方舟健客

方舟云康控股有限公司

Fangzhou Inc.

Stock Code : 6086

2025
Interim Report

CONTENTS

Definitions and Glossary of Technical Terms

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of our Company
"CDM"	the establishment of an integrated system of intervention and management for chronic disease throughout different stages of the continuum of chronic disease care, ultimately strengthening disease control, preventing disease deterioration, and controlling the overall medical cost
"China" or "the PRC"	the People's Republic of China, and for the purposes of this interim report only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Class A Ordinary Share(s)"	class A ordinary share(s) in the share capital of our Company with a par value of US$0.00002 each, conferring a holder of a Class A Ordinary Share one vote per share on any resolution tabled at our Company's general meeting
"Company", "our Company", or "the Company"	Fangzhou Inc. (方舟云康控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on September 26, 2019
"Concert Deed"	the deed of act-in-concert entered into by Dr. Xie and Mr. Zhou on September 26, 2019, further information on which is set out in "History, Reorganization and Corporate Structure – Concert Party Arrangement" of the Prospectus
"Consolidated Affiliated Entities"	the entities we control through the contractual arrangements, namely Fangzhou Yunkang and its subsidiaries
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Crescent Point"	Crescent China Investment Management Ltd., a private equity manager incorporated in the British Virgin Islands on October 28, 2020 and regulated by the British Virgin Islands Financial Services Commission, which is ultimately controlled by Mr. David McKee HAND, our non-executive Director; or where the context requires, in respect of certain historical events, Crescent Fund Management Pte. Ltd., an investment manager incorporated in Singapore on December 17, 2012 and licensed by the Monetary Authority of Singapore
"Crescent Point Vehicles"	Crescent Trident Singapore Pte. Ltd., Asia-Pac E-Commerce Opportunities Pte. Ltd., CP Pharmatech Singapore Pte. Ltd. and Tech-Med Investments (S) Pte. Ltd.

"Director(s)"	the director(s) of our Company
"Dr. Xie"	Dr. XIE Fangmin (謝方敏), an executive Director, Chairman of the Board and chief executive officer of our Company
"Global Offering"	the offer for subscription and placing of the Shares as described in the Prospectus
"GMV"	gross merchandise volume, the total value of all orders placed, regardless of whether the services or products are performed or delivered or whether the products are returned
"Group", "our Group", "the Group", "we", "us", or "our"	our Company, its subsidiaries and the Consolidated Affiliated Entities from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"H2H"	hospital-to-home
"H2H service platform"	the platforms where we offer H2H services, which are online medical services forming the primary part of our comprehensive medical services. These platforms include the Jianke Doctor App (健客醫生), Jianke Hospital App (健客醫院) and certain of our WeChat mini programs
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jianke Platform"	the platforms where we offer certain of our services, including Jianke Doctor App (健客醫生), Jianke Hospital App (健客醫院), Jianke Online Pharmacy App (方舟健客網上藥店), the website of Jianke.com and WeChat official accounts and mini programs
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange since July 9, 2024
"Listing Date"	July 9, 2024, being the date on which dealings in the Shares first commenced on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM (formerly known as the Growth Enterprise Market) of the Stock Exchange

Definitions and Glossary of Technical Terms

"MAU"	monthly active users and, in relation to us, the number of active users who access our services on the Jianke Platform at least once during a calendar month
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Zhou"	Mr. ZHOU Feng, an executive Director and chief strategy officer of our Company
"Nomination Committee"	the nomination committee of the Board
"Preferred Share(s)"	preferred share(s) in the share capital of our Company with a par value of US$0.00002 each, including the series A preferred shares, series A-1 preferred shares, series B preferred shares, series C preferred shares, series D preferred shares and series D+ preferred shares
"Prospectus"	the prospectus issued by our Company on June 28, 2024
"Reporting Period"	for the six months ended June 30, 2025
"RMB"	Renminbi yuan, the lawful currency of the PRC
"RSU Scheme"	the restricted share unit scheme adopted by our Company on January 1, 2020
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)" or "Ordinary Share(s)"	ordinary shares in the share capital of our Company with a par value of US$0.00002 each
"Shareholder(s)"	holder(s) of our Share(s)
"SKU"	stock keeping unit
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"US dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"%"	per cent

BOARD OF DIRECTORS

Executive Directors

Dr. XIE Fangmin (謝方敏)
Mr. ZHOU Feng
Mr. ZOU Yuming (鄒宇鳴)

Non-executive Director

Mr. David McKee HAND

Independent Non-executive Directors

Dr. WANG Haizhong (王海忠)
Ms. KANG Wei (康韋)
Mr. ZHU Xiaolu (朱小路)

AUDIT COMMITTEE

Mr. ZHU Xiaolu (朱小路) *(Chairman)*
Dr. WANG Haizhong (王海忠)
Ms. KANG Wei (康韋)

REMUNERATION COMMITTEE

Ms. KANG Wei (康韋) *(Chairlady)*
Mr. ZHU Xiaolu (朱小路)
Mr. David McKee HAND

NOMINATION COMMITTEE

Dr. XIE Fangmin (謝方敏) *(Chairman)*
Mr. ZHU Xiaolu (朱小路)
Dr. WANG Haizhong (王海忠)
Ms. KANG Wei (康韋) *(appointed on June 18, 2025)*

JOINT COMPANY SECRETARIES

Mr. ZOU Yuming (鄒宇鳴)
Ms. NG Sau Mei (伍秀薇)

AUTHORIZED REPRESENTATIVES

Dr. XIE Fangmin (謝方敏)
Mr. ZHOU Feng

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Floor 1-2, 4th Street
Building S, Kehui Jingu
No. 99, Science Avenue
Luogang Science City
Huangpu District
Guangzhou
Guangdong Province
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

COMPANY'S WEBSITE

investors.jianke.com

STOCK CODE

6086

Corporate information

HONG KONG LEGAL ADVISOR

Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

AUDITOR

KPMG
Certified Public Accountants
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

FINANCIAL SUMMARY

Condensed Consolidated Statements of Profit or Loss

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	**1,493,571**	1,322,821
Cost of sales	**(1,225,239)**	(1,057,272)
Gross profit	**268,332**	265,549
Profit/(loss) before taxation	**12,516**	(818,707)
Profit/(loss) and total comprehensive income for the period	**12,482**	(818,725)
Non-HKFRS Measures		
Adjusted net profit (non-HKFRS measure)[1]	**17,584**	15,055
Attributable to:		
Equity shareholders of our Company	**12,482**	(818,725)

Condensed Consolidated Statements of Financial Position

	As of June 30, 2025 RMB'000 (unaudited)	As of December 31, 2024 RMB'000 (audited)
Non-current assets	**44,418**	55,769
Current assets	**724,360**	608,325
Non-current liabilities	**21,491**	31,090
Current liabilities	**597,297**	501,300
Net assets	**149,990**	131,704

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

Key Highlights

FINANCIAL AND BUSINESS HIGHLIGHTS

Our strong financial results for the first half of 2025 reflect disciplined execution of our strategy and sustained technological innovation. Key highlights include:

- **Continued Profitability:** Achieved net profit of RMB12.5 million during the Reporting Period (reversing a net loss in the prior-year period) as we continued to deploy technologies across our platform to grow our business scale and improve operating efficiency. Adjusted net profit (non-HKFRS measure) also grew 16.8% from RMB15.1 million for the six months ended June 30, 2024 to RMB17.6 million for the six months ended June 30, 2025

- **Strategic AI Advancement:** We achieved substantial progress by expanding AI integration across our chronic disease management platform. During the Reporting Period, we deployed a number of key AI solutions, including our “AI-Electronic Medical Record (EMR) Agent” and “AI Pre-Consult Agent” to facilitate intelligent pre-consultations and medical record retrieval and creation, our “AI Guidance Agent” to assist patients with physician and therapeutic area selection, and our “AI Doctor Assistant” to provide physicians with consultation support

- **Robust Platform Growth and Partnership Development:** Our user base reached 52.8 million registered users as of June 30, 2025 (15.8% growth year-over-year), while average MAU increased significantly by 34.4% to 11.9 million for the twelve months ended June 30, 2025. We also expanded our healthcare provider network to 229 thousand registered physicians and strengthened collaborations with more than 1,650 suppliers and over 980 pharmaceutical companies

BUSINESS REVIEW

The first half of 2025 marked a period of significant advancement for the Company as we continued to strengthen our position as China's leading online CDM platform. Amid a rapidly evolving healthcare landscape shaped by an aging population, AI-driven technological advancements, and heightened demand for accessible medical services, we have focused on innovation, strategic partnerships, and service expansion to meet the needs of an increasingly health-conscious population.

China's government has also continued to stress the importance of promoting digitalization across the healthcare ecosystem. Notably, in April 2025, seven Chinese regulatory bodies including the Ministry of Industry and Information Technology ("**MIIT**"), the National Health Commission, the Ministry of Commerce, and other key ministries jointly issued the 2025-2030 Pharmaceutical Industry Digital Transformation Implementation Plan which recognizes digital transformation as essential to advancing China's pharmaceutical sector, and outlines the use of artificial intelligence, big data, and other advanced technologies to enhance all aspects of pharmaceutical development and production.

As China's leading online CDM platform, we continued to grow our user base and platform engagement during the Reporting Period, reaching 52.8 million registered users as of June 30, 2025, and averaging 11.9 million MAU for the twelve months ended June 30, 2025. Our strong commitment to maintaining customer loyalty is also evidenced by our consistently high 85.4% repeat purchase rate among paying users. Reflecting our continued focus on serving chronic disease patients, prescription drugs represented 81.7% of total GMV for the six months ended June 30, 2025.

The growing prevalence of chronic diseases and increasing patient demand for convenient, personalized healthcare solutions have positioned our digital platforms and AI-enabled services as essential tools for delivering quality care. We continue to explore and leverage AI applications to improve the quality of chronic disease management, reduce procurement costs and improve efficiency, and enable precision marketing approaches. We remain confident in our strategy and committed to our mission of ensuring "better health for all".

Comprehensive Medical Services

Our comprehensive medical services business segment has consistently prioritized addressing the critical healthcare needs of chronic disease patients by leveraging AI and advanced technologies within our H2H service platform to provide follow-up online medical consultation, e-prescription and prescription refill services. Over the Reporting Period, we realized substantial milestones in broadening our business footprint through the expansion of our medical professional network. Our platform grew to 229 thousand registered physicians as of June 30, 2025. Reflecting the strong qualifications of healthcare experts within our ecosystem, 58.9% of our registered physicians were affiliated with Class III hospitals, while 38.5% held the title of associate chief physician or higher.

Over the Reporting Period, we continued to advance our AI-driven chronic disease management solutions. In the first half of 2025, we launched our "AI Electronic Medical Record (EMR) Agent" and "AI Pre-Consult Agent" for 24/7 intelligent pre-consultation and medical record retrieval and creation. The system employs large language models to ask intelligent follow-up questions and organize patient symptoms, medical history, and data for physicians, improving diagnostic efficiency. In addition, we deployed our "AI Guidance Agent" to assist patients with physician and therapeutic area selection, and our "AI Doctor Assistant" to provide physicians with consultation support. We also upgraded our AI customer service assistant to better support medication management throughout the patient journey. The system helps with prescription consultations, medication reminders, and timely renewals, boosting patient adherence. Through the integration of AI tools across our platform, we have created an innovative model that can improve physician efficiency while providing comprehensive patient lifecycle management.

During the Reporting Period, we continued to support our pharmaceutical company partners with new drug launches through our platform. In the first half of 2025, we brought several innovative drugs online, including Otsuka Pharmaceutical's Inclusig for the treatment of chronic myeloid leukemia (CML) and Philadelphia chromosome-positive acute lymphoblastic leukemia (Ph+ ALL), Novo Nordisk's Wegovy for chronic weight management, and Novartis' Kisqali for HR+/HER2- breast cancer, among others. These product launches align with our mission to expand treatment access and provide patients with a broader range of therapeutic options for managing chronic conditions, and we remain especially focused on specialties such as weight management, metabolic disorders, and infectious disease, among others, which we believe have significant unmet need.

Online Retail Pharmacy Services

As China's leading online CDM platform, our online retail pharmacy business centers on prescription drugs, and providing the broadest possible range of products for our customers. In the first half of 2025, we continued optimizing user experience and strengthening our platform capabilities to provide patients with a comprehensive selection of high-quality medications for chronic disease management. During the Reporting Period, our online retail pharmacy revenue grew 28.2% from RMB673.7 million for the six months ended June 30, 2024, to RMB863.7 million for the six months ended June 30, 2025, primarily driven by our growing user base and platform enhancements.

During the Reporting Period, we continued to upgrade our Fangzhou Jianke Online Pharmacy App and mini-app with AI-powered algorithms and interface enhancements to improve the user experience. Our focus centered on several key areas to drive growth, including significant improvements to search functionality. We leveraged advanced data analytics to improve user intent recognition, and implemented machine learning ranking models to improve search efficiency. In addition, we also enhanced the overall user experience by upgrading the design of core user pathways in our app and mini-app-including landing pages, search results, and product details-to address compatibility issues and eliminate conversion bottlenecks.

Customized Content and Marketing Solutions

Our customized content and marketing solutions business helps pharmaceutical companies inform and educate patients, and facilitate academic exchange among doctors through comprehensive digital marketing solutions. We are focused on enhancing understanding of chronic diseases and treatment options while delivering medical information and content, and hosting online conferences and live streaming events through our academic and patient communities. During the Reporting Period, revenue from customized content and marketing solutions decreased by 23.6% from RMB49.4 million as of June 30, 2024 to RMB37.7 million as of June 30, 2025, as we transitioned our business from conventional promotional approaches to providing comprehensive, higher value, one-stop solutions that deliver integrated marketing capabilities which enhance brand visibility, engagement, and overall effectiveness. While this transformation presents near-term challenges as we introduce our enhanced solutions to pharmaceutical companies, we expect it will ultimately drive market penetration and serve as key growth catalyst going forward.

During the Reporting Period, we strengthened deployment of AI technologies across our customized content and marketing solutions business. To address demand for high quality popular medical content, we introduced our AI content creation assistant, which enables rapid content creation, while reducing operational costs and expanding the breadth of our health knowledge coverage.

Pharmaceutical Supply Chain Optimization

A core strength of our supply chain management is our ability to attract pharmaceutical companies and suppliers to our ecosystem through our unique “AI-assist + chronic disease management” model and comprehensive multichannel capabilities spanning our business segments. As of June 30, 2025, our pharmaceutical supply chain encompassed partnerships with more than 1,650 suppliers and over 980 pharmaceutical companies, including multinational corporations and leading domestic players.

We continue to focus on enabling new drug launches and helping pharmaceutical companies establish effective marketing solutions. During the Reporting Period, we launched a number of innovative drugs through our platform from leading pharmaceutical companies including Novo Nordisk, Otsuka Pharmaceutical, Novartis AG, and Takeda Pharmaceuticals. These collaborations help us maintain consistent access to a broad range of pharmaceutical products, allowing us to offer over 216,000 drug SKUs, with 62% being prescription medications.

We further enhanced our “Fangzhou Quality Procurement” system with AI-powered capabilities. Our “AI Procurement Assistant” optimizes inventory management by dynamically adjusting stock levels, monitoring purchase orders, and providing alerts for critical issues including supplier qualification renewals and delivery delays. The system employs advanced analytics to improve supplier coordination and streamline fulfillment operations. This comprehensive approach to supply chain management is key to maintaining our operating efficiency, enabling us to maintain inventory turnover days of just 25.7 days during the Reporting Period despite continued revenue growth across our core business segments.

Social Healthcare Insurance

The expansion of our medical insurance related services represents a key strategic initiative as China continues to advance social healthcare insurance reforms. Since July 2024, when we began providing online follow-up consultation and prescription services for Guangzhou based social healthcare insurance participants, we have continued to enhance our platform, improving user experience and functionality.

During the first half of 2025, we simplified the social healthcare insurance on-boarding process for patients, and upgraded our medical insurance regulatory compliance systems. We also added our our subsidiary Ruishi Hospital to the Guangzhou online medical insurance platform, and launched our Medical Insurance 2.0 connectivity interface, establishing the groundwork for future capabilities.

Future Prospects

As China's leading online CDM platform, we are uniquely positioned to leverage AI technologies to meet the evolving healthcare demands driven by China's demographic changes. We will continue to prioritize patient needs while advancing our "AI + chronic disease management" strategy to drive integrated business growth and contribute to the transformation of China's healthcare industry. Looking ahead, our strategic vision centers on a number of key priorities:

1. Talent Acquisition and Development

We recognize that talent is the cornerstone of our business development, and fundamental to our competitiveness and future growth potential. The Company actively recruits high-caliber professionals with experience across pharmaceuticals, Internet technology, artificial intelligence, and operations, prioritizing candidates who posses interdisciplinary expertise. Concurrently, we continue to invest in our existing talent base through cross-functional job rotations that unlock talent potential while fostering greater organizational collaboration. Complementing these efforts, the Company is committed to establishing a comprehensive compensation system that balances short-term performance rewards with longer term incentives, empowering talent and driving mutual success.

2. Accelerating Technology Investments and Digital Innovation

Sustained technology investment and upgrades are critical drivers of our innovation capabilities, enabling us to maintain operational excellence and deliver superior user experiences — critical elements of our core competitive advantage. We will continue to advance AI-driven development across our platform with AI-agent applications for additional aspects of chronic disease management. In addition, we aim to establish a foundational framework for AI-based physicians focused on chronic disease care. These ongoing efforts are aimed at aligning with industry requirements while satisfying the varied needs of all stakeholders within our ecosystem, thereby enhancing customer satisfaction and building long-term user loyalty.

3. Strengthening Strategic Partnerships

We remain committed to establishing and expanding strategic partnerships with a wide range of pharmaceutical companies, actively exploring and developing high-quality collaborations across key areas of chronic disease management, including medical academic exchange, popular science content, supply chain optimization, and comprehensive service solutions in order to better serve a broad base of physicians and patients. We will also leverage our strong brand reputation to recruit more medical professionals to our platform, particularly from broader underpenetrated markets, to collaborate in delivering services to chronic disease patients across a range of specialties. Our strategic priority is centered on key therapeutic areas characterized by significant patient demand such as weight management, metabolic disorders, and infectious diseases, with the aim of reducing costs, improving accessibility, and ultimately serving a wider patient population.

4. **Advancing Healthcare Insurance Collaboration**

We plan to further expand our collaborations with social insurance authorities, adopting a "comprehensive health assurance" philosophy that spans the entire patient care continuum. We aim to leverage our technological expertise, while maintaining high standards of compliance, convenience, and cost management, to replicate our successful model across additional regions. In addition, we are engaged in discussions with a number of commercial insurance companies to foster innovation within the broader landscape of commercial health insurance, especially focused on chronic disease management. Our objective is to develop straightforward, applicable insurance solutions that enhance healthcare services, expand access to chronic disease management, and help alleviate the burden of healthcare costs for patients.

FINANCIAL REVIEW

Revenue

We generated our revenue primarily from (i) online retail pharmacy services; (ii) comprehensive medical services; (iii) wholesale; and (iv) customized content and marketing solutions. The following table sets forth the breakdown of our revenue by business lines for the periods indicated.

	For the six months ended June 30,			
	2025		2024	
	RMB'000	**%**	*RMB'000*	%
	(unaudited)		(unaudited)	
Online retail pharmacy services	**863,688**	**57.8**	673,745	50.9
Comprehensive medical services	**357,172**	**24.0**	320,735	24.2
Wholesale	**235,004**	**15.7**	278,960	21.1
Customized content and marketing solutions	**37,707**	**2.5**	49,381	3.8
Total	**1,493,571**	**100.0**	1,322,821	100.0

Our revenue increased by 12.9% from RMB1,322.8 million for the six months ended June 30, 2024 to RMB1,493.6 million for the six months ended June 30, 2025, primarily reflecting growth from our online retail pharmacy services and comprehensive medical services business segments.

Online Retail Pharmacy Services

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

Revenue generated from online retail pharmacy services increased by 28.2% from RMB673.7 million for the six months ended June 30, 2024 to RMB863.7 million for the six months ended June 30, 2025, which reflected the increased sales volume of our pharmaceutical and healthcare products primarily driven by the continued growth in our user base and strength in our operations and supply chain.

Comprehensive Medical Services

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

Revenue generated from comprehensive medical services increased by 11.4% from RMB320.7 million for the six months ended June 30, 2024 to RMB357.2 million for the six months ended June 30, 2025. In the first half of 2025, gross profit margins decreased to 13.3% from 22.8% for the corresponding period of 2024, driven by changes in our product mix as we strategically partnered with pharmaceutical companies on products for certain high-demand therapeutic areas with significant unmet need, despite their lower gross margin profile.

Wholesale

Wholesale revenue primarily consists of revenue from wholesale of pharmaceutical products to third-party distributors. Revenue generated from wholesale decreased by 15.8% from RMB279.0 million for the six months ended June 30, 2024 to RMB235.0 million for the six months ended June 30, 2025. This was primarily due to the prevailing market environment in the first half of 2025 where we found fewer wholesale opportunities that met our criteria for profitability.

Customized Content and Marketing Solutions

Revenue from customized content and marketing solutions mainly comprises income generated from customized content and marketing services we offered to pharmaceutical companies.

Revenue generated from customized content and marketing solutions decreased by 23.6% from RMB49.4 million for the six months ended June 30, 2024 to RMB37.7 million for the six months ended June 30, 2025, as we shifted our business from conventional promotional approaches to providing comprehensive, higher value integrated marketing solutions, creating near-term challenges but positioning us for stronger market penetration going forward.

Cost of Sales

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

Our cost of sales increased by 15.9% from RMB1,057.3 million for the six months ended June 30, 2024 to RMB1,225.2 million for the six months ended June 30, 2025, primarily reflecting an increase in overall sales volume.

Gross Profit and Gross Profit Margin

Our gross profit increased by 1.0% from RMB265.5 million for the six months ended June 30, 2024 to RMB268.3 million for the six months ended June 30, 2025. Our overall gross profit margin decreased from 20.1% for the six months ended June 30, 2024 to 18.0% for the six months ended June 30, 2025, primarily reflecting changes in margins for each underlying business segment, and shifts in segment mix.

Other Net Income/Loss

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

Our other net income increased to RMB2.7 million for the six months ended June 30, 2025 from other net loss of RMB9.6 million for the six months ended June 30, 2024, primarily reflecting the decrease in foreign exchange loss in connection with the changes in present value of redemption amount of the Preferred Shares denominated in US dollars.

Selling and Distribution Expenses

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

Our selling and distribution expenses increased by 11.5% from RMB171.1 million for the six months ended June 30, 2024 to RMB190.7 million for the six months ended June 30, 2025, but decreased slightly as a percentage of revenue from 12.9% for the six months ended June 30, 2024 to 12.8% for the six months ended June 30, 2025. These shifts were primarily due to our overall revenue growth.

Administrative Expenses

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

Our administrative expenses decreased by 92.0% from RMB831.1 million for the six months ended June 30, 2024 to RMB66.6 million for the six months ended June 30, 2025, and also decreased as a percentage of revenue from 62.8% for the six months ended June 30, 2024 to 4.5% for the six months ended June 30, 2025. These decreases were primarily due to a reduction in expenses incurred from our RSU Scheme.

Recognition of Impairment Losses

Our recognition of impairment losses, mainly representing impairment losses recognized on trade receivables from enterprise customers of our customized content and marketing solutions business, grew modestly from RMB63 thousand for the six months ended June 30, 2024 to RMB565 thousand for the six months ended June 30, 2025 due to an increase in our trade receivables balance which accompanied our revenue growth, and our conservative approach for provisioning against aged receivables.

Finance Costs

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

Our finance costs decreased by 98.9% from RMB72.4 million for the six months ended June 30, 2024 to RMB765 thousand for the six months ended June 30, 2025, primarily due to changes in the carrying amount of preferred shares liabilities. Upon the Listing Date, all of the Preferred Shares automatically converted into Ordinary Shares at a one to one ratio, and the carrying amount of the Preferred Shares was transferred to share capital and share premium.

Income Tax Expenses

Our income tax expenses remained largely flat at RMB34 thousand for the six months ended June 30, 2025, compared to RMB18 thousand for the six months ended June 30, 2024.

Profit/(Loss) and Total Comprehensive Income for the Period

As a result of the foregoing, our profit/(loss) and total comprehensive income for the period improved from a loss of RMB818.7 million for the six months ended June 30, 2024 to a profit of RMB12.5 million for the six months ended June 30, 2025.

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

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

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

The following table reconciles our adjusted net profit (non-HKFRS measure) for the six months ended June 30, 2025, compared to the six months ended June 30, 2024:

	As of June 30,	
	2025	2024
	RMB'000, except for percentages	*RMB'000, except for percentages*
	(unaudited)	(unaudited)
Profit/(loss) and total comprehensive income for the period	**12,482**	(818,725)
Add:		
Equity settled share-based transactions	**5,804**	731,587
Listing expenses	**–**	18,524
Changes in the carrying amount of preferred shares liability	**–**	71,327
Foreign exchange from preferred shares liability	**–**	12,342
Fair value loss on financial assets measured at FVPL	**(702)**	–
Adjusted net profit (non-HKFRS measure)	**17,584**	15,055
Adjusted net profit margin (non-HKFRS measure)	**1.2%**	1.1%

Property, Plant and Equipment

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

Our property, plant and equipment decreased by RMB12.1 million to RMB41.4 million as of June 30, 2025, compared to RMB53.5 million as of December 31, 2024, primarily due to the decrease in right-of-use assets from reductions in rent.

Intangible Assets

Our intangible assets consist of computer software, licenses and trademarks. Our intangible assets remained relatively unchanged at RMB3.0 million and RMB2.2 million as of June 30, 2025 and December 31, 2024, respectively.

Inventories

Our inventories mainly consist of pharmaceutical and healthcare products. Our inventories increased by RMB61.3 million to RMB202.7 million as of June 30, 2025, compared to RMB141.4 million as of December 31, 2024, primarily due to the growth in sales volume of pharmaceutical and healthcare products.

Trade and Other Receivables

Our trade receivables increased to RMB49.1 million as of June 30, 2025 from RMB36.3 million as of December 31, 2024, primarily reflecting a higher balance of monthly-settled receivables from online social healthcare insurance payments, which was driven by business expansion.

Our other receivables primarily represented rebates from suppliers and deposits in connection with our procurement of pharmaceutical and other products. Our other receivables increased to RMB67.2 million as of June 30, 2025, compared to RMB53.9 million as of December 31, 2024, primarily due to higher levels of supplier refund receivables related to returned purchases.

Prepayments

Our prepayments primarily represent prepayments to service providers for renovation, decoration, online promotional and advertising services provided to us and prepayments for our procurement of pharmaceutical and other products. Our prepayments decreased to RMB15.0 million as of June 30, 2025, compared to RMB16.7 million as of December 31, 2024, primarily due to improved credit and payment terms resulting from strengthened supplier relationships.

Trade and Other Payables

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

Our trade and other payables increased to RMB557.2 million as of June 30, 2025, compared to RMB457.5 million as of December 31, 2024, primarily due to growth in the scale of our business over the Reporting Period.

Contract Liabilities

Our contract liabilities represent (i) payments we receive in advance from customers for sales of pharmaceutical and healthcare products, which are recognized as revenue when the products are delivered; and (ii) advances from our loyalty points program, which are recognized as revenue when users pay using loyalty points or when loyalty points expire. Our contract liabilities remained stable, amounting to RMB23.0 million as of June 30, 2025, compared to RMB22.5 million as of December 31, 2024.

Liquidity and Capital Resources

During the Reporting Period, we primarily financed our operations through cash flows from operating activities and equity financing. As of June 30, 2025, we had cash and cash equivalents of RMB214.0 million, compared to RMB174.6 million as of December 31, 2024. We monitor and maintain a level of cash and cash equivalents we believe adequate to finance our operations and mitigate the effects of fluctuations in cash flows.

Our Directors believe that we have sufficient working capital to meet our present and future cash requirements for the second half of 2025, taking into account our anticipated improvement in operating cash flows, management of working capital, efforts to obtain more favorable credit terms from suppliers and net proceeds from the Global Offering.

Bank Loans

As of June 30, 2025, the repayment schedule of bank loans was within one year and the balances were unsecured. Our bank loans during the Reporting Period were denominated in RMB and were primarily used to supplement our working capital. We had bank loans of RMB10 thousand at 2.8% interest as of June 30, 2025, compared to RMB3.0 million at 3.0% interest as of December 31, 2024.

Lease Liabilities

We recognized right-of-use assets and the corresponding lease liabilities in respect of all leases, except for short-term leases and leases of low value assets. Our lease liabilities decreased from RMB47.9 million as of December 31, 2024 to RMB36.5 million as of June 30, 2025, primarily due to reductions in rent.

Capital Commitments

As of June 30, 2025 and December 31, 2024, we had no material capital commitments.

Contingent Liabilities

As of June 30, 2025, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that are likely to have a material and adverse effect on our business, financial condition or results of operations.

Capital Expenditures

Our capital expenditures primarily consist of purchases of property, plant and equipment and intangible assets. Our capital expenditures were RMB2.2 million for the six months ended June 30, 2025 and RMB2.6 million for the six months ended June 30, 2024.

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

Key Financial Ratios

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

	As of June 30, 2025	As of December 31, 2024
Gross profit margin(1)	**18.0%**	19.1%
Net profit/(loss) margin(2)	**0.8%**	(31.4)%
Adjusted net profit margin (non-HKFRS measure)(3)	**1.2%**	0.6%
Current ratio(4)	**1.2**	1.2
Quick ratio(5)	**0.9**	0.9

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue for the period/year and multiplied by 100%.

(2) Net profit/(loss) margin is calculated using net profit/(loss) divided by revenue for the period/year and multiplied by 100%.

(3) Adjusted net profit margin (non-HKFRS measure) is calculated using the adjusted net profit (non-HKFRS measure) divided by revenue for the period/year and multiplied by 100%.

(4) Current ratio is calculated by using current assets divided by current liabilities as of the same date.

(5) Quick ratio is calculated by using current assets less inventories and divided by current liabilities as of the same date.

Significant Investments

We did not make any material investments during the six months ended June 30, 2025. In addition, there is no plan of our Group for material investments or additions of material capital assets as of the date of this interim report.

Material Acquisitions and Disposals

We did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended June 30, 2025.

Foreign Exchange Risk and Hedging

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

Pledge of Assets

As of June 30, 2025, our Group pledged a restricted bank deposit of RMB54.3 million in a margin account to secure bills payable. Apart from this deposit, the Group did not have any pledge of assets.

Employees and Remuneration

As of June 30, 2025, our Group had 485 employees. The total remuneration cost incurred by our Group for the six months ended June 30, 2025 was RMB68.9 million, as compared to RMB805.3 million for the six months ended June 30, 2024. This decrease was primarily due to a decrease in expenses incurred from our RSU Scheme.

The following table sets forth the number of full-time employees by function as of June 30, 2025.

	Number of employees	% of total
General and administrative personnel	97	20.0%
In-house medical professionals	62	12.8%
Operational personnel	109	22.5%
Research and development personnel	104	21.4%
Sales and marketing personnel	113	23.3%
Total	**485**	**100.0%**

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

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

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

Gearing Ratio

Our Group monitored its capital sufficiency using gearing ratio. As of June 30, 2025 and December 31, 2024, our Group's gearing ratio (total liabilities/total assets) was 0.8 and 0.8, respectively.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ANY OF OUR ASSOCIATED CORPORATIONS

As of the end of the Reporting Period, the interests and/or short positions (as applicable) of our Directors and chief executives in the shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Capacity and nature of interest	Number of Share held	Approximate percentage of shareholding of Shares[1]
Dr. Xie	Interest in controlled corporations[2]	276,605,527 (L)	20.64%
	Interest of a party to an agreement [3]	236,624,057 (L)	17.65%
	Interest of a party to an agreement [6]	138,430,610 (L)	10.33%
	Interest in a controlled corporation [7]	116,875,898 (L)	8.72%
Mr. Zhou	Interest in controlled corporations [4]	236,624,057 (L)	17.65%
	Interest of a party to an agreement [3]	276,605,527 (L)	20.64%
	Interest of a party to an agreement [6]	138,430,610 (L)	10.33%
	Interest in a controlled corporation [7]	116,875,898 (L)	8.72%
Mr. ZOU Yuming	Beneficial Owner [8]	3,500,000 (L)	0.26%
	Interest in a controlled corporation [8]	20,000,000 (L)	1.49%
Mr. David McKee HAND	Interest in controlled corporations [5]	437,443,815 (L)	32.64%
Dr. WANG Haizhong	Beneficial owner [9]	100,000 (L)	0.01%
Ms. KANG Wei	Beneficial owner [9]	100,000 (L)	0.01%
Mr. ZHU Xiaolu	Beneficial owner [9]	100,000 (L)	0.01%

(L) denotes a long position

Notes:

(1) The calculation is based on the total number of 1,340,267,457 Shares in issue as of June 30, 2025.

(2) Fangrong Management Limited is wholly owned by Dr. Xie. Each of Fangzhan Holdings L.P. and Xingyu Holdings L.P. is controlled by Dr. Xie. Therefore, Dr. Xie is deemed to be interested in the 265,538,362, 5,481,985 and 5,585,180 Shares held by Fangrong Management Limited, Fangzhan Holdings L.P. and Xingyu Holdings L.P., respectively, under the SFO.

(3) Dr. Xie and Mr. Zhou are parties to the Concert Deed, according to which Dr. Xie and Mr. Zhou confirmed and agreed that they have acted and will continue to act in concert and collectively for all material management affairs and the arrival and/or execution of all commercial decisions, including but not limited to financial and operational matters, of our Group since date of the Concert Deed, and they have casted and will continue to cast unanimous vote collectively for or against all resolutions in all Board and Shareholders' meetings and discussions of our Group. Therefore, Dr. Xie and Mr. Zhou are deemed to be jointly interested in the aggregate number of Shares held by each other.

(4) Each of Celaeno Group Limited and Silica Brothers Corp. is controlled by Mr. Zhou. Therefore, Mr. Zhou is deemed to be interested in the 186,158,297 and 50,465,760 Shares held by Celaeno Group Limited and Silica Brothers Corp., respectively, under the SFO.

(5) Each of Crescent Point Vehicles is advised by Crescent Point, which is ultimately controlled by Mr. David McKee HAND.

(6) Effective immediately before the Listing, Dr. Xie and Mr. Zhou were entitled to exercise the voting rights attached to 138,430,610 Shares, representing approximately 10.33% of shareholding in our Company as of June 30, 2025, held by Tech-Med Investments (S) Pte. Ltd. pursuant to the deed of voting proxy executed by Tech-Med Investments (S) Pte. Ltd.. For details, see “History, Reorganization and Corporate Structure — Deed of Voting Proxy” of the Prospectus.

(7) Asia Tech Investments Ltd. is a platform holding the underlying incentive shares granted to our Directors and senior management in the total amount of 116,875,898 Class A Ordinary Shares under the RSU Scheme. Approximately 51.34% and 48.41% of interest in Asia Tech Investments Ltd. were held by Dr. Xie and Mr. Zhou, respectively. Therefore, each of Dr. Xie and Mr. Zhou is deemed to be interested in the Shares held by Asia Tech Investments Ltd. in accordance with SFO.

(8) In May 2024, 3,500,000 and 20,000,000 Shares underlying the restricted share units (“**RSUs**”) were allotted and issued to Mr. ZOU Yuming and Torano Investments Limited (a company wholly owned by Mr. ZOU Yuming to hold certain Shares underlying the RSUs granted to him), respectively, pursuant to the RSU Scheme.

(9) Representing RSUs granted under the RSU Scheme.

As of the end of the Reporting Period, save as disclosed above, so far as is known to any Director or the chief executive of our Company, none of the Directors nor the chief executives of our Company had any interests or short positions in the shares, underlying shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions (as applicable) which he/she was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

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

As of the end of the Reporting Period, so far as our Directors are aware, the following persons (other than the Directors or chief executives of our Company) had interests and/or short positions in the Shares or underlying Shares which would be required to be notified to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity and nature of interest	Number of Shares held	Approximate percentage of shareholding of Shares[1]
Celaeno Group Limited	Beneficial Owner [3]	186,158,297 (L)	13.89%
Fangrong Management Limited	Beneficial Owner [2]	265,538,362 (L)	19.81%
Asia Tech Investments Ltd.	Beneficial Owner [8]	116,875,898 (L)	8.72%
Crescent ACSO Investment Management Ltd	Interest in controlled corporations [4]	115,165,045 (L)	8.59%
Crescent Trident Singapore Pte. Ltd.	Beneficial Owner [4]	115,165,045 (L)	8.59%
Crescent Point	Investment manager [7]	437,443,815 (L)	32.64%
Danai Rojanavanichkul	Interest in controlled corporations [5][6]	264,582,255 (L)	19.74%
Veneto Holdings Ltd.	Interest in controlled corporations [5][6]	264,582,255 (L)	19.74%
Tech-Med Cayman III Ltd.	Interest in controlled corporations [6]	138,430,610 (L)	10.33%
Tech-Med Investments (S) Pte. Ltd. [10]	Beneficial Owner [6]	138,430,610 (L)	10.33%
CP Pharmatech Singapore Pte. Ltd.	Beneficial Owner [5]	126,151,645 (L)	9.41%

(L) denotes a long position

Notes:

(1) The calculation is based on the total number of 1,340,267,457 Shares in issue as of June 30, 2025.

(2) Fangrong Management Limited is wholly owned by Dr. Xie. Each of Fangzhan Holdings L.P. and Xingyu Holdings L.P. is controlled by Dr. Xie. Therefore, Dr. Xie is deemed to be interested in the 265,538,362, 5,481,985 and 5,585,180 Shares held by Fangrong Management Limited, Fangzhan Holdings L.P. and Xingyu Holdings L.P., respectively, under the SFO.

(3) Each of Celaeno Group Limited and Silica Brothers Corp. is wholly owned by Mr. Zhou. Therefore, Mr. Zhou is deemed to be interested in 186,158,297 and 50,465,760 Shares held by Celaeno Group Limited and Silica Brothers Corp., respectively, under the SFO.

(4) Crescent Trident Singapore Pte. Ltd. is controlled by Crescent ACSO Investment Management Ltd, which is ultimately controlled by Mr. David McKee HAND.

(5) CP Pharmatech Singapore Pte. Ltd. is controlled by Veneto Holdings Ltd., which is in turn ultimately controlled by Danai Rojanavanichkul.

(6) Tech-Med Investments (S) Pte. Ltd. is controlled by Tech-Med Cayman III Ltd., which is in turn controlled by Veneto Holdings Ltd., and is in turn ultimately controlled by Danai Rojanavanichkul.

(7) Each of Crescent Point Vehicles is advised by Crescent Point, which is ultimately controlled by Mr. David McKee HAND.

(8) Asia Tech Investments Ltd. is a platform holding the underlying incentive shares granted to our Directors and senior management in the total amount of 116,875,898 Class A Ordinary Shares under the RSU Scheme. Approximately 51.34% and 48.41% of interest in Asia Tech Investments Ltd. were held by Dr. Xie and Mr. Zhou, respectively. Therefore, each of Dr. Xie and Mr. Zhou is deemed to be interested in the Shares held by Asia Tech Investments Ltd. in accordance with SFO.

As of the end of the Reporting Period, save as disclosed above, the Directors and the chief executives of our Company are not aware of any other person (other than the Directors or chief executives of our Company) who had an interest or short position in the Shares or underlying Shares of our Company which would be required to be notified to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO.

USE OF PROCEEDS FROM GLOBAL OFFERING

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

As of the date of this interim report, there has been no change in the intended use of net proceeds disclosed in the Prospectus. The expected timeline for utilizing the net proceeds from the Global Offering is based on the best estimate of future progress of regulatory approvals and market conditions made by our Company and subject to changes in accordance with our actual business operations and markets conditions. The table below sets out the details of the use of the net proceeds of the Company as of June 30, 2025:

Use of proceeds from Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Utilized net proceeds as of June 30, 2025 *(HK$ million)*	Unutilized net proceeds as of June 30, 2025 *(HK$ million)*	Expected time frame for unutilized amount
Business expansion	**45.22**	**67.4%**	**7.20**	**21.04**	**24.18**	**Before December 2028**
1. Promoting brand awareness	11.61	17.3%	2.22	7.75	3.86	Before December 2028
2. Enhancing user growth and engagement, and maintaining a highly active user base	14.42	21.5%	2.22	6.38	8.04	Before December 2028
3. Attracting and retaining talents, talents, especially those with extensive experience in media and technology-powered medical services and insights in the fields of chronic disease management	15.50	23.1%	2.21	6.36	9.14	Before December 2028
4. Expanding product offerings and enhancing supply chain capabilities	3.69	5.5%	0.55	0.55	3.14	Before December 2028

Use of proceeds from Listing	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Utilized net proceeds as of June 30, 2025 *(HK$ million)*	Unutilized net proceeds as of June 30, 2025 *(HK$ million)*	Expected time frame for unutilized amount
Research and development activities	**10.74**	**16.0%**	**2.22**	**5.55**	**5.19**	**Before December 2028**
1. Recruiting a team of approximately 40 software engineers by 2028, of which 70% are senior software engineers and the remainder are junior software engineers	4.70	7.0%	0.97	2.43	2.27	Before December 2028
2. (i) improve the application of AI technology and big data analysis capabilities in CDM to more accurately capture user habits throughout their activities, from seeking consultations, purchasing pharmaceutical products to their preferences for viewing content on our platform, thereby improving user experience and improving the conversion rate of paying users on our platform; (ii) optimize our infrastructure in various technological areas, such as (a) computer vision, to improve the efficiency of order identification and processing and user information management, (b) natural language processing, to optimize the question-answering engine of our AI medical assistant, and (c) search-based recommendation algorithms to deliver the most relevant information catered to the users' evolving needs; (iii) improve stability of the system to withstand the increasing pressure as we scale our online operations; and (iv) optimize the functions of our WeChat mini programs and perform routine system upgrade and maintenance	6.04	9.0%	1.25	3.12	2.92	Before December 2028
Potential investments and acquisitions or strategic alliances with other stakeholders in the value chain of the online CDM industry	**7.78**	**11.6%**	**–**	**–**	**7.78**	**Before December 2028**
Working capital and general corporate purposes	**3.35**	**5.0%**	**0.84**	**1.51**	**1.84**	**Before December 2028**
Total	**67.09**	**100.0%**	**10.26**	**28.10**	**38.99**	

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

Neither our Company nor any of its subsidiaries purchased, sold or redeemed any of our Company's listed securities (including sale of treasury Shares, if any) during the Reporting Period and up to the date of this interim report. As of June 30, 2025, the Company did not hold any treasury Shares.

RSU SCHEME

The RSU Scheme was approved and adopted by the Board on January 1, 2020, to attract, retain and motivate our senior management, employees, advisors and such other participants through the grant of awards (the "**Awards**") for their contribution to the growth and profits of our Group, and to allow such senior management, employees, advisors and other persons to participate in the growth and profitability of our Group. A summary of the principal terms of the RSU Scheme is set out in the section headed "Statutory and General Information — D. RSU Scheme" in Appendix IV to the Prospectus. The RSU Scheme became effective upon its adoption date, and continued in effect for a term of five (5) years from the adoption. The RSU Scheme expired on December 31, 2024. No Awards were available for grant under the RSU Scheme at the beginning or at the end of the Reporting Period.

As of June 30, 2025, RSUs in respect of an aggregate of 238,664,648 Shares had been granted to six members of our Directors and senior management and other 164 employees and business consultants who made contributions to our Group pursuant to the RSU Scheme. No new Shares will be issued in respect of the RSUs granted. No further Awards have been granted under the RSU Scheme since the Listing.

Details of the movements of the RSUs granted under the RSU Scheme during the Reporting Period are as follows:

Name	Position	Grant date	Vesting period	Grant price	Exercise price	Number of RSUs granted but not yet vested as of January 1, 2025	Number of RSUs granted during the Reporting Period	Vesting Date(s) (during the Reporting Period)	Number of RSUs vested during the Reporting Period	Number of RSUs cancelled during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of RSUs granted but not yet vested as of June 30, 2025	Weighted average closing price of RSUs vested during the Reporting Period (HKD)
Directors													
Ms. KANG Wei	Independent non-executive Director	2021/12/31	from 2022/12/31 to 2025/12/31	N/A	–	25,000	–	March 31, 2025 - June 30, 2025	12,500	–	–	12,500	3.84
Mr. ZHU Xiaolu	Independent non-executive Director	2021/12/31	from 2022/12/31 to 2025/12/31	N/A	–	25,000	–	March 31, 2025 - June 30, 2025	12,500	–	–	12,500	3.84
Dr. WANG Haizhong	Independent non-executive Director	2021/12/31	from 2022/12/31 to 2025/12/31	N/A	–	25,000	–	March 31, 2025 - June 30, 2025	12,500	–	–	12,500	3.84
5 highest paid individuals (the other 2 individual's excluding Directors)	N/A	from 2021/12/31 to 2024/04/01	from 2022/12/31 to 2028/03/31	N/A	–	1,400,000	–	March 31, 2025 - June 30, 2025	525,000	–	–	875,000	3.97
Other Grantees in aggregate	N/A	from 2020/12/31 to 2024/04/01	from 2021/01/01 to 2028/10/31	N/A	–	8,729,688	–	March 31, 2025 - June 30, 2025	2,915,313	–	–	5,814,375	3.95
Total						**10,204,688**	**-**		**3,477,813**	**-**	**-**	**6,726,875**	

CONTRACTUAL ARRANGEMENTS

The Board has reviewed the overall performance of the Contractual Arrangements and believes that our Group complied with the Contractual Arrangements in all material respects during the Reporting Period and up to the date of this interim report. Please refer to the section headed "Contractual Arrangements" of the Prospectus for details.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

Dr. Xie is currently serving as the chairman of the Board as well as the chief executive officer of our Company. As Dr. Xie is the founder of our Group and has been managing our Group's business since its establishment, our Directors consider that vesting the roles of chairman and chief executive officer in Dr. Xie is beneficial to the business prospects and management of our Group by ensuring consistent leadership within our Group. Taking into account all the corporate governance measures that we are going to implement upon Listing, our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Accordingly, our Company had not segregated the roles of its chairman and chief executive officer. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

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

COMPLIANCE WITH THE MODEL CODE

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

CHANGES IN DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Ms. KANG Wei, an independent non-executive Director, was appointed as a member of the Nomination Committee, effective June 18, 2025. Save as disclosed above, there was no change in the Board and the chief executive officer of our Company, and the information of Directors and chief executive officer during the Reporting Period and up to the date of this interim report which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules.

REVIEW OF THE INTERIM REPORT BY THE AUDIT COMMITTEE

We have established the Audit Committee with terms of reference in compliance with Rule 3.21 of the Listing Rules as well as paragraph D.3 of part 2 of the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. ZHU Xiaolu, Dr. WANG Haizhong and Ms. KANG Wei. The chairman of the Audit Committee is Mr. ZHU Xiaolu, who has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The interim report of the Group for the six months ended June 30, 2025 has been reviewed by the Audit Committee.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by our Group and has discussed matters in relation to internal controls and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of our Group for the six months ended June 30, 2025. The Audit Committee considers that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

MATERIAL LITIGATION

Our Company was not involved in any material litigation or arbitration during the six months ended June 30, 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against our Group during the Reporting Period and up to the date of this interim report.

PUBLIC FLOAT

We have applied to the Stock Exchange to request the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules, and the Stock Exchange has granted our Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, pursuant to which the public float of our Company may fall below 25% of the total issued share capital (excluding treasury Shares) of our Company. For details of the relevant waiver, see "Waivers from Strict Compliance with the Listing Rules — Waiver in relation to Public Float" in the Prospectus.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the six months ended June 30, 2025.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

After the Reporting Period and up to the date of this interim report, save as disclosed in this interim report, there were no other significant events occurred which have a material adverse impact on the performance and value of our Group.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business, financial condition and results of operations could be materially and adversely affected by certain risks and uncertainties. For details, please see the section headed "Risk Factors" of the Prospectus.

By order of the Board
Fangzhou Inc.
Dr. XIE Fangmin
Chairman

Hong Kong, August 27, 2025

Report on Review of Condensed Consolidated Financial Statements

REVIEW REPORT TO THE BOARD OF DIRECTORS OF FANGZHOU INC.

INTRODUCTION

We have reviewed the interim financial report set out on pages 34 to 50 which comprises the consolidated statement of financial position of Fangzhou Inc. (the "Company") and its subsidiaries (together as "the Group") as of June 30, 2025 and the related consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 Interim financial reporting as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

August 27, 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended June 30, 2025 – unaudited

(Expressed in RMB)

	Note	Six months ended June 30, 2025 RMB'000	2024 RMB'000
Revenue	3	**1,493,571**	1,322,821
Cost of sales		**(1,225,239)**	(1,057,272)
Gross profit		**268,332**	265,549
Other net income/(loss)	4	**2,732**	(9,639)
Selling and distribution expenses		**(190,660)**	(171,055)
Administrative expenses		**(66,558)**	(831,050)
Impairment losses on trade receivables		**(565)**	(63)
Profit/(loss) from operations		**13,281**	(746,258)
Finance costs	5(a)	**(765)**	(72,449)
Profit/(loss) before taxation	5	**12,516**	(818,707)
Income tax	6	**(34)**	(18)
Profit/(loss) and total comprehensive income for the period		**12,482**	(818,725)
Earnings/(loss) per share			
Basic and diluted (in RMB)	7	**0.01**	(1.27)

The accompanying notes form part of this interim financial report.

	Note	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Non-current assets			
Property, plant and equipment	8	**41,355**	53,455
Intangible assets		**2,909**	2,239
Other non-current assets		**154**	75
		44,418	55,769
Current assets			
Financial assets measured at fair value through profit or loss ("FVPL")	9	**80,173**	86,870
Inventories	10	**202,666**	141,421
Trade and other receivables	11	**116,328**	90,224
Other current assets		**41,914**	32,943
Prepayments		**14,993**	16,664
Restricted bank deposits	12	**54,287**	65,565
Cash and cash equivalents	13	**213,999**	174,638
		724,360	608,325
Current liabilities			
Trade and other payables	14	**557,170**	457,497
Contract liabilities		**22,992**	22,450
Bank loans		**10**	3,001
Lease liabilities		**14,969**	16,801
Other current liabilities		**2,156**	1,537
Current taxation		**–**	14
		597,297	501,300
Net current assets		**127,063**	107,025
Total assets less current liabilities		**171,481**	162,794

Consolidated Statement of Financial Position

at June 30, 2025 – unaudited
(Expressed in RMB)

	Note	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Non-current liability			
Lease liabilities		**21,491**	31,090
		21,491	31,090
NET ASSETS		**149,990**	131,704
CAPITAL AND RESERVES			
Share capital	16(b)	**189**	189
Reserves		**149,801**	131,515
TOTAL EQUITY		**149,990**	131,704

Approved and authorized for issue by the Board of Directors on August 27, 2025.

Xie Fangmin
Chief Executive Officer

Zou Yuming
Chief Financial Officer

The accompanying notes form part of this interim financial report.

	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Share held for the RSU Incentive plan RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total (deficit)/equity RMB'000
Balance at January 1, 2024		86	36,993	(785,509)	(8)	7,919	(1,160,944)	(1,901,463)
Changes in equity for the six months ended June 30, 2024								
Loss and total comprehensive income for the period		–	–	–	–	–	(818,725)	(818,725)
Issuance of ordinary shares		18	–	–	(18)	–	–	–
Equity settled share-based transactions	15(b)	–	–	–	–	731,587	–	731,587
Shares vested under the restricted share units incentive plan ("RSU Incentive Plan")		–	727,603	–	24	(727,627)	–	–
Balance at June 30, 2024		104	764,596	(785,509)	(2)	11,879	(1,979,669)	(1,988,601)
Balance at January 1, 2025		**189**	**913,852**	**1,214,395**	**(2)**	**19,099**	**(2,015,829)**	**131,704**
Changes in equity for the six months ended June 30, 2025								
Profit and total comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**12,482**	**12,482**
Equity settled share-based transactions	15(b)	**-**	**-**	**-**	**-**	**5,804**	**-**	**5,804**
Shares vested under the RSU Incentive Plan		**-**	**9,605**	**-**	**-***	**(9,605)**	**-**	**-**
Balance at June 30, 2025		**189**	**923,457**	**1,214,395**	**(2)**	**15,298**	**(2,003,347)**	**149,990**

* Less than RMB1,000

The accompanying notes form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

for the six months ended June 30, 2025 – unaudited
(Expressed in RMB)

	Note	Six months ended June 30, 2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations		**35,896**	31,381
Income tax paid		**(48)**	(19)
Net cash generated from operating activities		**35,848**	31,362
Investing activities			
Payment for purchase of financial assets measured at FVPL		**(14,712)**	–
Proceed from redemption of financial assets measured at FVPL		**21,884**	–
Payments for purchases of property, plant and equipment and intangible assets		**(2,206)**	(2,560)
Net cash generated from/(used in) investing activities		**4,966**	(2,560)
Financing activities			
Proceeds from bank loans		**7,382**	16,000
Payments of restricted bank deposits		**(79,857)**	(69,226)
Proceeds from maturity of restricted bank deposits		**91,135**	37,615
Repayments of bank loans		**(10,373)**	(11,000)
Capital element of lease rentals paid		**(8,947)**	(9,302)
Interest element of lease rentals paid		**(716)**	(863)
Interest paid		**(50)**	(260)
Net cash used in financing activities		**(1,426)**	(37,036)
Net increase/(decrease) in cash and cash equivalents		**39,388**	(8,234)
Cash and cash equivalents at the beginning of the period		**174,638**	146,317
Effect of foreign exchange rate changes		**(27)**	336
Cash and cash equivalents at the end of the period	13	**213,999**	138,419

The accompanying notes form part of this interim financial report.

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “ Hong Kong Stock Exchange”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorized for issue on August 27, 2025.

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

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (together as “the Group”) since the 2024 annual financial statements. The condensed consolidated interim financial statement and notes thereon do not include all of the information required for a full set of financial statement prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 33.

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

2 CHANGES IN ACCOUNTING POLICIES

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

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

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

Disaggregation of revenue

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Online retail pharmacy services	**863,688**	673,745
Comprehensive medical services	**357,172**	320,735
Wholesale	**235,004**	278,960
Customized content and marketing solutions	**37,707**	49,381
	1,493,571	1,322,821

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Disaggregated by timing of revenue recognition		
– Point in time	**1,455,864**	1,273,440
– Over time	**37,707**	49,381
	1,493,571	1,322,821

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(a) Revenue *(Continued)*

No revenue from individual customer contributes over 10% of total revenue of the Group for the six months ended June 30, 2025 (six months ended June 30, 2024: Nil).

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

(b) Segment Reporting

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

(i) Segment results

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Disaggregated by segment		
Online retail pharmacy services		
Revenue	**863,688**	673,745
Gross profit	**190,276**	149,101
Comprehensive medical services		
Revenue	**357,172**	320,735
Gross profit	**47,368**	73,212
Wholesale		
Revenue	**235,004**	278,960
Gross profit	**2,258**	6,355
Customized content and marketing solutions		
Revenue	**37,707**	49,381
Gross profit	**28,430**	36,881
Reportable segment gross profit derived from the Group's external customers	**268,332**	265,549

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment Reporting *(Continued)*

(ii) Reconciliations of reportable segment profit or loss

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Disaggregated by segment		
Reportable segment profit derived from the Group's external customers	**268,332**	265,549
Other net income/(loss)	**2,732**	(9,639)
Selling and distribution expenses	**(190,660)**	(171,055)
Administrative expenses	**(66,558)**	(831,050)
Impairment losses on trade receivables	**(565)**	(63)
Finance costs	**(765)**	(72,449)
Consolidated profit/(loss) before taxation	**12,516**	(818,707)

(iii) Geographic information

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as over 99% of the Group's profit/loss from operations for the six months ended June 30, 2025 (six months ended June 30, 2024: over 99%) are generated from the PRC market.

4 OTHER NET INCOME/(LOSS)

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Foreign exchange loss (note)	**(27)**	(12,004)
Fair value gain on financial assets measured at FVPL	**702**	–
Others	**2,057**	2,365
	2,732	(9,639)

Note: The foreign exchange loss for the six months ended June 30, 2024 primarily resulted from the translation of the Preferred Shares which are denominated in USD, which were automatically converted into ordinary shares on a one to one ratio upon the Listing on July 9, 2024 and the carrying amount of the Preferred Shares was transferred to share capital and share premium.

5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
(a) Finance costs		
Interest on lease liabilities	**716**	863
Interest on bank loans	**49**	259
Changes in the carrying amount of preferred shares liabilities	**–**	71,327
	765	72,449
(b) Staff costs (including directors' emoluments)		
Salaries, contributions to defined contribution retirement plan and other benefits	**63,127**	73,709
Equity settled share-based transactions (note 15)	**5,804**	731,587
	68,931	805,296
(c) Other items		
Amortization		
– intangible assets	**171**	436
Depreciation (note 8)		
– property, plant and equipment	**1,895**	2,020
– right-of-use assets	**9,006**	9,543
	10,901	11,563
Research and development costs (i)	**17,292**	22,174
Listing expense	**–**	18,524
Cost of inventories	**1,211,596**	1,035,488

Note:

(i) During the six months ended June 30, 2025, research and development costs includes staff costs, depreciation and amortization of RMB16,801,000 (six months ended June 30, 2024: RMB22,103,000), which amounts are also included in the respective total amounts disclosed separately above or in note 5 for each of these types of expenses.

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Current tax		
Provision for the period	**34**	18

(i) The Cayman Islands income tax

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

(ii) Hong Kong income tax

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

(iii) The PRC corporate income tax

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

Fangzhou Information Technology Co., Ltd. was certified as "High and New Technology Enterprises" and entitled to the preferential income tax rate of 15%.

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

7 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares as below:

	Six months ended June 30,	
	2025	2024
Net profit/(loss) attributable to ordinary equity shareholders of the Company (RMB'000)	**12,482**	(818,725)
Weighted average number of ordinary shares at June 30 (shares)	**1,331,147,862**	646,397,522

(b) Diluted earnings/(loss) per share

For the six months ended June 30, 2025, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB12,482,000 and the weighted average number of ordinary shares of 1,337,188,664.

For the six months ended June 30, 2024, Preferred Shares and restricted share units were not included in the calculation of diluted loss per share, as their effect would have been anti-dilutive. Accordingly, diluted loss per share or the period six months ended June 30, 2024 was the same as basic loss per share.

8 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount of property, plant and equipment

	Machinery and equipment RMB'000	Motor vehicles RMB'000	Furniture, fixtures and other equipment RMB'000	Leasehold improvement RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost:						
At January 1, 2024	4,156	1,402	7,308	9,393	65,036	87,295
Addition	488	63	1,658	893	22,157	25,259
Disposals	(3)	–	(54)	(177)	(12,754)	(12,988)
At December 31, 2024 and January 1, 2025	**4,641**	**1,465**	**8,912**	**10,109**	**74,439**	**99,566**
Addition	**142**	**–**	**600**	**543**	**961**	**2,246**
Modifications on lease contracts	**–**	**–**	**–**	**–**	**(3,211)**	**(3,211)**
Disposals	**–**	**–**	**(53)**	**–**	**(5,859)**	**(5,912)**
At June 30, 2025	**4,783**	**1,465**	**9,459**	**10,652**	**66,330**	**92,689**
Accumulated depreciation:						
At January 1, 2024	(2,265)	(957)	(3,948)	(6,697)	(21,789)	(35,656)
Charge for the year	(240)	(318)	(1,721)	(1,631)	(19,335)	(23,245)
Written back on disposals	3	–	53	168	12,566	12,790
At December 31, 2024 and January 1, 2025	**(2,502)**	**(1,275)**	**(5,616)**	**(8,160)**	**(28,558)**	**(46,111)**
Charge for the period (note 5(c))	**(148)**	**(146)**	**(883)**	**(718)**	**(9,006)**	**(10,901)**
Written back on disposals	**–**	**–**	**53**	**–**	**5,625**	**5,678**
At June 30, 2025	**(2,650)**	**(1,421)**	**(6,446)**	**(8,878)**	**(31,939)**	**(51,334)**
Net book value:						
At June 30, 2025	**2,133**	**44**	**3,013**	**1,774**	**34,391**	**41,355**
At December 31, 2024	2,139	190	3,296	1,949	45,881	53,455

9 FINANCIAL ASSETS MEASURED AT FVPL

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Listed securities	**14,647**	14,129
Units in private funds	**65,526**	72,741
	80,173	86,870

10 INVENTORIES

During the six months ended June 30, 2025, RMB8,215,000 (June 30, 2024: RMB33,130,000) of write-down of inventories made in prior years was reversed due to an increase in the estimated net realizable value as a result of a change in market condition.

11 TRADE AND OTHER RECEIVABLES

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

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Within 3 months	**32,688**	23,099
Over 3 months but within 6 months	**7,463**	9,520
Over 6 months but within 1 year	**8,162**	3,047
Over 1 year	**801**	613
Trade receivables, net of loss allowance	**49,114**	36,279
Other receivables	**67,214**	53,945
	116,328	90,224

Trade receivables are generally due within 180 days from the date of billing.

12 RESTRICTED BANK DEPOSITS

As at June 30, 2025, deposits with bank of RMB54,287,000 (December 31, 2024: RMB65,565,000) were pledged as securities for bills payable.

13 CASH AND CASH EQUIVALENTS

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Cash on hand	**92**	141
Cash at bank	**199,566**	164,970
Cash equivalents placed at payment platforms	**14,341**	9,527
	213,999	174,638

As at June 30, 2025, the Group's cash and cash equivalents situated in Mainland China amounted to RMB175,428,000 (December 31, 2024: RMB125,348,000). Remittance of funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control.

14 TRADE AND OTHER PAYABLES

As at the end of the reporting period, the ageing analysis of total trade and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Within 1 month	**223,492**	154,351
1 to 3 months	**180,292**	133,623
Over 3 months but within 6 months	**66,930**	60,485
Over 6 months but within 1 year	**49**	11
Over 1 year	**157**	157
Total trade and bills payables	**470,920**	348,627
Staff cost payables	**20,827**	32,439
Other tax payables	**11,291**	12,842
Deposits	**1,526**	1,962
Other payables and accrued charges	**52,606**	61,627
	557,170	457,497

15 EQUITY SETTLED SHARE-BASED TRANSACTIONS

RSU Incentive Plan

On January 1, 2020, the board of the Company approved the RSU Incentive Plan, which is a share-based incentive plan to reward, retain and motivate the Group's eligible persons as approved by the Board or the authorized administrator of the RSU Incentive Plan. Under the RSU Incentive Plan, the Directors of the Company are authorized, at their discretion, to grant restricted share of the Company to eligible persons on a fair and reasonable basis with reference to the performance of the Company and contribution of the individuals.

The shares granted would vest on specific dates, on condition that eligible persons remain in service without any performance requirements. Once the vesting conditions underlying the respective shares are met, the shares are considered duly and validly issued to the eligible persons. Unless approved by the board of the Company, any transfer of restricted shares prior to the Listing shall be void.

(a) Movements in RSUs granted are as follows:

	Number of shares
Outstanding as of January 1, 2024	7,401,249
Cancellation during the year	(1,596,250)
Granted on April 1, 2024	178,865,898
Shares vested during the year	(174,466,209)
Outstanding as of December 31, 2024 and January 1, 2025	**10,204,688**
Shares vested during the period	**(3,477,813)**
Outstanding as of June 30, 2025	**6,726,875**

(b) Equity settled share-based transactions expenses recognized in the consolidated statement of profit or loss and other comprehensive income:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Administrative expenses	**3,275**	726,770
Selling and distribution expenses	**2,529**	4,817
	5,804	731,587

16 CAPITAL AND RESERVES

(a) Authorized share capital

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

(b) Issued share

Details of the changes in the Company's issued ordinary shares:

	Number of ordinary shares issued	Nominal value of ordinary shares USD'000	Nominal value of ordinary shares RMB'000
Ordinary shares, Issued			
At January 1, 2024	**617,562,340**	**12**	**86**
Issued during the year	**151,042,178**	**3**	**21**
Conversion of Preferred Shares	**571,662,939**	**11**	**82**
As December 31,2024, January 1, 2025 and June 30, 2025	**1,340,267,457**	**26**	**189**

(c) Dividends

During the six months ended June 30, 2025 and 2024, the entities comprising the Group did not declare nor pay dividends to the equity shareholders.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at amortized cost are not materially different from their fair values as at December 31, 2024 and June 30, 2025.