.
- (3) Mr. Xu Ning is interested in the 5,000,000 restricted Shares granted to him under the Restricted Share Scheme and 560,000 RSU Shares granted to him under the 2023 RSU Scheme.
- (4) Mr. Yu Qinglong is interested in the 8,000,000 restricted Shares granted to him under the Restricted Share Scheme and 640,000 RSU Shares granted to him under the 2023 RSU Scheme.

Corporate Governance and Other Information

(5) Mr. Meng Fanzhou is interested in the 2,000,000 restricted Shares granted to him under the Restricted Share Scheme and 300,000 RSU Shares granted to him under the 2023 RSU Scheme.

(6) "L" stands for long position.

(ii) Interests in the Shares and underlying Shares of the associated corporations of the Company

Name	Name of associated corporation	Capacity/Nature of interest ⁽²⁾⁽³⁾	Amount of registered capital (RMB)	Percentage Shareholding in the associated corporation ⁽⁴⁾
Yang Wenlong ⁽²⁾	Dingdang Medicine Express Technology ⁽¹⁾	Beneficial owner	52,941,177	24.44%
		Interest in controlled entities		37.78%
		Interest through voting rights entrustment arrangements		37.78%

Notes:

(1) Dingdang Medicine Express Technology is a Consolidated Affiliated Entity.

(2) As at June 30, 2026, Mr. Yang Wenlong controls 100% of the equity interest in Dingdang Medicine Express Technology, including (i) directly holds 24.44% of the equity interest, (ii) indirectly controls 37.78% of the equity interest through Dingdang No. 4, and (iii) indirectly controls 37.78% of the equity interests through Dingdang No. 1, Dingdang No. 2 and Dingdang No. 3, as all the limited partners of Dingdang No. 1, Dingdang No. 2 and Dingdang No. 3 have authorized Mr. Yang Wenlong to exercise the voting rights directly held by them in Dingdang Medicine Express Technology.

(3) All interests stated are long positions.

(4) The calculation is based on the registered capital of Dingdang Medicine Express Technology.

Save as disclosed above, as at June 30, 2026, none of the Directors or chief executive of the Company had any interests and/or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have 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 he/she was taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the ESOP Plans.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

ESOP PLANS

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted a series of employee incentive schemes, including the Pre-IPO Share Option Scheme, the Restricted Share Scheme and the 2020 RSU Scheme on May 1, 2020, the Restricted Share Agreement on May 31, 2021 and the 2023 RSU Scheme on June 27, 2023. Save as otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Prospectus and the announcement dated June 27, 2023. For further details, please refer to Note 18 to the condensed consolidated financial statements.

SHARE INCENTIVE SCHEMES

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted the Share Incentive Schemes on May 1, 2020, which shall continue in effect for a term of ten (10) years since the adoption. The total number of Shares issued or issuable pursuant to the Share Incentive Schemes shall not be more than 87,993,330 Shares, representing approximately 7.10% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this interim report.

Up to the Listing Date, the total 87,993,330 Shares under the Share Incentive Schemes have been issued in full, consisting of:

- (i) 11,760,000 Shares issued to Excel Returns Group Limited subject to the Pre-IPO Share Option Scheme and the 2020 RSU Scheme, representing approximately 0.95% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this interim report, among which the corresponding options (the "**Option(s)**") to subscribe for 10,474,000 Shares have been granted to 87 grantees (the "**Grantee(s)**") under the Pre-IPO Share Option Scheme and 810,000 Shares in the form of RSUs have been granted to an employee on September 30, 2022. No further Option will be granted by the Company under the Pre-IPO Share Option Scheme after the Listing. In the event that any Option was subsequently terminated or forfeited, the underlying Shares of which will be available for future grant in the form of RSUs in accordance with the terms of the 2020 RSU Scheme, subject to the then applicable Listing Rules in effect (including Chapter 14A and Chapter 17 of the Listing Rules) from time to time; and
- (ii) 76,233,330 Shares (the "**Restricted Shares**"), representing approximately 6.15% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this interim report, issued to the 17 participants of the 2016 employee stock ownership plan through Go Prosper Enterprises Corporation and Much Premium Investment Limited. The beneficial interests of all Restricted Shares granted have been entitled by each of the participants, respectively, as at June 30, 2026.

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No further Shares will be issued pursuant to the Share Incentive Schemes, and no further Shares will be granted under the Share Incentive Schemes after the Listing. As such, the exercise of Options or the vesting of any RSUs under the Share Incentive Schemes will not incur any dilutive effect on the shareholding structure of the Company.

For the 11,760,000 Shares subject to the Pre-IPO Share Option Scheme and the 2020 RSU Scheme issued to Excel Returns Group Limited, each of Mr. Yang Wenlong and Excel Returns Group Limited hereby undertakes that he/it will not exercise voting rights attached to any Shares held by him/it in relation to Options or RSUs which have not been exercised or vested. For the avoidance of doubt, in the event that such underlying Shares are vested upon the exercise of the Options granted under the Pre-IPO Share Option Scheme and/or the vesting of RSUs pursuant to the 2020 RSU Scheme, the Grantees shall irrevocably delegate the voting rights attached to the Shares owned by them pursuant to the exercise of Options or vesting of RSUs to Mr. Yang Wenlong or such other persons as designated by Mr. Yang Wenlong.

The Share Incentive Schemes shall be administered by a committee comprising Mr. Yang Wenlong and the Director(s) or member(s) of senior management designated by Mr. Yang Wenlong (the “**Administrator**”).

Purpose of the Share Incentive Schemes

Share Incentive Schemes are intended to promote the success and enhance the value of the Company by linking the personal interests of the eligible participants to those of the Shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Shareholders. It is further intended to provide flexibility to the Company in the ability to motivate, attract and retain the services of eligible participants.

Eligible Participants

Persons eligible to participate in the Share Incentive Schemes include members of the Board, employees and consultants of the Group and its affiliates, as determined by the Administrator (the “**Eligible Participants**”).

1. *Pre-IPO Share Option Scheme*

Grant of Options

An offer shall be deemed to have been accepted when the document in writing for each grant of Options under the Pre-IPO Share Option Scheme to a Grantee (the “**Pre-IPO Grant Letter**”) is duly signed by the relevant Grantee. No consideration is required to be paid by the Grantee for the grant of any Options under the Pre-IPO Share Option Scheme. No purchase price is required to be paid by the Grantees on acceptance of the Options.

Exercise Price

The exercise price of the Options (the “**Exercise Price**”) shall be determined by the Administrator and set forth in the Pre-IPO Grant Letter, with reference to participants’ contribution, subject to the requirements of applicable laws. The Exercise Price may be amended or adjusted in the absolute discretion of the Administrator (subject to applicable laws and regulations), the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by applicable laws or regulations, a downward adjustment of the Exercise Price shall be effective without the approval of the Shareholders or the approval of the affected Pre-IPO Eligible Participants.

Maximum Entitlement for Each Participant

Under the Pre-IPO Share Option Scheme, there is no specific limit on the maximum number of Shares which may be granted to a single Eligible Participant.

Vesting Period

Subject to the Pre-IPO Grant Letter and fulfillment of performance targets (if any), the Options will be vested by tranches in a period of two or three years from the Listing Date.

Remaining life of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme is valid and effective for a period of 10 years commencing from May 1, 2020 to April 30, 2030. The remaining life of the Pre-IPO Share Option Scheme is over 3 years.

For details on the Pre-IPO Share Option Scheme, please refer to “Appendix IV – Statutory and General Information – D. ESOP Plans – Share Incentive Schemes – 3. Pre-IPO Share Option Scheme” of the Prospectus.

As at June 30, 2026, the Company had granted Options under the Pre-IPO Share Option Scheme to an aggregate of 87 Grantees to subscribe for a total of 10,474,000 Shares, including 3,100,000 Shares which had been granted to common Grantees, and the remaining Shares had been granted to special Grantees, representing 0.85% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this interim report, being the aggregated number of Shares that may be issued upon exercise of all Options granted as at June 30, 2026 under the Pre-IPO Share Option Scheme. No Options were available for grant under the Pre-IPO Share Option Scheme as at January 1, 2026 and June 30, 2026. All of the Grantees are employees within the Group. As of June 30, 2026, no Options were granted to any Directors, members of the senior management of the Company, the connected persons of our Group or five highest paid individuals of the Group under the Pre-IPO Share Option Scheme.

Details of the outstanding Options granted to the Grantees under the Pre-IPO Share Option Scheme during the six months ended June 30, 2026 are set out below:

Grantee	Exercise Price (RMB)	Grant date	Exercise period	Outstanding as of January 1, 2026	Granted, exercised or cancelled during the Reporting Period	Lapsed/ forfeited during the Reporting Period	Outstanding as of June 30, 2026
Employees other than Directors and five highest paid individuals of the Group	0.1	May 30, 2020	10 years from grant date	10,474,000	–	–	10,474,000 ^(Note)

Note: Among the 10,474,000 outstanding Options, all Options were vested and were exercisable as of June 30, 2026.

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As at June 30, 2026, none of the Options has been exercised. No further Option will be granted by the Company under the Pre-IPO Share Option Scheme after the Listing.

The fair value of the Options at the grant date are as follows:

	Options to common Grantees	Options to special Grantees
Grant date	May 30, 2020	May 30, 2020
Fair value as of grant date (per Share)	RMB2.0663	RMB2.0653

The condensed consolidated financial statements have been prepared in accordance with accounting policies which conform with IFRSs issued by the International Accounting Standards Board. The accounting policies of share-based payment are as follows:

Equity-settled Share-based Payment Transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed using graded vesting method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserves). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payments reserves. For RSUs/Options that vest immediately at the date of grant, the fair value of the RSUs/Options granted is expensed immediately to profit or loss.

When Options are exercised, or RSUs granted are vested, the amount previously recognized in share-based payments reserves will continue to be held in share-based payments reserves. When the Options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserves will continue to be held in share-based payments reserves.

The effects of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employees are required to be recognized. If the modification increases the fair value of the equity instruments granted, the Group is required to measure immediately before and after the modification, and include the incremental fair value granted (i.e. the difference between the fair value of the modified equity instrument and that of the date of the modification) in the measurement of the amount recognized for services received as consideration for the equity instruments granted. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

2. 2020 RSU Scheme

The following is a summary of the principal terms of the 2020 RSU Scheme.

Grant of RSUs

Subject to the provisions of the 2020 RSU Scheme, the Administrator may, from time to time, select from among all Eligible Participants, those to whom RSUs shall be granted and shall determine the amount of RSUs to be granted.

Each award of RSUs shall be evidenced by an RSUs award agreement, which shall specify any vesting conditions, the number of RSUs granted, and such other terms and conditions as the Administrator, in its sole discretion, shall determine.

Vesting Schedule

The Administrator, in its discretion, may set performance targets or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of RSUs that will be vested.

Form and Timing of Payment of RSUs

At the time of grant, the Administrator shall specify the date or dates the RSUs shall become fully vested. Upon vesting, the Administrator, in its sole discretion, may pay RSUs in the form of cash, Shares, other form of settlement as determined by the Company or in a combination thereof.

Maximum Entitlement for Each Participant

Under the 2020 RSU Scheme, there is no specific limit on the maximum number of Shares which may be granted to a single Eligible Participant.

Remaining Life of the 2020 RSU Scheme

The 2020 RSU Scheme is valid and effective for a period of 10 years commencing from May 1, 2020 to April 30, 2030. The remaining life of the 2020 RSU Scheme is over 3 years.

810,000 Shares in the form of RSUs, representing approximately 0.07% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this interim report, have been granted to an employee who is among the five highest paid individuals of the Group on September 30, 2022 at a price of RMB0.1 per Share with reference to the employee's contribution to the Group and work performance, which will be settled upon the exercising of the relevant RSUs. The RSUs will be vested in two equivalent tranches in a period of 2 years from the date of the RSU grant letter and subject to the fulfillment of the performance appraisal stipulated in the RSU grant letter. Since the relevant performance target for each tranche of the RSUs was not fulfilled, none of the granted RSUs were vested, cancelled, lapsed or forfeited during the Reporting Period. 810,000 Shares were unvested at the beginning and at the end of the Reporting Period.

For details on the 2020 RSU Scheme, please refer to "Appendix IV – Statutory and General Information – D. ESOP Plans – Share Incentive Schemes – 4. RSU Scheme" of the Prospectus.

3. *Restricted Share Scheme*

Pursuant to the Restricted Share Scheme, a total of 76,233,330 Restricted Shares, representing approximately 6.15% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this interim report, have been issued to the 17 participants (the “**Restricted Share Scheme Participants**”) of the 2016 ESOP Plan through Go Prosper Enterprises Corporation and Much Premium Investment Limited, and the beneficial interests of all Restricted Shares granted have been entitled by each of the Restricted Share Scheme Participants, respectively, as at June 30, 2026, but remain subject to certain unlock conditions.

The purpose of Restricted Share Scheme was to recognize and reward the contributions of the Restricted Share Scheme Participants to the growth and development of our Group.

Under the Restricted Share Scheme, there is no specific limit on the maximum number of Shares which may be granted to a single Eligible Participant.

The Restricted Share Scheme is valid and effective for a period of 10 years commencing from May 1, 2020 to April 30, 2030. The remaining life of the Restricted Share Scheme is over 3 years.

Among all the Restricted Shares granted, 54,400,000 Restricted Shares have been granted to 15 Restricted Share Scheme Participants at a price of RMB0.1 subject to time-based unlock conditions being no more than 30%, 30% and 40% of his or her respective Restricted Shares may be disposed of in each of the three years following the Listing Date, while 21,833,330 Shares have been granted to the remaining two Restricted Share Scheme Participants at a price of RMB0.1 subject to unlock conditions being no Restricted Shares may be disposed within the applicable lock-up period after Listing Date and the Company's prior authorization is required for disposal of Restricted Shares following the expiry of such lock-up period. The purchase price of the Restricted Shares was determined with reference to the financial conditions and valuation of the Company, and has been settled by the Restricted Share Scheme Participants within the period as stipulated in their respective grant notice. Since the relevant performance target for the relevant Restricted Shares was not fulfilled, the lock-up period was extended and no Restricted Shares were released from lock-up, cancelled or lapsed during the Reporting Period.

Details of the Restricted Shares as at June 30, 2026 are set out below:

Name of Grantee	Relationship with the Company	Date of grant	Number of Restricted Shares granted	Outstanding and subject to unlock conditions as of January 1, 2026 and June 30, 2026
Directors of the Company				
Xu Ning (徐寧)	Executive Director and Vice President	September 13, 2016	5,000,000	5,000,000
Yu Qinglong (于慶龍)	Executive Director and Chief Technology Officer	September 13, 2016	8,000,000	8,000,000
Meng Fanzhou (孟繁周)	Executive Director and Vice President	September 13, 2016	2,000,000	2,000,000
Employees other than the Directors of the Company, the connected persons or the five highest paid individuals of the Group		September 13, 2016	61,233,330	61,233,330

Save as disclosed above, no Restricted Shares were granted to the Directors of the Company or any other connected persons of the Company as of June 30, 2026. For details on the Restricted Share Scheme, please refer to “Appendix IV – Statutory and General Information – D. ESOP Plans – Share Incentive Schemes – 5. Restricted Share Scheme” of the Prospectus.

RESTRICTED SHARE AGREEMENT

The following is a summary of the principal terms of the Restricted Share Agreement entered into by the Company, Mr. Yang Wenlong and Future Health Limited, a company held as to 60% of its equity interests by Mr. Yang Wenlong on May 31, 2021 (the “**Date of Grant**”) which has been approved by the Shareholders on May 25, 2021. Pursuant to the Restricted Share Agreement, 130,793,590 ordinary Shares, representing 10.55% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this interim report (the “**Founder Incentive Shares**”), were issued to Future Health Limited. No consideration is required to be paid by Mr. Yang Wenlong and Future Health Limited for the grant of any Founder Incentive Shares under the Restricted Share Agreement. No further Shares will be granted by the Company under the Restricted Share Agreement after the Listing.



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The purpose of the Restricted Share Agreement was to recognize and reward the contributions of Mr. Yang Wenlong to the growth and development of the Group.

Provided that Mr. Yang Wenlong remains as an employee of the Company at such time:

- 20% of the Founder Incentive Shares will be releasable of all the Special Restrictions (as defined below) upon the expiration of the lock-up period applicable to Mr. Yang Wenlong after Listing under the Listing Rules (further subject to the Special Restrictions release condition, which is the same as restricted period of the Restricted Share Agreement).
- 40% of the Founder Incentive Shares will be releasable of the Special Restrictions in equal tranches on each of the first four anniversaries of the Date of Grant.
- 40% of the Founder Incentive Shares will be releasable of the Special Restrictions in equal tranches over four years (each such a year, the “**Restricted Calculation Year**”) if Mr. Yang Wenlong meets the performance targets as specified in the Restricted Share Agreement on the performance testing date, which is the date the Board approves the final audited financial statements, for such Restricted Calculation Year.

Notwithstanding above Special Restrictions release schedules and conditions, the release of Special Restrictions and relevant number of Restricted Shares to release is still subject to the final written approval and confirmation of the committee of the Restricted Share Agreement.

The Founder Incentive Shares so released are hereinafter referred to as “**Released Founder Incentive Shares**” and the Founder Incentive Shares that are still subject to Special Restriction are hereinafter referred to as “**Unreleased Founder Incentive Shares**”.

Mr. Yang Wenlong may not sell, transfer, pledge or otherwise dispose of, make any short sale of, grant any Option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale of, any Founder Incentive Shares during the period from the Date of Grant until the later of four (4) years after the Date of Grant or the expiration of the lock-up period applicable to Mr. Yang Wenlong from time to time after the qualified IPO, the same as the restricted period of the Restricted Share Agreement. The Founder Incentive Shares are also restricted in the sense that they may be repurchased by the Company (the “**Transfer Restrictions**”). In the case of termination of employment of Mr. Yang Wenlong with the Company, the Unreleased Founder Incentive Shares will be repurchased by the Company at nil price (together with the Transfer Restrictions, the “**Special Restrictions**”). As at the end of the Reporting Period, all the Founder Incentive Shares were subject to Special Restrictions. The number of Unreleased Founder Incentive Shares at the beginning and at the end of the Reporting Period is 130,793,590. No Founder Incentive Shares were cancelled or lapsed during the Reporting Period.

For details on the Restricted Share Agreement, please refer to “Appendix IV – Statutory and General Information – D. ESOP Plans – Restricted Share Agreement” of the Prospectus.

2023 RSU SCHEME

The following is a summary of the principal terms of the 2023 RSU Scheme which was adopted on June 27, 2023 (the “**Adoption Date**”). The 2023 RSU Scheme will purchase the existing Shares through the Trustee on the secondary market with the self-owned funds of the Company. The 2023 RSU Scheme was contemplated and adopted to be funded solely by the existing Shares.

Purposes

The purpose of the 2023 RSU Scheme is to recognize and acknowledge the contributions which the 2023 RSU Scheme Participants have made or may make to the Group and to reward the 2023 RSU Scheme Participants who have achieved outstanding performance.

The 2023 RSU Scheme will provide the 2023 RSU Scheme Participants with an opportunity to acquire proprietary interests in the Company, with the view to achieving the following principal objectives: (i) motivating the 2023 RSU Scheme Participants to optimise their performance and efficiency for the benefit of the Group, and in particular, for fulfilling the strategic targets of the Group; and (ii) attracting and retaining the 2023 RSU Scheme Participants whose contributions are, or, will or are expected to be, beneficial to the Group and the long-term growth and development of the Group.

Eligible Participants of 2023 RSU Scheme

The participants under the 2023 RSU Scheme include employees of the Group, any senior management or Director of the Group and any person as determined by the Remuneration Committee with the power and authority granted by the Board (the “**2023 RSU Scheme Administrator**”) to be eligible to participate in the 2023 RSU Scheme (the “**2023 RSU Scheme Participants**”).

Maximum Entitlement for Each Participant

Under the 2023 RSU Scheme, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant.

Duration and Termination

Unless terminated earlier by the 2023 RSU Scheme Administrator pursuant to the rules of the 2023 RSU Scheme, the 2023 RSU Scheme shall be valid and effective for a period of ten (10) years commencing on the date on which the 2023 RSU Scheme is adopted by the Company (the “**Scheme Period**”).



Corporate Governance and Other Information

Operation

Contribution to the Trust

The Designated Person shall, after having regard to the requirements under the provisions of the 2023 RSU Scheme, the Listing Rules and all applicable laws, either before or after identification of the 2023 Grantee (as defined below), cause to be paid to the Trustee or Trust Holdco such amount as may be required for the purchase of existing Shares from the market or for the acquisition of existing Shares through other means by the Trustee or Trust Holdco and the related purchase or acquisition expenses (including for the time being, the brokerage fee, stamp duty, transaction levy, trading fee and investor compensation levy and such other necessary expenses required for the completion of the purchase or acquisition of all the RSU Shares, as applicable).

Grant of Awards

Subject to and in accordance with the rules of the 2023 RSU Scheme, the Listing Rules and all applicable laws, the 2023 RSU Scheme Administrator shall be entitled at any time on any business day during the Scheme Period, to grant an award to any 2023 RSU Scheme Participant, as the 2023 RSU Scheme Administrator may in its absolute discretion select (the “**2023 Grantee**”). Until so selected, no 2023 RSU Scheme Participant shall have any entitlement under the 2023 RSU Scheme. In addition, the 2023 RSU Scheme Administrator may, on a case-by-case basis and at its discretion, impose any conditions, restrictions or limitations before the award can vest as it sees fit, provided that such conditions, restrictions or limitations are set out in the Grant Letter issued to the 2023 Grantee. A grant of an award shall be made to a 2023 RSU Scheme Participant by way of a letter (the “**Grant Letter**”) in such written form as the 2023 RSU Scheme Administrator may from time to time determine. Subject to the provisions of the 2023 RSU Scheme, the Designated Person may from time to time instruct the Trustee to purchase Shares on the Stock Exchange.

In determining the number and the purchase price (if any) of RSU Shares to be granted to any 2023 RSU Scheme Participant (excluding any Excluded Participant), the 2023 RSU Scheme Administrator shall take into consideration matters including, without limitation to (i) the present contribution and expected contribution of the relevant 2023 RSU Scheme Participant to the profits of the Group; (ii) the general financial condition of the Group; (iii) the Group’s overall business objectives and future development plan; and (iv) any other matters which the 2023 RSU Scheme Administrator considers relevant.

Where any award is proposed to be granted to a Director, it shall not be granted unless prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed 2023 Grantee) has been obtained. The Company shall comply with the applicable provisions of Chapter 14A of the Listing Rules and such connected persons and their associates shall abstain from voting on the relevant general meeting in approving such grant of 2023 RSU Scheme.

No purchase price is required to be paid by the 2023 Grantees on acceptance of the grant of 2023 RSU Scheme.

Vesting of 2023 RSU Scheme

Subject to the terms and conditions of the 2023 RSU Scheme and the fulfillment of all vesting conditions to the vesting of the RSU Shares on such 2023 RSU Scheme Participant as specified in the 2023 RSU Scheme and the relevant Grant Letter, the respective RSU Shares held by the Trustee on behalf of the 2023 RSU Scheme Participant shall vest in such 2023 RSU Scheme Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the RSU Shares or the cash amount referable to the relevant RSU Shares to be transferred to such 2023 RSU Scheme Participant in accordance with the terms of the 2023 RSU Scheme.

Scheme Limit

The 2023 RSU Scheme Administrator shall not make any further grant of award which will result in the number of Shares awarded by the 2023 RSU Scheme Administrator under the 2023 RSU Scheme exceeding 2.0% of the total issued Shares of the Company as at the Adoption Date (i.e. 26,829,457 Shares), and the number of Shares awarded to each 2023 Grantee under the 2023 RSU Scheme shall not exceed the percentage cap as determined by the 2023 RSU Scheme Administrator of the issued share capital of the Company as at the Adoption Date in accordance with the Listing Rules and all applicable laws.

Lapse of Awards

In the event that prior to or on the Vesting Date, a 2023 Grantee ceases to be a 2023 RSU Scheme Participant for reasons set out in the provisions of the 2023 RSU Scheme or for any other reason as determined by the 2023 RSU Scheme Administrator, the award shall, unless the 2023 RSU Scheme Administrator otherwise agrees, lapse forthwith and the relevant RSUs shall not vest on the relevant Vesting Date, but the relevant RSU Shares shall become Returned Shares for the purpose of the 2023 RSU Scheme.

In the event that prior to or on the Vesting Date: (i) a 2023 Grantee is found to be an Excluded Participant; or (ii) a 2023 Grantee fails to return duly executed transfer documents prescribed by the Trustee for the relevant RSU Shares within the stipulated period, the relevant part of the award made to such 2023 Grantee shall, unless the 2023 RSU Scheme Administrator otherwise agrees, lapse forthwith and the relevant RSUs shall not vest on the relevant Vesting Date, but the relevant RSU Shares shall become Returned Shares for the purpose of the scheme.

Remaining Life of the 2023 RSU Scheme

The 2023 RSU Scheme is valid and effective for a period of 10 years commencing from June 27, 2023 to June 26, 2033. The remaining life of the 2023 RSU Scheme is over 6 years.



Corporate Governance and Other Information

During the Reporting Period, no existing Shares were purchased on the Stock Exchange by the Trustee and no Shares were granted to the 2023 RSU Scheme Participants pursuant to the 2023 RSU Scheme. As at January 1, 2026, 7,299,457 Shares were available for grant under the 2023 RSU Scheme, and as at June 30, 2026, 7,929,457 Shares were available for grant under the 2023 RSU Scheme (of which 630,000 RSU Shares previously granted to the eligible participants under the 2023 RSU Scheme were forfeited at the date of their resignation). Details of the 2023 RSU Scheme as at June 30, 2026 are set out below:

Name of 2023 Grantee	Relationship with the Company	Date of grant	Closing prices of Shares immediately before the grant	Fair value of RSU Shares at the date of grant ⁽¹⁾	Purchase price	Outstanding as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of June 30, 2026	Vesting Period
Directors of the Company												
Xu Ning (徐寧)	Executive Director and Vice President	December 13, 2023	HK\$2.24	HK\$2.11	Nil	560,000	–	(168,000)	–	–	392,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Yu Qinglong (于慶龍)	Executive Director and Chief Technology Officer	December 13, 2023	HK\$2.24	HK\$2.11	Nil	640,000	–	(192,000)	–	–	448,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Meng Fanzhou (孟繁周)	Executive Director and Vice President	December 13, 2023	HK\$2.24	HK\$2.11	Nil	300,000	–	(90,000)	–	–	210,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.

Corporate Governance and Other Information

Name of 2023 Grantee	Relationship with the Company	Date of grant	Closing prices of Shares immediately before the grant	Fair value of RSU Shares at the date of grant ⁽¹⁾	Purchase price	Outstanding as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of June 30, 2026	Vesting Period
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		December 13, 2023	HK\$2.24	HK\$2.11	Nil	5,200,000	-	(1,560,000)	-	(630,000)	3,010,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		January 18, 2024	HK\$1.73	HK\$1.70	Nil	6,560,000	-	(1,968,000)	-	-	4,592,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		April 2, 2024	HK\$1.15	HK\$1.17	Nil	6,270,000	-	(1,881,000)	-	-	4,389,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
						19,530,000	-	(5,859,000)	-	(630,000)	13,041,000	

Note:

(1) For the accounting standard and policy adopted, please refer to Note 18 of the condensed consolidated financial statements.

Save as disclosed above, no Shares under the 2023 RSU Scheme were granted to the Directors of the Company or any other connected persons of the Company as of June 30, 2026. For details on the 2023 RSU Scheme, please refer to the announcement of the Company dated June 27, 2023.



Corporate Governance and Other Information

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

During the six months ended June 30, 2026, the Company repurchased a total of 68,975,000 Shares on the Stock Exchange for an aggregate consideration of approximately HK\$70.2 million (including all the relevant expenses). The repurchased Shares were subsequently cancelled. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of purchase in 2026	No. of Shares purchased	Purchase Consideration per share		Aggregate consideration paid (including all the relevant expenses) HK\$
		Highest price paid HK\$	Lowest price paid HK\$	
January	14,732,000	1.24	1.03	16,753,675
March	3,672,500	0.90	0.79	3,140,553
April	24,426,000	1.13	0.91	25,233,679
May	18,487,000	1.07	0.80	18,076,954
June	7,657,500	0.97	0.79	7,023,379
	68,975,000			70,228,240

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's or its subsidiaries' listed securities (including sale of treasury shares). As of June 30, 2026, the Company did not hold any treasury shares.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

Ms. Li Chuheng resigned as a non-executive Director and a member of the Remuneration Committee and the Nomination Committee with effect from July 21, 2026. Ms. Yang Xiao has been appointed as an executive Director and a member of the Nomination Committee with effect from July 21, 2026.

Mr. Jiang Shan, an independent non-executive Director, has been appointed as a member of the Remuneration Committee with effect from July 21, 2026.

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

CHANGES IN CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Board proposed to amend certain provisions of the existing fourth amended and restated Memorandum and Articles of Association by way of adoption of the fifth amended and restated Memorandum and Articles of Association to (i) enable the Company to allow the shareholders of the Company to have the option to attend and participate at general meetings of the Company virtually with the use of virtual meeting technology and to cast votes by electronic means, and make corresponding amendments to the related proceedings and procedures in relation to virtual general meetings of the Company; and (ii) make other consequential and housekeeping amendments.

The proposed amendments were approved by the Shareholders by way of a special resolution at the annual general meeting of the Company held on June 23, 2026. Pursuant to the special resolution passed, the Memorandum and Articles of Association of the Company was amended and restated with effect from June 23, 2026. The amended and restated Memorandum and Articles of Association are available on the websites of the Company and the Hong Kong Stock Exchange.

DIVIDENDS

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2026.

As at the date of this interim report, the Company was not aware of any arrangement under which a Shareholder has waived or agreed to waive any dividends.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events subsequent to June 30, 2026.

AUDIT COMMITTEE

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

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2026 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the Auditor.

The condensed consolidated financial statements of the Group for the six months ended June 30, 2026 have been reviewed by the Auditor, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

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TO THE BOARD OF DIRECTORS OF DINGDANG HEALTH TECHNOLOGY GROUP LTD.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Dingdang Health Technology Group Ltd. (the "Company") and its subsidiaries set out on pages 55 to 90, which comprise the condensed consolidated statement of financial position as of June 30, 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 International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") 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 International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the International Auditing and Assurance Standards Board. 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 International 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
August 21, 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Six months ended June 30,	
		2026	2025
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Notes		
Revenue	5	2,409,142	2,326,907
Cost of revenue		(1,529,808)	(1,511,098)
Gross profit		879,334	815,809
Fulfillment expenses		(214,489)	(222,034)
Selling and marketing expenses		(569,671)	(525,884)
Research and development expenses		(23,021)	(24,993)
General and administrative expenses		(66,453)	(101,737)
Other gains and losses, net	7	(12,610)	(3,515)
Other income	8	17,974	24,301
Finance costs	9	(6,744)	(5,516)
Impairment losses recognized on goodwill	14B	(51,475)	–
Impairment losses recognized on other intangible assets	14C	(9,391)	–
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	10	(2,073)	(677)
Loss before income tax	6	(58,619)	(44,246)
Income tax expense	11	(6,279)	(7,775)
Loss for the period		(64,898)	(52,021)
Other comprehensive (expense)/income			
Item that will not be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on equity instruments at fair value through other comprehensive income ("FVTOCI")		(13,079)	10,346
Other comprehensive (expense)/income for the period		(13,079)	10,346
Total comprehensive expense for the period		(77,977)	(41,675)
Loss for the period attributable to:			
Owners of the Company		(64,371)	(51,671)
Non-controlling interests		(527)	(350)
		(64,898)	(52,021)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<i>Notes</i>	Six months ended June 30,	
		2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Total comprehensive expense for the period attributable to:			
Owners of the Company		(77,450)	(41,325)
Non-controlling interests		(527)	(350)
		(77,977)	(41,675)
Loss per share (present in RMB YUAN)			
– Basic and diluted	12	(0.05)	(0.04)

Condensed Consolidated Statement of Financial Position

		As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
	Notes		
Assets			
Non-current assets			
Property and equipment	14A	50,860	48,368
Right-of-use assets	13	267,182	290,634
Goodwill	14B	5,370	56,845
Other intangible assets	14C	43,947	61,511
Equity instruments at FVTOCI	21	70,076	83,155
Rental deposits	15	13,792	16,905
Time deposits		136,218	140,769
Total non-current assets		587,445	698,187
Current assets			
Financial assets at fair value through profit or loss ("FVTPL")	21	6,460	244,536
Inventories		678,822	647,733
Trade and other receivables and prepayments	15	379,870	370,216
Amounts due from related parties	22	1,445	1,748
Restricted bank deposits		65,057	27,150
Time deposits		183,251	415,278
Cash and cash equivalents		939,044	429,323
Total current assets		2,253,949	2,135,984
Total assets		2,841,394	2,834,171
Equity			
Share capital	17	834	879
Reserves		8,123,050	8,196,938
Accumulated losses		(6,598,745)	(6,534,374)
Equity attributable to owners of the Company		1,525,139	1,663,443
Non-controlling interests		10,212	11,466
Total equity		1,535,351	1,674,909

Condensed Consolidated Statement of Financial Position

		As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
	Notes		
Liabilities			
Non-current liabilities			
Contract liabilities		4,174	3,987
Lease liabilities	13	186,039	205,368
Deferred tax liabilities		8,724	12,753
Total non-current liabilities		198,937	222,108
Current liabilities			
Trade and other payables	16	958,613	808,570
Amounts due to related parties	22	41,391	11,867
Contract liabilities		25,023	28,715
Lease liabilities	13	70,885	71,788
Income tax payable		6,324	11,563
Bank borrowings		4,870	4,651
Total current liabilities		1,107,106	937,154
Total liabilities		1,306,043	1,159,262
Total equity and liabilities		2,841,394	2,834,171

Condensed Consolidated Statement of Changes in Equity

	Notes	Attributable to owners of the Company									Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000	Treasury share reserves RMB'000	Share premium RMB'000	FVTOCI reserve RMB'000	Other reserves RMB'000	Share-based payments reserves RMB'000	Statutory reserves RMB'000 (Note i)	Accumulated losses RMB'000	Sub-total RMB'000		
As of January 1, 2026 (Audited)		879	(51,244)	7,467,471	(42,296)	32,689	760,591	29,727	(6,534,374)	1,663,443	11,466	1,674,909
Loss for the period		-	-	-	-	-	-	-	(64,371)	(64,371)	(527)	(64,898)
Other comprehensive expense for the period		-	-	-	(13,079)	-	-	-	-	(13,079)	-	(13,079)
Total comprehensive expense for the period		-	-	-	(13,079)	-	-	-	(64,371)	(77,450)	(527)	(77,977)
Deregistration of a subsidiary (Note ii)		-	-	-	-	(6)	-	(2)	-	(8)	(727)	(735)
Repurchase of ordinary shares	17	-	(61,853)	-	-	-	-	-	-	(61,853)	-	(61,853)
Cancellation of ordinary shares upon repurchase	17	(45)	60,190	(60,145)	-	-	-	-	-	-	-	-
2023 RSU Scheme vested		-	11,448	(5,952)	-	-	(5,496)	-	-	-	-	-
Share-based payments expenses	18	-	-	-	-	-	1,007	-	-	1,007	-	1,007
As of June 30, 2026 (Unaudited)		834	(41,459)	7,401,374	(55,375)	32,683	756,102	29,725	(6,598,745)	1,525,139	10,212	1,535,351
As of January 1, 2025 (Audited)		879	(39,073)	7,467,471	(65,466)	33,254	718,778	26,564	(6,482,193)	1,660,214	20,016	1,680,230
Loss for the period		-	-	-	-	-	-	-	(51,671)	(51,671)	(350)	(52,021)
Other comprehensive income for the period		-	-	-	10,346	-	-	-	-	10,346	-	10,346
Total comprehensive income/(expense) for the period		-	-	-	10,346	-	-	-	(51,671)	(41,325)	(350)	(41,675)
Acquisition of additional interests of a subsidiary		-	-	-	-	-	-	-	-	-	(4)	(4)
Disposal of a subsidiary (Note iii)		-	-	-	-	-	-	-	-	-	(333)	(333)
Share-based payments expenses	18	-	-	-	-	-	36,961	-	-	36,961	-	36,961
As of June 30, 2025 (Unaudited)		879	(39,073)	7,467,471	(55,120)	33,254	755,739	26,564	(6,533,864)	1,655,850	19,329	1,675,179

Notes:

- In accordance with the articles of association of the subsidiaries established in the People's Republic of China (the "PRC") and relevant PRC laws and regulations, these subsidiaries are required to transfer at least 10% of their profit after tax, which is determined in accordance with the PRC accounting rules and regulations, to a statutory reserve (including the general reserve fund and enterprise expansion fund, where appropriate). Transfer to this statutory reserve is subject to the approval of the respective director, and is discretionary when the balance of such fund has reached 50% of the registered capital of the respective company. Statutory reserve can be utilized to offset accumulated losses or to increase registered capital of the company. And when statutory reserve is utilized to increase registered capital of the company, such fund needs maintain at a minimum of 25% of the registered capital.
 - In May 2026, the Group's non-wholly owned subsidiary, Zhuhai Hantong International Trade Co., Ltd.* (珠海翰通國際貿易有限公司) was deregistered.
 - In January 2025, the Group's non-wholly owned subsidiary, Jiangxi Yaojiaohui Information Technology Co., Ltd.* (江西藥交匯信息技術有限公司) was disposed.
- * English names are for identification purpose only.

Condensed Consolidated Statement of Cash Flows

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Operating activities		
Cash generated from operations	183,539	199,833
Income taxes paid	(15,547)	(11,662)
Net cash from operating activities	167,992	188,171
Investing activities		
Interest received	5,088	9,227
Proceeds on disposal of property and equipment	9	148
Purchases of financial assets at FVTPL	(967,754)	(830,040)
Redemption of financial assets at FVTPL	1,208,356	486,977
Purchases of property and equipment	(10,733)	(9,527)
Payments for right-of-use assets	(2,581)	(3,642)
Purchases of other intangible assets	(494)	(418)
Placement of time deposits	(178,251)	(432,156)
Redemption of time deposits	415,523	–
Proceeds on disposal of a subsidiary	–	509
Net cash from/(used in) investing activities	469,163	(778,922)
Financing activities		
Payments of repurchase and cancellation of ordinary shares	(61,853)	–
Repayments of lease liabilities	(47,418)	(41,310)
Interest paid	(6,744)	(5,516)
New bank borrowings raised	35,142	–
Repayments of bank borrowings	(34,923)	–
Net cash used in financing activities	(115,796)	(46,826)
Net increase/(decrease) in cash and cash equivalents	521,359	(637,577)
Cash and cash equivalents at the beginning of the period	429,323	1,217,954
Effect of foreign exchange rate changes on cash and cash equivalents	(11,638)	(4,103)
Cash and cash equivalents at the end of the period	939,044	576,274

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended June 30, 2026 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange.

3. ACCOUNTING POLICIES

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

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



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

3. ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRS Accounting Standards

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

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

4. SEGMENT INFORMATION

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

The Group's chief operating decision maker, who has been identified as the president, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As the Group's non-current assets (excluding equity instruments at FVTOCI) are all located in the PRC and all the Group's revenue are derived from the PRC, no geographical information is presented. During the six months ended June 30, 2026, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue (six months ended June 30, 2025: nil).

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

5. REVENUE

Disaggregation of revenue from contracts with customers:

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Type of goods or services:		
Product revenue:		
Pharmaceutical and healthcare business	2,345,079	2,260,218
Others*	64,063	66,689
Total revenue from contracts with customers	2,409,142	2,326,907
Timing of revenue recognition:		
A point in time	2,345,079	2,260,218
Over time	64,063	66,689
Total	2,409,142	2,326,907

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



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

6. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Cost of inventories sold (including (reversal of) write-down of inventories amounting to RMB(1,950,000) (six months ended June 30, 2025: RMB3,555,000))	1,529,808	1,511,098
Employee benefit expenses		
– Salaries and bonuses	147,038	152,075
– Share-based payments expenses (Note 18)	1,007	36,961
– Retirement benefit scheme contributions	16,166	11,857
– Welfare, medical and other benefits	22,946	20,698
Total employee benefit expenses	187,157	221,591
Depreciation of property and equipment	7,090	7,475
Depreciation of right-of-use assets	52,232	44,056
Amortization of other intangible assets	8,667	15,095
Auditor's remuneration	900	940

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

7. OTHER GAINS AND LOSSES, NET

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Net foreign exchange losses	(14,955)	(4,086)
Loss on disposal of property and equipment	(159)	(408)
Gain on fair value changes of financial assets at FVTPL	2,526	1,982
Loss on early termination of leases	(1,359)	(1,271)
Others	1,337	268
Total	(12,610)	(3,515)

8. OTHER INCOME

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Interest income		
– Bank deposits	10,024	15,002
– Lease deposits	327	262
Government grants (Note)	2,879	3,921
Rental income – fixed	683	1,060
Dividends from equity instruments at FVTOCI		
– relating to investments held at the end of the reporting period	4,061	4,056
Total	17,974	24,301

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



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

9. FINANCE COSTS

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Interest on lease liabilities	6,744	5,516

10. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES OR IMPAIRMENT GAINS) ON FINANCIAL ASSETS

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Impairment losses, net of reversals, recognized/(reversed) on:		
– Trade receivables	1,265	1,107
– Other receivables	808	(430)
Total	2,073	677

11. INCOME TAX EXPENSE

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Current income tax	10,308	10,528
Deferred income tax	(4,029)	(2,753)
Total	6,279	7,775

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

12. LOSS PER SHARE

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

Loss figures are calculated as follows:

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(64,371)	(51,671)

Number of shares:

	Six months ended June 30,	
	2026	2025
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share*	1,257,238,807	1,299,372,897

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

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended June 30, 2026, the potential ordinary shares were not included in the calculation of diluted loss per share, as taking into account the exercise of the Company's RSUs under the 2023 RSU Scheme (as defined in Note 18) would be anti-dilutive (six months ended June 30, 2025: anti-dilutive). Accordingly, diluted loss per share for the six months ended June 30, 2026 is the same as basic loss per share.

13. LEASES

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from 1 to 10 years (six months ended June 30, 2025: 1 to 10 years). On date of lease commencement, the Group recognized right-of-use assets of RMB36,979,000 (six months ended June 30, 2025: RMB167,981,000) and lease liabilities of RMB34,071,000 (six months ended June 30, 2025: RMB164,339,000).

No impairment losses were recognized to right-of-use assets for the six months ended June 30, 2026 (2025: nil) as detailed disclosed in Note 14C.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

14A. PROPERTY AND EQUIPMENT

The Group acquired additional equipment of RMB9,750,000 in relation to its operation during the current interim period (six months ended June 30, 2025: acquired additional equipment of RMB7,895,000 in relation to its equipment renewal).

No impairment losses were recognized to property and equipment for the six months ended June 30, 2026 (2025: nil) as detailed disclosed in Note 14C.

14B. GOODWILL

	<i>RMB'000</i>
COST	
At December 31, 2025 (Audited) and June 30, 2026 (Unaudited)	255,724
IMPAIRMENT	
At December 31, 2025 (Audited)	(198,879)
Impairment loss recognized during the period	(51,475)
At June 30, 2026 (Unaudited)	(250,354)
CARRYING AMOUNT	
At June 30, 2026 (Unaudited)	5,370
At December 31, 2025 (Audited)	56,845

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

14B. GOODWILL (CONTINUED)

For the purpose of impairment testing, goodwill is allocated to a group of cash-generating units. The carrying amounts of goodwill allocated to the cash-generating units are as follows:

	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Dingdang Smart Pharmacy (Shanghai) Co., Ltd.* (叮嚕智慧藥房 (上海) 有限公司) ("Shanghai Smart Pharmacy") and its subsidiaries	–	10,978
Dingdang Smart Pharmacy (Beijing) Co., Ltd.* (叮嚕智慧藥房 (北京) 有限公司) ("Beijing Smart Pharmacy") and its subsidiaries	4,041	4,041
Dingdang Smart Pharmacy (Guangdong) Co., Ltd.* (叮嚕智慧藥房 (廣東) 有限公司) ("Guangdong Smart Pharmacy")	–	22,231
Yaofangwang Beijing and its subsidiaries (collectively, the "Renhe Yaofangwang")	–	18,266
Jiangxi Zhongda Pharmacy Co., Ltd.* (江西中達藥業有限公司)	1,329	1,329
Total	5,370	56,845



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

14B. GOODWILL (CONTINUED)

The impairment review on the goodwill of the Group according to IAS 36 Impairment of Assets were conducted by the management with reference to valuation carried out by an independent qualified professional valuer who has appropriate qualifications and experiences.

For the purpose of impairment review as of June 30, 2026, the recoverable amount of the Shanghai Smart Pharmacy and its subsidiaries, Beijing Smart Pharmacy and its subsidiaries, Guangdong Smart Pharmacy and Renhe Yaofangwang containing goodwill is determined based on value-in-use calculations by using the discounted cash flow method, based on the following inputs:

Shanghai Smart Pharmacy and its subsidiaries:

	As of June 30, 2026 (Unaudited)	As of December 31, 2025 (Audited)
Financial projection period	5-year	5-year
Forecasted average annual revenue growth rate	5%	5%
Forecasted average gross profit margins	31.0%	31.9%
Estimated terminal growth rate beyond the projection period extrapolated	1.2%	1.2%
Pre-tax discount rate	22.51%	23.35%

Beijing Smart Pharmacy and its subsidiaries:

	As of June 30, 2026 (Unaudited)	As of December 31, 2025 (Audited)
Financial projection period	5-year	5-year
Forecasted average annual revenue growth rate	2%	4%
Forecasted average gross profit margins	30.8%	30.4%
Estimated terminal growth rate beyond the projection period extrapolated	1.2%	1.2%
Pre-tax discount rate	23.62%	24.93%

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

14B. GOODWILL (CONTINUED)

Guangdong Smart Pharmacy:

	As of June 30, 2026 (Unaudited)	As of December 31, 2025 (Audited)
Financial projection period	5-year	5-year
Forecasted average annual revenue growth rate	5%	6%
Forecasted average gross profit margins	30.6%	30.8%
Estimated terminal growth rate beyond the projection period extrapolated	1.2%	1.2%
Pre-tax discount rate	23.72%	23.84%

Renhe Yaofangwang:

	As of June 30, 2026 (Unaudited)	As of December 31, 2025 (Audited)
Financial projection period	5-year	5-year
Forecasted average annual revenue growth rate	-1%	6%
Forecasted average gross profit margins	11.1%	12.5%
Estimated terminal growth rate beyond the projection period extrapolated	1.2%	1.2%
Pre-tax discount rate	23.39%	23.22%



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

14B. GOODWILL (CONTINUED)

The management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of future business plans and market developments.

The management, together with the Company's valuer, performed impairment test for the goodwill and determined the estimated recoverable amounts of Shanghai Smart Pharmacy and its subsidiaries, Guangdong Smart Pharmacy and Renhe Yaofangwang were below the carrying amounts as at June 30, 2026. Accordingly, during the six months ended June 30, 2026, the management of the Company recognized impairment loss of RMB10,978,000, RMB22,231,000 and RMB18,266,000 related to the goodwill associated with acquisition of Shanghai Smart Pharmacy and its subsidiaries, Guangdong Smart Pharmacy and Renhe Yaofangwang, respectively (2025: nil), due to the fact that the business performance failed to meet expectations.

Except for above, other goodwill was not impaired since the recoverable amount exceeded the carrying amount. And for Beijing Smart Pharmacy and its subsidiaries, the recoverable amount exceeded the carrying amount is as follows:

	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Beijing Smart Pharmacy and its subsidiaries	7,165	34,655

14C. OTHER INTANGIBLE ASSETS

The Group acquired additional other intangible assets of RMB494,000 in relation to its operation during the current interim period (six months ended June 30, 2025: acquired additional software of RMB418,000 in relation to its other intangible assets renewal).

The Group conducted impairment assessment on recoverable amounts of right-of-use assets, property and equipment and other intangible assets of relevant subsidiaries that have indicators of impairment. The Group estimated the recoverable amount of these subsidiaries, each representing an individual cash-generating unit or a group of cash generating units, where applicable, to which these non-current assets belong when it is not possible to estimate their recoverable amount individually. The recoverable amount of the cash-generating units has been determined based on the estimation of cash flows covering the useful life of the cash-generating units. The calculation uses cash flow projections based on financial budgets approved by the management of the Group with pre-tax discount rates ranging from 22.51% to 23.72% as at June 30, 2026. As at June 30, 2026, the estimated recoverable amounts of certain non-current assets were below the carrying amounts, accordingly the management of the Company recognized impairment losses on right-of-use assets, property and equipment and other intangible assets of the cash-generating units amounting to nil, nil and RMB9,391,000 (six months ended June 30, 2025: nil, nil and nil) during the current interim period, respectively.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Current:		
(a) Trade receivables		
Trade receivables from third parties	168,264	123,305
Less: allowance for expected credit loss ("ECL")	(3,814)	(2,589)
Subtotal	164,450	120,716
(b) Other receivables and prepayments		
Welfare receivable	1,390	1,441
Advance to suppliers	40,054	38,242
Prepaid expenses	20,873	47,356
Recoverable value-added tax	27,835	42,743
Receivable from third-party online platforms	100,007	102,535
Deposits receivables	15,105	10,835
Dividend receivables	4,054	–
Others	9,151	8,691
Less: allowances for ECL	(3,049)	(2,343)
Subtotal	215,420	249,500
Total	379,870	370,216
Non-current:		
Rental deposits	13,792	16,905
	13,792	16,905



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

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

	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Within 3 months	140,490	106,132
3 to 6 months	17,176	8,456
6 to 12 months	6,399	4,323
Over 12 months	4,199	4,394
Less: allowance for ECL	(3,814)	(2,589)
	164,450	120,716

As of June 30, 2026, the Group's trade receivables balance included debtors with aggregate carrying amount of RMB33.7 million (December 31, 2025: RMB17.2 million), which were past due but not impaired as of the reporting date. The Group has not provided an impairment loss as the Group is satisfied with the subsequent settlements and the credit quality of these customers had not seen deteriorated. The Group does not hold any collateral over these balances.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

16. TRADE AND OTHER PAYABLES

	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Trade payables	639,919	462,670
Notes payables	61,048	22,073
Subtotal	700,967	484,743
Salary and welfare payables	76,643	101,754
Other tax payable	3,618	9,069
Payables for delivery	32,906	44,043
Payables for service fee	21,189	40,207
Accrued expenses	81,923	86,005
Receipt on behalf of third-party merchants	17,650	18,411
Rental received in advance	533	744
Deposits payable	16,519	16,482
Payable for property and equipment	50	1,231
Others	6,615	5,881
Subtotal	257,646	323,827
Total	958,613	808,570



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

16. TRADE AND OTHER PAYABLES (CONTINUED)

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

	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Within 3 months	592,841	427,620
3 to 6 months	65,999	38,591
6 to 12 months	33,398	9,892
Over 12 months	8,729	8,640
Total	700,967	484,743

17. SHARE CAPITAL

Authorized

As of December 31, 2025 and June 30, 2026, the Company had an authorized share capital of USD500,000, divided into 5,000,000,000 authorized ordinary shares, with par value of USD0.0001 each.

	Number of ordinary shares	Nominal value of ordinary shares USD
Issued and fully paid		
As of January 1, 2025 (Audited) and June 30, 2025 (Unaudited) of USD0.0001 each	1,319,472,897	131,947
As of January 1, 2026 (Audited) of USD0.0001 each	1,319,472,897	131,947
Shares repurchased and cancelled	(64,823,500)	(6,482)
As of June 30, 2026 (Unaudited) of USD0.0001 each	1,254,649,397	125,465

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

17. SHARE CAPITAL (CONTINUED)

	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Presented as:		
Share capital	834	879

During the six months ended June 30, 2026, the Company repurchased a total of 68,975,000 ordinary shares on the Stock Exchange for an aggregate consideration of approximately HKD70.2 million (including all the relevant expenses, equivalent to RMB61,853,000) (six months ended June 30, 2025: None).

Meanwhile, during the six months ended June 30, 2026, 64,823,500 repurchased ordinary shares were cancelled for an aggregate consideration of approximately HKD67.9 million (equivalent to RMB60,190,000) (six months ended June 30, 2025: None).

18. SHARE-BASED PAYMENTS

The employees were granted restricted shares, share options and restricted share units (the "RSUs") under the share incentive plans. Accordingly, the Group accounted for such plans by measuring the services received from the grantees in accordance with the requirement applicable to equity-settled share-based payment transactions.

The table below sets forth share-based payments expenses for restricted shares, share options and RSUs during the relevant periods:

	Six months ended June 30, 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Restricted shares	–	36,721
Share options	–	240
RSUs	1,007	–
	1,007	36,961

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

18. SHARE-BASED PAYMENTS (CONTINUED)

(a) Details of the restricted shares

A restricted share plan of Dingdang Medicine Express Technology (the “2016 Share Incentive Plan”) was adopted pursuant to a resolution passed on September 13, 2016 for the primary purpose of providing incentives to eligible employees and directors, in which Dingdang Medicine Express Technology granted 85,333,330 restricted shares to 26 employees and directors.

The time-based condition for the common grantees is that no more than 30%, 30% and 40% in sequence of restricted shares can be disposed of in each of the three years after listing date. The time-based condition for the special grantees is that no restricted shares can be disposed within six month after listing date. After six months, restricted shares cannot be disposed without the authorization of the Company. The fair value of each restricted share under 2016 Share Incentive Plan for common grantees and special grantees were RMB0.5012 and RMB0.5100, respectively, on September 13, 2016.

On May 30, 2020, a share incentive plan (the “2020 Share Incentive Plan”) including a restricted share scheme was adopted by the Company. Considering the restricted shares under both plans have been granted to same participants with same quantity, the fair value of the restricted shares granted under 2016 Share Incentive Plan is broadly consistent with the fair value of the restricted shares granted under 2020 Share Incentive Plan on May 30, 2020. The fair value of each restricted shares granted under both plans were RMB2.3027 and RMB2.0334, respectively, on May 30, 2020. Accordingly, the 2016 Share Incentive Plan, was replaced as a result of the adoption of the 2020 Share Incentive Plan. The remaining employed 17 employees became the shareholders of the Company through Go Prosper Enterprises Corporation and Much Premium Investment Limited instead. The replacement of the plans has no effect on the vesting conditions of the grantees.

In September 2023, supplementary agreements were signed under the 2020 Share Incentive Plan by adding certain performance conditions. Since the performance targets for the years ended December 31, 2023, 2024, and 2025 were not met, all restricted shares for the common grantees and all restricted shares for the special grantees that should have been vested in 2023, 2024 and 2025, were not vested and will be vested upon the approval from a committee comprising of Controlling Shareholder (the “Administrator”). These supplementary agreements did not have an accounting impact on the share-based payments expenses of the Group as the modification is not beneficial to employees.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

18. SHARE-BASED PAYMENTS (CONTINUED)

(a) Details of the restricted shares (Continued)

On May 31, 2021, an incentive shares plan (the "Founder Incentive Scheme") was approved by the shareholders of the Company. Pursuant to the Founder Incentive Scheme, 130,793,590 ordinary shares, representing the then 10% of the total issued shares of the Company, were issued to Future Health Limited, 60% equity interest of which is held by the Controlling Shareholder. The purpose of the Founder Incentive Scheme was to recognize and reward the contribution of the Controlling Shareholder to the growth and development of the Group.

20% of the founder incentive shares will be released of upon the expiration of the lock-up period applicable to the founder after the initial public offering ("IPO") of the Company. The time-based condition for the Controlling Shareholder is that 10%, 10%, 10% and 10% in sequence of restricted shares can be released of in each of the first four anniversaries of the grant date. The performance-based condition for the Controlling Shareholder is that 10%, 10%, 10% and 10% in sequence of restricted shares can be released of over four years upon satisfaction of certain performance conditions of the Group on the performance testing date, which is the date the board of the Company approves the final audited consolidated financial statements. The fair value of the restricted shares under Founder Incentive Scheme was RMB5.3197 per share on May 31, 2021.

A summary of the restricted shares' movement for common grantees and special grantees is as follows:

	Number of restricted shares for common grantees	Number of restricted shares for special grantees	Total	Weighted -average grant date fair value RMB
Outstanding as of January 1, 2025 (Audited), June 30, 2025 (Unaudited), January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	54,400,000	21,833,330	76,233,330	0.50



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

18. SHARE-BASED PAYMENTS (CONTINUED)

(a) Details of the restricted shares (Continued)

A summary of the restricted shares' movement for the Controlling Shareholder under Founder Incentive Scheme is as follows:

	Number of restricted shares for the Controlling Shareholder	Weighted-average grant date fair value <i>RMB</i>
Outstanding as of January 1, 2025 (Audited)	65,396,795	5.32
Vested	(13,079,359)	5.32
Outstanding as of June 30, 2025 (Unaudited), January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	52,317,436	5.32

(b) Details of the employee share option scheme of the Company

The employee share option scheme of the Company was pursuant to a resolution passed in May 2020 for the primary purpose of providing incentives to eligible employees. A total number of 11,710,000 shares under the share option scheme were classified into two categories with different lockup period, including 3,840,000 shares which were granted to common grantees, and the remaining shares were granted to special grantees. The total share options granted to common grantees will be vested by 30%, 30% and 40% in sequence over three years after listing date of the Company. The share options granted to special grantees will be vested by 40% and 60% over two years after listing date of the Company. Both categories of grantees should satisfy the performance appraisal. No further share options will be granted by the Company after IPO in accordance with the share option scheme. In the event where any share option was subsequently terminated or forfeited, the underlying shares of which will be available for future grant in the form of RSUs in accordance with the terms of the RSUs scheme under the 2020 Share Incentive Plan.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

18. SHARE-BASED PAYMENTS (CONTINUED)

(b) Details of the employee share option scheme of the Company (Continued)

Details of the employees' share option is as follows:

Date of grant	Number of ordinary shares	Exercise price <i>RMB</i>
May 30, 2020	11,710,000	0.1

The following tables disclose the details of share options held by existing employees of the Company and movements in such holdings:

	Number of share options	Weighted average exercise price <i>RMB</i>	Weighted average remaining term <i>Year</i>
Outstanding as of January 1, 2025 (Audited)	1,240,000	0.1	5.41
Outstanding as of June 30, 2025 (Unaudited)	1,240,000	0.1	4.92
Outstanding as of January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	–	–	–

As at June 30, 2026, 10,474,000 options have been vested and were exercisable (2025: 10,474,000 options).



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

18. SHARE-BASED PAYMENTS (CONTINUED)

(c) Details of the RSUs

810,000 shares which were available for future grant in the form of RSUs arose from the share option scheme based on the 2020 Share Incentive Plan were granted to an employee (the "2022 Grantee") on September 30, 2022. The time-based condition for 2022 Grantee is that 50% and 50% in sequence of vested shares can be disposed of in following two years after grant date upon satisfaction of the performance appraisal. The fair value of each RSUs was RMB9.85 on September 30, 2022.

In September 2023, a supplementary agreement was signed under the share option scheme for 2022 Grantee by adding certain performance conditions. Since the performance target for the years ended December 31, 2023 and 2024 was not met, all RSUs that should have been vested in 2023 and 2024 were not vested and will be vested upon the Administrator's approval. The supplementary agreement did not have an accounting impact on the share-based payments expenses of the Group as the modification is not beneficial to 2022 Grantee.

A summary of the 2022 Grantee RSUs' movement is as follows:

	Number of RSUs for 2022 Grantee	Grant date fair value RMB
Outstanding as of January 1, 2025 (Audited), June 30, 2025 (Unaudited), January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	810,000	9.85

A restricted share unit scheme (the "2023 RSU Scheme") was adopted by the Company on June 27, 2023 (the "Adoption Date"). The 2023 RSU Scheme was contemplated and adopted to be funded solely by the existing ordinary shares of the Company. The maximum number of shares to be awarded under the 2023 RSU Scheme will be 2.0% of the total issued ordinary shares of the Company as at the Adoption Date. Pursuant to the 2023 RSU Scheme, the Company will purchase the existing shares through CMB Wing Lung (Trustee) Limited (the "Trustee") on the secondary market with the self-owned funds of the Company, and the Trustee has been appointed by the Company for the administration of the 2023 RSU Scheme.

As of June 30, 2026, the Trustee cumulatively purchased 23,100,000 (2025: 23,100,000) of the existing ordinary shares of the Company. 5,859,000 (2025: 5,859,000) ordinary shares, which included 630,000 (2025: 630,000) ordinary shares granted to the directors of the Company, were granted in accordance with IFRS 2 after a shared understanding was came into with eligible participants about the detail performance arrangements and the remaining 17,241,000 (2025: 17,241,000) ordinary shares were not granted in accordance with IFRS 2 since no detail performance arrangements with eligible participants were existed at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

18. SHARE-BASED PAYMENTS (CONTINUED)

(c) Details of the RSUs (Continued)

The time-based condition for 2023 RSU Scheme is that 30%, 30% and 40% in sequence can be vested on May 31, 2026, 2027 and 2028 upon satisfaction of the performance appraisal which is written confirmed by the scheme committee. During the six months ended June 30, 2026, 5,859,000 (six months ended June 30, 2025: nil) ordinary shares were vested upon the approval from the scheme committee.

A summary of the 2023 RSU Scheme' movement is as follows:

	Number of RSUs for 2023 RSU Scheme	Grant date fair value* RMB
Outstanding as of January 1, 2025 (Audited) and June 30, 2025 (Unaudited)	–	–
Outstanding as of January 1, 2026 (Audited)	5,859,000	0.9380
Vested	(5,859,000)	0.9380
Outstanding as of June 30, 2026 (Unaudited)	–	–

* The valuation of the RSUs for 2023 RSU Scheme was conducted by the management with reference to quoted bid prices in Stock Exchange market.

Share-based payments expenses of RMB1,007,000 for RSUs have been recognized in profit or loss for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

19. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

20. OPERATING LEASE ARRANGEMENT

The Group as lessor

The Group accounts for the headlease and the sublease as two separate contracts when acts as an intermediate lessor. The subleases are classified as operating leases by reference to the right-of-use assets arising from the headlease, which have committed lessees for the next 1 to 5 years.

Undiscounted lease payments receivable on leases are as follows:

	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Within one year	2,113	2,158
In the second year	951	1,289
In the third year	698	1,104
In the fourth year	25	893
In the fifth year	–	297
	3,787	5,741

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

IFRS 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurement for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value.

The level of fair value calculation is determined by the lowest level input that is significant in the overall calculation.

As such, the significance of the input should be considered from an overall perspective in the calculation of fair value.

For Level 1 financial instruments, valuations are determined using prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

For Level 2 financial instruments, valuations 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).

For Level 3 financial instruments, valuations 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 (significant unobservable inputs).



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

The following tables provide the fair value measurement hierarchy of the Group's financial assets:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of June 30, 2026 (Unaudited)				
Assets:				
Financial assets at FVTPL	2,079	–	4,381	6,460
Equity instruments at FVTOCI	70,076	–	–	70,076
As of December 31, 2025 (Audited)				
Assets:				
Financial assets at FVTPL	2,480	30,000	212,056	244,536
Equity instruments at FVTOCI	83,155	–	–	83,155

During the six months ended June 30, 2026, a fair value loss of RMB13,079,000 (six months ended June 30, 2025: gain of RMB10,346,000) was recorded for equity instruments at FVTOCI.

The following table gives information about how the fair values of the Group's financial assets are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as of June 30, 2026 (Unaudited) RMB'000	Fair value as of December 31, 2025 (Audited) RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Equity securities issued by a listed company	70,076	83,155	Level 1	Quoted bid prices in an active market.	N/A	N/A
Equity securities issued by listed companies	2,079	2,480	Level 1	Quoted bid prices in an active market.	N/A	N/A

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Financial assets	Fair value as of June 30, 2026 (Unaudited) RMB'000	Fair value as of December 31, 2025 (Audited) RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial products issued by banks	—	30,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
Financial products issued by banks	4,381	212,056	Level 3	Discounted cash flow. Future cash flows are estimated based on estimated return.	Estimated return	The higher the estimated return, the higher the fair value, vice versa.

For assets that are measured at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting end. During the current interim period, there were no transfers among different levels of fair values measurement (six months ended June 30, 2025: no).

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

For the financial assets and financial liabilities that are not measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

22. RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the relevant periods.

Name of related parties	Relationship
Mr. Yang Wenlong	The Controlling Shareholder
Renhe (Group) Development Co., Ltd.* (仁和(集團)發展有限公司) ("Renhe (Group)")	Related companies controlled by family members of the Controlling Shareholder
Renhe Pharmacy Co., Ltd.* (仁和藥業股份有限公司) and its subsidiaries	Related company significantly influenced by family members of the Controlling Shareholder

* English names are for identification purpose only.

(b) Transactions with related parties

Other than as disclosed elsewhere in these condensed consolidated financial statements, the Group has following transactions and balances with related parties:

Name of related parties	Nature of balances/ transactions	Six months ended June 30,	
		2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Product sales	201	187
	Purchase of goods	59,602	64,416
	Brand usage fee	1,144	922
	Expense relating to short-term leases	2,133	1,884
Renhe (Group)	Product sales	1	7
	Purchase of goods	8	–
	Brand usage fee	977	759

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties:

Amounts due from related parties

Name of related parties	Nature of balances/ transactions	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Trade	1,377	1,748
	Non-trade (note)	68	–
Total		1,445	1,748

Note: The amount is prepaid short-term rental expenses.

Amounts due to related parties

Name of related parties	Nature of balances/ transactions	As of June 30, 2026 (Unaudited) RMB'000	As of December 31, 2025 (Audited) RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Trade (note i)	41,247	11,845
Renhe (Group)	Non-trade (note ii)	144	22
Total		41,391	11,867

Notes:

- i As of June 30, 2026, there was no notes payables with related parties included in the balance (December 31, 2025: RMB11,335,000).
- ii. The amount primarily included brand usage fee payables, which was recognized as amounts due to related parties of non-trade nature. The amount is unsecured, interest free and repayable on demand.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2026

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management personnel compensation

The remuneration of directors and other key management personnel is as follows:

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Salaries and bonuses	3,248	2,590
Share-based payments	153	36,440
Retirement benefit scheme contributions	226	223
Welfare, medical and other benefits	230	226
	3,857	39,479

23. SUBSEQUENT EVENTS

There are no significant subsequent events subsequent to June 30, 2026.