



DINGDANG HEALTH TECHNOLOGY GROUP LTD.

叮嚕健康科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 09886



2025

INTERIM REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yang Wenlong (楊文龍) (*Chairman & President*)

Mr. Xu Ning (徐寧)

Mr. Yu Lei (俞雷)

Mr. Yu Qinglong (于慶龍)

Mr. Yang Yibin (楊益斌)

Non-executive Directors

Ms. Li Chuheng (李楚衡) (*Appointed on May 30, 2025*)

Ms. Cai Li (蔡俐) (*Resigned on May 30, 2025*)

Independent Non-executive Directors

Mr. Zhang Shouchuan (張守川)

Dr. Fan Zhenhong (樊臻宏)

Mr. Jiang Shan (姜山)

AUDIT COMMITTEE

Mr. Jiang Shan (*Chairman*)

Mr. Zhang Shouchuan

Dr. Fan Zhenhong

NOMINATION COMMITTEE

Mr. Yang Wenlong (*Chairman*)

Dr. Fan Zhenhong

Mr. Zhang Shouchuan

Mr. Jiang Shan (*Appointed on May 30, 2025*)

Ms. Li Chuheng (*Appointed on May 30, 2025*)

REMUNERATION COMMITTEE

Dr. Fan Zhenhong (*Chairman*)

Mr. Zhang Shouchuan

Ms. Li Chuheng (*Appointed on May 30, 2025*)

Ms. Cai Li (*Resigned on May 30, 2025*)

AUTHORIZED REPRESENTATIVES

Mr. Xu Ning

Mr. Lam Yiu Por

JOINT COMPANY SECRETARIES

Mr. Lam Yiu Por

Mr. Liu Zhenxuan

REGISTERED OFFICE

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building 1, Yard 50

Dengshikou Street

Dongcheng District

Beijing

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 703, 7/F

Empire Centre, 68 Mody Road

Tsim Sha Tsui, Kowloon

Hong Kong

COMPANY WEBSITE

www.ddjkt.com

LEGAL ADVISORS TO THE COMPANY

As to Hong Kong laws:

Clifford Chance

As to Cayman Islands law:

Maples and Calder (Hong Kong) LLP

AUDITOR

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

HONG KONG SHARE REGISTRAR

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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

PRINCIPAL BANKER(S)

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

STOCK CODE

09886



Definitions

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

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

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

Definitions

"ESOP Plans"	Pre-IPO Share Option Scheme, Restricted Share Scheme and 2020 RSU Scheme adopted on May 1, 2020, the Restricted Share Agreement dated May 31, 2021 and 2023 RSU Scheme adopted on June 27, 2023
"Excluded Participant"	any 2023 RSU Scheme Participant who is resident in a place where the award and/or the vesting and transfer of the RSU Shares or cash amount which is equivalent to the market value of the RSU Shares pursuant to the rules of the 2023 RSU Scheme is not permitted under the applicable laws or where in the view of the 2023 RSU Scheme Administrator or the Trustee (as the case may be), compliance with the applicable laws makes it necessary or expedient to exclude such 2023 RSU Scheme Participant
"Global Offering"	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
"Group" or "our Group" or "we" or "us" or "Dingdang Health"	our Company, its subsidiaries and the Consolidated Affiliated Entities (or our Company and any one or more of its subsidiaries or the Consolidated Affiliated Entities, as the context may require)
"Hainan Dingdang Kuaiyi"	Dingdang Kuaiyi (Hainan) Medical Technology Co., Ltd. (叮嚀快醫(海南)醫療科技有限公司), a company incorporated under the laws of the PRC on April 18, 2019 with limited liability and our Consolidated Affiliated Entity
"Hainan Internet Hospital"	Dingdang Kuaiyi (Hainan) Internet Hospital Co., Ltd. (叮嚀快醫(海南)互聯網醫院有限公司), a company incorporated under the laws of the PRC on September 4, 2019 with limited liability and our Consolidated Affiliated Entity
"Hainan Telemedicine Center"	Dingdang Kuaiyi (Hainan) Telemedicine Center Co., Ltd. (叮嚀快醫(海南)遠程醫療中心有限公司), a company incorporated under the laws of the PRC on August 26, 2019 with limited liability and our Consolidated Affiliated Entity
"HK\$" or "HK dollars" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"IFRS(s)"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee

"Listing"	listing of the Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	September 14, 2022, on which our Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"Nanjing Zhaoyin Gongying"	Nanjing Zhaoyin Gongying Equity Investment Partnership (Limited Partnership) (南京市招銀共贏股權投資合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 10, 2019
"Nomination Committee"	the nomination committee of the Company
"Pre-IPO Share Option Scheme"	the Pre-IPO share option scheme adopted by the Company on May 1, 2020
"Prospectus"	the prospectus of the Company dated September 1, 2022
"Registered Shareholders"	the registered shareholders of Dingdang Medicine Express Technology, namely Mr. Yang Wenlong, Dingdang No. 1, Dingdang No. 2, Dingdang No. 3, and Dingdang No. 4
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the six months ended June 30, 2025
"Restricted Share Agreement"	the restricted share agreement entered into by the Company, Mr. Yang Wenlong and Future Health Limited, a company held as to 60% of its equity interests by Mr. Yang Wenlong on May 31, 2021 which has been approved by the Shareholders of the Company on May 25, 2021
"Restricted Share Scheme"	the restricted share scheme adopted by the Company on May 1, 2020
"Returned Shares"	such RSU Shares or related income which are not vested and/or are forfeited in accordance with the rules of the 2023 RSU Scheme, or such Shares being deemed to be returned shares in accordance with the rules of the 2023 RSU Scheme and the Trust Deed
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

Definitions

"RSU(s)"	a restricted share unit conferring the grantee a conditional right upon vesting of the restricted share unit to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the vesting date, as determined by the RSU scheme administrator in its absolute discretion, less any tax, fees, levies, stamp duty and other charges applicable
"RSU Shares"	such number of Shares that are conferred on the grantee pursuant to the award
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share Incentive Schemes"	Pre-IPO Share Option Scheme, Restricted Share Scheme and 2020 RSU Scheme adopted on May 1, 2020
"Share(s)"	ordinary shares in the share capital of our Company with a par value of US\$0.0001
"Shareholder(s)"	holder(s) of our Shares
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"treasury shares"	has the meaning ascribed to it in the Listing Rules
"Trust"	the trust constituted by the Trust Deed
"Trust Deed"	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the 2023 RSU Scheme
"Trust Holdco"	Dingdang HT RSU Holding Limited, a company incorporated in the British Virgin Islands for purpose of holding the Trust, and is wholly owned by the Trustee
"Trustee"	CMB Wing Lung (Trustee) Limited, the trustee corporation to be appointed by the Company for the administration of the 2023 RSU Scheme

"Vesting Date"	in respect of a grantee, the date on which his entitlement to the relevant award is vested in such grantee in accordance with the 2023 RSU Scheme
"WFOE"	Dingdang Kuaiyao (Beijing) Technology Development Co., Ltd. (叮嚀快藥(北京)技術開發有限公司), a company incorporated under the laws of the PRC on September 30, 2016 with limited liability and our indirect wholly-owned subsidiary
"%"	per cent



Management Discussion and Analysis

BUSINESS REVIEW

During the Reporting Period, our total revenue was RMB2,326.9 million (for the six months ended June 30, 2024: RMB2,267.9 million), representing a period-on-period increase of 2.6%. The increase was mainly due to that the Company optimized urban layout, focused on the advantageous areas, built cities such as Beijing, Shanghai, and Shenzhen into the “best health service entrance for residents”, and actively expanded the presence of local smart pharmacy networks, bringing good business growth. In addition, the Company has improved the service quality of the supply chain in terms of pharmaceutical and product layout, resulting in significant improvements in overall business efficiency.

For the six months ended June 30, 2025, the net loss of the Company was narrowed to RMB52.0 million, and the adjusted net loss was narrowed to RMB5.8 million. Excluding net foreign exchange losses of RMB4.1 million, the loss would be further narrowed to RMB1.7 million. The narrowing of losses and improvement in performance were due to the increase in gross profit margin to 35.0%, a year-on-year increase of 1.9 percentage points; at the same time, refined operations and continuous cost reduction and efficiency improvement have achieved results, and profitability has significantly improved.

In the first half of 2025, China took a number of measures to support economic development. Among them, in order to promote the health consumption of residents, a number of support policies have been issued, including the Special Action Plan for Promoting Health Consumption issued by the National Health Commission, the National Development and Reform Commission, the Ministry of Commerce and other ministries and commissions, to further guide the new scene of health consumption, such as “Internet + e-prescription + online & offline”, and encourage retail pharmacies to expand health, nutrition and health care functions. In addition, relevant departments continued to optimize the service mechanisms for national medical insurance, healthcare and pharmaceuticals, and the payment systems of national medical insurance, strengthened market supervision, and issued relevant policies such as the “Notice on the Supervision and Application of Medical Insurance Drug Traceability Codes” and the “Electronic Prescription Circulation Supervision Policy”. With the help of new technologies and systems, the high-quality development in the fields of medicine and healthcare was promoted.

Looking back at the past six months, Dingdang Health has focused on a pan-regional instant retail business model, prioritizing its strategy of whole lifecycle health management and full-course disease management, thereby forming a collaborative ecosystem integrating “Treatment, Diagnosis, Pharmaceutical Products and Medical Insurance”. We have continued to promote refined operations, focused on strengthening the presence of smart pharmacies in core cities such as Beijing, Shanghai, and Shenzhen, concentrated its efforts in advantageous areas, and accurately implemented the “tailored digitalization strategy for each store”; we also focused on express medicine and retail services, continuously refining product content that meets the scene, optimizing product structure, and increasing the proportion of centralized procurement varieties. At the same time, we have further optimized our logistics and supply chain system, established cold chain immediate home delivery services in core cities, and gradually formed the Company’s competitiveness for long-term sustainable development. We will continue to leverage the advantages of online and offline integrated technology and layout, practice the corporate value and philosophy of “Serving the Public Health and Bringing the Ultimate To-Home Health Service (服務百姓健康·引領極致健康到家服務)”, fully utilize the experience in digital pharmaceuticals and medical services, better implement the new national industry policies, so that national medical insurance participants cannot only benefit from their national medical insurance rights, but also enjoy the convenience of on-demand healthcare delivery services, better meeting the health and medical service needs of residents.

- **Drug Express Business**

We remain committed to providing an instant, professional, omni-channel and data-driven drug purchase service portfolio to our users. For the six months ended June 30, 2025, our drug express business has maintained steady growth. The breakdown of revenue by channel includes: revenue recorded from online direct sales of RMB1,688.5 million (for the six months ended June 30, 2024: RMB1,612.7 million), representing a period-on-period increase of 4.7%; revenue recorded from business distribution of RMB266.7 million (for the six months ended June 30, 2024: RMB274.3 million), representing a period-on-period decrease of 2.8%; revenue recorded from offline retail of RMB305.0 million (for the six months ended June 30, 2024: RMB323.1 million), representing a period-on-period decrease of 5.6% and revenue recorded from other business of RMB66.7 million (for the six months ended June 30, 2024: RMB57.8 million), representing a period-on-period increase of 15.4%.

During the Reporting Period, we strengthened the construction of our own supply chain system. In particular, the urban smart central warehouse and logistics system has been completed and put into use, and the industry's unique cold chain home delivery services capability has further enhanced user service capabilities through digitalization and professional logistics, to ensure the safe use of drugs for users.

➤ **Online Direct Sales**

In terms of the online direct sales channel, Dingdang Health reached out to its users through its online platforms for service and product sales. During the Reporting Period, we recorded a revenue of RMB1,688.5 million (for the six months ended June 30, 2024: RMB1,612.7 million) from online direct sales channel, representing a period-on-period increase of 4.7%. We maintained contact with users through our online-to-offline order fulfillment service model and direct-sales e-commerce service model, as well as omni-platform channels. Dingdang Health focuses on providing express medicine, medical and healthcare services which are empowered by our smart pharmacy and E-zoning technology as well as experienced riders who can deliver efficiently and safely through an intelligent scheduling system. In the direct sales e-commerce model, we can make both regular and scheduled deliveries with the help of third-party carriers, covering major regions and populations across the country.

➤ **Business Distribution**

Dingdang Health will further reinforce its industrial advantages in the supply chain by actively forging its commodity and innovation power, integrate OEM customization and product innovation through supply chain resources, and strengthen collaboration with small enterprises and distributors to achieve supply chain empowerment and product sales through a multi-channel e-commerce platform. During the Reporting Period, the business distribution recorded a revenue of RMB266.7 million (for the six months ended June 30, 2024: RMB274.3 million), representing a period-on-period decrease of 2.8%.



Management Discussion and Analysis

➤ *Offline Retail*

In addition to online direct sales and business distribution, users could also purchase our products and services directly from our extensive network of pharmacies in major cities across China. During the Reporting Period, our offline retail recorded a revenue of RMB305.0 million (for the six months ended June 30, 2024: RMB323.1 million), representing a period-on-period decrease of 5.6%, mainly due to an increase in consumers adopting online shopping habits, resulting in a slight decrease as compared to the same period of last year.

➤ *Other Business*

As the go-to online O2O launch platform for pharmaceutical companies' new products, Dingdang Health innovates marketing approaches through its O2O business model, accelerating pan-regional sales expansion for novel drugs. We have cooperated with over 7,000 pharmaceutical manufacturers and pharmaceutical distribution companies in aggregate. While establishing alliance and continuously deepening cooperation with pharmaceutical manufacturers and enterprises, the Company also realized in-depth cooperation in terms of advertisement, promotion, marketing service, and research and development for pharmaceutical products. During the Reporting Period, the other business recorded a revenue of RMB66.7 million (for the six months ended June 30, 2024: RMB57.8 million), representing a period-on-period increase of 15.4%.

• *Online Medical Consultation*

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

• *Chronic Disease and Health Management*

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

Public Welfare and Social Responsibility

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

In 2025, Dingdang Health launched the "Big City with Love, Illuminate the Medical Road" actions, working together with China Resources Sanjiu to organize various volunteer families to care for children with leukemia and their families, sending small medicine kits, hand warmer, daily necessities, etc., bringing warmth to them.

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

Future Prospects

With the optimization and implementation of our urban business layout, our profitability continues to increase, and the improvement of the efficiency of our smart pharmacies network and supply chain logistics will lay a more solid foundation for the Company’s further growth. The Company will continue to focus on digital healthcare, and the accessibility of online drug purchasing under national medical insurance opened up a new dimension to the development of the industry through the integration of online and offline methods, allowing users to become accustomed to popularization and convenient access. In the future, based on a pan-regional instant retail business model, we will prioritize our strategy of whole health lifecycle management and full-course disease management, actively promote the construction of smart center warehouses and create integrated wholesale and retail of pharmaceutical products. Under the guidance of policy reform and technological innovation, we will maintain the competitive advantages of the integrated online and offline service operation model while at the same time enhancing its own technical service level, consistently striving to create a service ecosystem of “Treatment, Diagnosis, Pharmaceutical Products and Medical Insurance”. The Company will continue to consolidate its service advantages in major cities such as Beijing, Shanghai and Shenzhen and continue to expand its scale and enhance its service density. At the same time, the Group will also boost its merchandise power and sales power, further improve the warehousing and distribution system and the front-end service sales system, so as to drive and expand more cities to pursue superiority and strength, and provide users with a more professional, more convenient and more diversified ultimate service experience.

FINANCIAL REVIEW

Revenue

Revenue increased by 2.6% from RMB2,267.9 million for the six months ended June 30, 2024 to RMB2,326.9 million for the six months ended June 30, 2025. The increase in our total revenue was primarily due to the increase in the revenue from our pharmaceutical and healthcare business by 2.3% from RMB2,210.1 million for the six months ended June 30, 2024 to RMB2,260.2 million for the six months ended June 30, 2025. The increase in revenue from the pharmaceutical and healthcare business was primarily attributable to the expanded network of smart pharmacies and the enrichment of product categories.

Cost of Revenue

Cost of revenue decreased by 0.3% from RMB1,516.2 million for the six months ended June 30, 2024 to RMB1,511.1 million for the six months ended June 30, 2025. The decrease in cost of revenue was primarily due to the improvement of operational efficiency and the change in product sales portfolio.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded a gross profit of RMB815.8 million for the six months ended June 30, 2025, representing a gross profit margin of 35.0%; and a gross profit of RMB751.7 million for the six months ended June 30, 2024, representing a gross profit margin of 33.1%. The increase in the gross profit margin was mainly due to the improvement of operational efficiency and the change in product sales portfolio.

Management Discussion and Analysis

Fulfillment Expenses

The fulfillment expenses decreased by 0.6% from RMB223.3 million for the six months ended June 30, 2024 to RMB222.0 million for the six months ended June 30, 2025. The fulfillment expenses as a percentage of revenue decreased from 9.8% for the six months ended June 30, 2024 to 9.5% for the six months ended June 30, 2025, mainly due to the continuous optimization of the fulfillment system which improved fulfillment efficiency.

Selling and Marketing Expenses

The selling and marketing expenses increased by 8.2% from RMB485.9 million for the six months ended June 30, 2024 to RMB525.9 million for the six months ended June 30, 2025. The increase was primarily attributable to the increase in selling and marketing activities. The selling and marketing expenses as a percentage of revenue increased from 21.4% for the six months ended June 30, 2024 to 22.6% for the six months ended June 30, 2025.

Research and Development Expenses

The research and development expenses increased by 2.5% from RMB24.4 million for the six months ended June 30, 2024 to RMB25.0 million for the six months ended June 30, 2025. Research and development expenses as a percentage of revenue remained stable of 1.1% for the six months ended June 30, 2024 and for the six months ended June 30, 2025 respectively.

General and Administrative Expenses

General and administrative expenses decreased by 19.3% from RMB126.1 million for the six months ended June 30, 2024 to RMB101.7 million for the six months ended June 30, 2025, mainly due to the decrease in employee benefit expenses.

General and administrative expenses as a percentage of revenue decreased from 5.6% for the six months ended June 30, 2024 to 4.4% for the six months ended June 30, 2025.

Other Gains and Losses, Net

Other net loss amounted to RMB3.5 million for the six months ended June 30, 2025 as compared to other net gains amounted to RMB6.7 million for the six months ended June 30, 2024. The change was primarily attributable to the increase in net foreign exchange losses and the decrease in gain on fair value changes of financial assets at FVTPL.

Other Income

Other income remained stable of RMB25.3 million for the six months ended June 30, 2024 and RMB24.3 million for the six months ended June 30, 2025.

Finance Costs

Finance costs increased by 25.0% from RMB4.4 million for the six months ended June 30, 2024 to RMB5.5 million for the six months ended June 30, 2025.

Income Tax Expenses

Income tax expenses increased by 27.9% from RMB6.1 million for the six months ended June 30, 2024 to RMB7.8 million for the six months ended June 30, 2025, which was primarily due to the increase in our taxable income.

Loss for the Period

As a result of the above, our net loss decreased by 42.1% from RMB89.8 million for the six months ended June 30, 2024 to RMB52.0 million for the six months ended June 30, 2025.

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

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



Management Discussion and Analysis

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

	For the six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
	(RMB'000, except for percentages)	
Reconciliation of net loss to adjusted net loss:		
Net loss for the period	(52,021)	(89,801)
Add		
Share-based payments	36,961	51,283
Impairment losses recognized on goodwill	–	1,104
Amortization of other intangible assets arising from acquisitions (net of the income tax effects)	9,301	10,966
Adjusted net loss for the period (non-IFRS measure)	(5,759)	(26,448)
Adjusted net loss margin (non-IFRS measure)	(0.2%)	(1.2%)

LIQUIDITY AND CAPITAL RESOURCES

The Group financed its operations through internally generated cash flows and proceeds from the Global Offering and issuance of shares with preferred rights. As at June 30, 2025, we had cash and cash equivalents of RMB576.3 million (December 31, 2024: RMB1,218.0 million). The following table sets forth our cash flows for the periods indicated:

	For the six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Operating cash flows before movements in working capital	52,716	21,214
Changes in working capital	147,117	62,709
Income taxes paid	(11,662)	(8,914)
Net cash from operating activities	188,171	75,009
Net cash (used in)/from investing activities	(778,922)	32,245
Net cash used in financing activities	(46,826)	(62,620)
Net (decrease)/increase in cash and cash equivalents	(637,577)	44,634
Cash and cash equivalents at the beginning of the period	1,217,954	1,185,898
Effect of foreign exchange rate changes on cash and cash equivalents	(4,103)	3,048
Cash and cash equivalents at the end of the period	576,274	1,233,580

Net Cash From Operating Activities

For the six months ended June 30, 2025, net cash from operating activities was RMB188.2 million compared to net cash from operating activities of RMB75.0 million in the same period last year, which was primarily attributable to the loss before income tax of RMB44.2 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payments expenses of RMB37.0 million and depreciation of right-of-use assets of RMB44.1 million and amortisation of other intangible assets of RMB15.1 million; and (ii) changes in working capital, which primarily resulted from a decrease in restricted bank deposits of RMB31.7 million, an increase in amounts due to related parties of RMB28.0 million and increase in trade and other payables of RMB138.1 million, partially offset by an increase in inventories of RMB56.9 million.

Net Cash Used in Investing Activities

For the six months ended June 30, 2025, net cash used in investing activities was RMB778.9 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB830.0 million and placement of time deposits of RMB432.2 million and partially offset by redemption of financial assets at FVTPL of RMB487.0 million.

Net Cash Used in Financing Activities

For the six months ended June 30, 2025, net cash used in financing activities was RMB46.8 million, which was primarily attributable to repayments of lease liabilities of RMB41.3 million and interest paid of RMB5.5 million.

Borrowings and Gearing

As of June 30, 2025, we did not have any bank borrowings and therefore we did not present gearing ratio.

Capital Expenditures

Our capital expenditures primarily consisted of purchases of property and equipment, payments for right-of-use assets and purchases of other intangible assets. Our capital expenditures were RMB13.4 million for the six months ended June 30, 2025 and RMB13.8 million for the six months ended June 30, 2024.

Capital Commitments

As of June 30, 2025, we had no material capital commitment.

Pledges of Assets

As of June 30, 2025, we did not have any material pledge of asset.

Significant Investments Held

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at June 30, 2025) during the six months ended June 30, 2025.

Management Discussion and Analysis

Future Plans for Material Investments and Capital Assets

As of June 30, 2025, save for the “Future Plans and Use of Proceeds” disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the six months ended June 30, 2025.

Foreign Exchange Risk

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

CONTINGENT LIABILITIES

As of June 30, 2025, we did not have any material contingent liabilities.

EMPLOYEES

As of June 30, 2025, we had 2,266 full-time employees, most of whom were based in China, mostly in Beijing, with the rest based in major cities across China such as Shenzhen and Shanghai.

The following table sets forth the number of our employees by function as of June 30, 2025:

Employee function	Number of employees
Sales, Marketing and Business Development	1,521
Technology, Research and Development	312
Management	258
Administration	175
Total	2,266

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

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

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

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted the Share Incentive Schemes on May 1, 2020, which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the Share Incentive Schemes shall not be more than 87,993,330 ordinary shares of the Company, representing approximately 6.67% of the total issued share capital (excluding treasury shares) of the Company as of June 30, 2025. For details, please refer to "Statutory and General Information – D. ESOP Plans – Share Incentive Schemes" in Appendix IV to the Prospectus. On June 27, 2023, the Company has adopted the 2023 RSU Scheme which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the 2023 RSU Scheme shall not be more than 26,829,457 ordinary shares of the Company, representing approximately 2.0% of the total issued share capital (excluding treasury shares) of the Company as of June 30, 2025. For details, please refer to the announcement of the Company dated June 27, 2023.

The total employee benefit expenses, including share-based payment expenses, for the six months ended June 30, 2025 were RMB221.6 million, as compared to RMB258.9 million for the six months ended June 30, 2024.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on September 14, 2022. The net proceeds raised from the Company's Global Offering, after deduction of the underwriting commissions and other estimated expenses paid and payable by the Company in connection with the Global Offering, were approximately HK\$341.6 million. The net proceeds had been fully utilized as of June 30, 2025.



Management Discussion and Analysis

The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of June 30, 2025:

Purpose	Percentage of total net proceeds	Net proceeds incurred from the Global Offering <i>HK\$ million</i>	Amount		Unutilized amount as of June 30, 2025 <i>HK\$ million</i>	Expected timeline for full utilization of the remaining net proceeds
			Unutilized amount as of January 1, 2025 <i>HK\$ million</i>	utilized during the six months ended June 30, 2025 <i>HK\$ million</i>		
Business expansion, such as the further development of smart pharmacy network, and enhancement of user growth and engagement	45.0%	153.7	–	–	–	N/A
Optimizing of our technology systems and operating platforms	15.0%	51.2	–	–	–	N/A
Upgrading our services and business, such as building professional structure of full-time doctors and pharmacists	10.0%	34.2	–	–	–	N/A
Potential investments and acquisitions or strategic alliances along with the value chain of the healthcare industry in which we operate	20.0%	68.3	23.5	23.5	–	N/A <i>(Note)</i>
Working capital and other general corporate purpose	10.0%	34.2	–	–	–	N/A
Total	100.0%	341.6	23.5	23.5	–	

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

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

Corporate Governance and Other Information

COMPLIANCE WITH THE CG CODE

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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



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

As at June 30, 2025, so far as the Directors were aware, the following persons (other than Directors and chief executive of the Company) who had interests and/or short position in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO (save as otherwise defined, capitalized terms used herein shall have the same meaning as defined in the Prospectus):

		Total number of Shares held in the Company	Approximate percentage of relevant Shares in the issued share capital of the Company (%)
Delight Health Limited ^{(1) (8)}	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Delight Faith Limited ^{(1) (2) (8)}	Interest in controlled corporation, interest held jointly with other persons	660,205,360 (L)	50.04%
Future Health Limited ^{(3) (8)}	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Go Far Limited ^{(3) (4) (8)}	Interest in controlled corporation, interest held jointly with other persons	660,205,360 (L)	50.04%
Excel Returns Group Limited ^{(5) (8)}	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Go Prosper Enterprises Corporation ^{(6) (8)}	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Much Premium Investment Limited ^{(6) (8)}	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Mr. Yang Wenlong ^{(1) (2) (3) (4) (5) (6) (7) (8)}	Beneficial owner, interest in controlled corporation, interest through voting rights entrustment arrangements, interest held jointly with other persons	660,205,360 (L)	50.04%
Mr. Yang Yibin ^{(1) (2) (8)}	Interest held jointly with other persons	660,205,360 (L)	50.04%
Mr. Yang Xiao ^{(3) (4) (8)}	Interest held jointly with other persons	660,205,360 (L)	50.04%
Tianjin Shanhaiyihao Business Management Consulting Partnership (Limited Partnership) ("Shanhaiyihao") ⁽⁹⁾	Beneficial owner	92,567,623 (L)	7.02%
CMB Financial Holdings (Shenzhen) Co., Ltd. ⁽⁹⁾	Interest in controlled corporation	95,267,130 (L)	7.10%
CMB International Capital Corporation Limited ^{(9) (10)}	Interest in controlled corporation	95,267,130 (L)	7.10%
CMB International Capital Holdings Corporation Limited ^{(9) (10) (11)}	Interest in controlled corporation	95,267,130 (L)	7.10%
China Merchants Bank Co., Ltd. ^{(9) (10) (11) (12)}	Interest in controlled corporation	95,267,130 (L)	7.10%
TPG Asia VII SF Pte. Ltd. ⁽¹³⁾	Beneficial owner	82,897,346 (L)	6.18%
TPG Capital ⁽¹³⁾	Interest in controlled corporation	82,897,346 (L)	6.18%

Notes:

- (1) Delight Health Limited directly holds 276,712,555 Shares in the Company and is wholly owned by Delight Faith Limited.
- (2) Delight Faith Limited is owned by Mr. Yang Wenlong as to 60% of its equity interests and Mr. Yang Yibin as to 40% of its equity interests.
- (3) Future Health Limited directly holds 295,499,475 Shares in the Company and is wholly owned by Go Far Limited.
- (4) Go Far Limited is owned by Mr. Yang Wenlong as to 60% of its equity interests and Mr. Yang Xiao as to 40% of its equity interests.
- (5) Excel Returns Group Limited directly holds 11,760,000 Shares in the Company and is wholly-owned by Delight Faith Limited. Excel Returns Group Limited functions as the platform to hold Shares subject to the Pre-IPO Share Option Scheme and the 2020 RSU Scheme. It will transfer the Shares to the relevant grantees upon exercise of the options under the Pre-IPO Share Option Scheme and/or the vesting of RSUs under the 2020 RSU Scheme, and the grantee will in turn irrevocably delegate the voting rights attached to such Shares owned by him/her upon vesting to Mr. Yang Wenlong or such other person as designated by Mr. Yang Wenlong. Each of Mr. Yang Wenlong and Excel Returns Group Limited undertakes that, upon the Listing, he/it will not exercise voting rights attached to any Shares held by Excel Returns Group Limited in relation to options or RSUs which have not been exercised or vested.
- (6) Go Prosper Enterprises Corporation and Much Premium Investment Limited directly hold 54,400,000 and 21,833,330 Shares in the Company, respectively, and function as the platforms of the Restricted Share Scheme. Go Prosper Enterprises Corporation and Much Premium Investment Limited are wholly-owned by Restricted Share Scheme participants.
- (7) Mr. Yang Wenlong is indirectly interested in a total of 660,205,360 Shares in the Company, representing approximately 50.04% of the Company's total issued Shares, including (i) 288,472,555 Shares being held through Delight Faith Limited and its subsidiaries, (ii) 295,499,475 Shares being held through Go Far Limited and its subsidiaries, and (iii) 76,233,330 Shares being held or controlled through voting right entrustment arrangements with Go Prosper Enterprises Corporation and Much Premium Investment Limited.
- (8) Mr. Yang Wenlong, Mr. Yang Yibin and Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited, and Go Far Limited formed the Controlling Shareholders Group of the Company. As such, each of Mr. Yang Wenlong, Mr. Yang Yibin, Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited and Go Far Limited are deemed to be interested in the Shares held by other members of the Controlling Shareholders Group for purpose of Part XV of the SFO.



Corporate Governance and Other Information

- (9) CMB Financial Holdings (Shenzhen) Co., Ltd. indirectly controls 95,267,130 Shares of the Company, representing 7.1% of the Company's voting rights, including 92,567,623 Shares through Shanhaiyihao and 2,699,507 Shares through Nanjing Zhaoyin Gongying. The general partner of Shanhaiyihao is CMB International Financial Holdings (Shenzhen) Co., Ltd., a wholly-owned subsidiary of CMB Financial Holdings (Shenzhen) Co., Ltd. The general partner of Nanjing Zhaoyin Gongying is Jiangsu Zhaoyin Industrial Fund Management Co., Ltd., a wholly-owned subsidiary of CMB International Capital Management (Shenzhen) Ltd., which in turn is a wholly-owned subsidiary of CMB Financial Holdings (Shenzhen) Co., Ltd. As such, CMB Financial Holdings (Shenzhen) Co., Ltd. is deemed to be interested in the Shares held by Shanhaiyihao and Nanjing Zhaoyin Gongying for purpose of Part XV of the SFO.
- (10) CMB Financial Holdings (Shenzhen) Co., Ltd. is wholly-owned by CMB International Capital Corporation Limited. As such, CMB International Capital Corporation Limited is deemed to be interested in the Shares controlled by CMB Financial Holdings (Shenzhen) Co., Ltd. for purpose of Part XV of the SFO.
- (11) CMB International Capital Corporation Limited is held as to 83.2% by CMB International Capital Holdings Corporation Limited. As such, CMB International Capital Holdings Corporation Limited is deemed to be interested in the Shares controlled by CMB International Capital Corporation Limited for purpose of Part XV of the SFO.
- (12) CMB International Capital Holdings Corporation Limited is wholly-owned by China Merchants Bank Co., Ltd. As such, China Merchants Bank Co., Ltd. is deemed to be interested in the Shares controlled by CMB International Capital Holdings Corporation Limited for purpose of Part XV of the SFO.
- (13) TPG Asia VII SF Pte. Ltd. is an affiliate of TPG Capital. TPG Asia VII SF Pte. Ltd. is controlled by TPG Asia VII Finance, Limited Partnership and a series of intermediate holding entities, namely TPG Asia GenPar VII, L. P., TPG Asia GenPar VII Advisors, Inc., TPG Operating Group III, L. P., TPG Holdings III-A, L. P., TPG Holdings III-A, LLC, and TPG Operating Group II, L. P.. By virtue of the SFO, each of the abovementioned entities, TPG Operating Group II, L. P. was deemed to be interested in the 82,897,346 Shares held by TPG Asia VII SF Pte. Ltd.
- (14) "L" stands for long position.
- (15) In the above table, the information on the companies in which the interests are held, the capacity/nature of such interests and the number of Shares or underlying Shares is based on information available on the website of the Stock Exchange (<http://www.hkexnews.hk/>).

Save as disclosed above, as at June 30, 2025, the Directors were not aware of any other person (other than Directors and chief executive of the Company) who had any interest and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

As at June 30, 2025, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

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

Name of Director or chief executive	Capacity/Nature of interest	Number of Shares held in the Company	Approximate percentage of the issued share capital of the Company (%)
Yang Wenlong ⁽¹⁾	Beneficial owner, interest in controlled corporation, interest through voting rights entrustment arrangements, interest held jointly with other persons	660,205,360 (L)	50.04%
Yang Yibin ⁽²⁾	Interest held jointly with other persons	660,205,360 (L)	50.04%
Xu Ning ⁽³⁾	Beneficial owner	5,560,000 (L)	0.42%
Yu Lei ⁽⁴⁾	Beneficial owner	10,900,000 (L)	0.83%
Yu Qinglong ⁽⁵⁾	Beneficial owner	8,640,000 (L)	0.65%

Notes:

- (1) Mr. Yang Wenlong is indirectly interested in a total of 660,205,360 Shares of the Company, representing approximately 50.04% of the Company's total issued Shares, including (i) 288,472,555 Shares being held through Delight Faith Limited and its subsidiaries, (ii) 295,499,475 Shares being held through Go Far Limited and its subsidiaries, and (iii) 76,233,330 Shares being held or controlled through voting rights entrustment arrangements with Go Prosper Enterprises Corporation and Much Premium Investment Limited.
- (2) Mr. Yang Yibin was a member of the Controlling Shareholders Group and was deemed to be interested in the Shares held by other members of the Controlling Shareholders Group for purpose of Part XV of the SFO. Therefore, Mr. Yang Yibin was deemed to be interested in an aggregate of 660,205,360 Shares of the Company, representing approximately 50.04% of the Company's total issued Shares within the meaning of Part XV of the SFO.
- (3) Mr. Xu Ning is interested in the 5,000,000 restricted Shares granted to him under the Restricted Share Scheme and 560,000 RSU Shares granted to him under the 2023 RSU Scheme.
- (4) Mr. Yu Lei is interested in the 10,000,000 restricted Shares granted to him under the Restricted Share Scheme and 900,000 RSU Shares granted to him under the 2023 RSU Scheme.

Corporate Governance and Other Information

(5) Mr. Yu Qinglong is interested in the 8,000,000 restricted Shares granted to him under the Restricted Share Scheme and 640,000 RSU Shares granted to him under the 2023 RSU Scheme.

(6) "L" stands for long position.

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

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

Notes:

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

(2) As at June 30, 2025, Mr. Yang Wenlong controls 100% of the equity interest in Dingdang Medicine Express Technology, including (i) directly holds 24.44% of the equity interest, (ii) indirectly controls 37.78% of the equity interest through Dingdang No. 4, and (iii) indirectly controls 37.78% of the equity interests through Dingdang No. 1, Dingdang No. 2 and Dingdang No. 3, as all the limited partners of Dingdang No. 1, Dingdang No. 2 and Dingdang No. 3 have authorized Mr. Yang Wenlong to exercise the voting rights directly held by them in Dingdang Medicine Express Technology.

(3) All interests stated are long positions.

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

Save as disclosed above, as at June 30, 2025, none of the Directors or chief executives of the Company had any interests and/or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

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

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

ESOP PLANS

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

SHARE INCENTIVE SCHEMES

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted the Share Incentive Schemes on May 1, 2020, which shall continue in effect for a term of ten (10) years since the adoption. The total number of Shares issued or issuable pursuant to the Share Incentive Schemes shall not be more than 87,993,330 Shares, representing approximately 6.67% of the total issued share capital (excluding treasury shares) of the Company as at the date of this report.

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

- (i) 11,760,000 Shares issued to Excel Returns Group Limited subject to the Pre-IPO Share Option Scheme and the 2020 RSU Scheme, representing approximately 0.89% of the total issued share capital of the Company as at the date of this interim report, among which the corresponding options (the "**Option(s)**") to subscribe for 10,474,000 Shares have been granted to 87 grantees (the "**Grantee(s)**") under the Pre-IPO Share Option Scheme and 810,000 Shares in the form of RSUs have been granted to an employee on September 30, 2022. No further Option will be granted by the Company under the Pre-IPO Share Option Scheme after the Listing. In the event where any Option was subsequently terminated or forfeited, the underlying Shares of which will be available for future grant in the form of RSUs in accordance with the terms of the 2020 RSU Scheme, subject to the then applicable Listing Rules in effect (including Chapter 14A and Chapter 17 of the Listing Rules) from time to time; and
- (ii) 76,233,330 Shares (the "**Restricted Shares**"), representing approximately 5.78% of the total issued share capital of the Company as at the date of this interim report, issued to the 17 participants of the 2016 employee stock ownership plan through Go Prosper Enterprises Corporation and Much Premium Investment Limited. The beneficiary interests of all Restricted Shares granted have been entitled by each of the participants, respectively, as at June 30, 2025.

Corporate Governance and Other Information

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

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

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

Purpose of the Share Incentive Schemes

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

Eligible Participants

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

1. *Pre-IPO Share Option Scheme*

Grant of Options

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

Exercise Price

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

Maximum Entitlement for Each Participant

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

Vesting Period

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

Remaining life of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme is valid and effective for a period of 10 years commencing from May 1, 2020 to April 30, 2030. The remaining life of the Pre-IPO Share Option Scheme is over 4 years.

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

As at June 30, 2025, the Company had granted Options under the Pre-IPO Share Option Scheme to an aggregate of 87 Grantees to subscribe for a total of 10,474,000 Shares, including 3,100,000 Shares which had been granted to common Grantees, and the remaining Shares had been granted to special Grantees, representing 0.79% of the Company's total issued Shares, being the aggregated number of Shares that may be issued upon exercise of all Options granted as at June 30, 2025 under the Pre-IPO Share Option. No Options were available for grant under the Pre-IPO Share Option Scheme as at January 1, 2025 and June 30, 2025. All of the Grantees are employees within the Group. As of June 30, 2025, no Options were granted to any Directors, members of the senior management of the Company, the connected persons of our Group or five highest paid individuals of the Group under the Pre-IPO Share Option Scheme.

Details of the outstanding Options granted to the Grantees under the Pre-IPO Share Option Scheme during the six months ended June 30, 2025 are set out below:

Grantee	Exercise Price (RMB)	Grant date	Exercise period	Outstanding as of January 1, 2025	Granted, exercised or cancelled during the Reporting Period	Lapsed/ forfeited during the Reporting Period	Outstanding as of June 30, 2025
Employees other than Directors and five highest paid individuals of the Group	0.1	May 30, 2020	10 years from grant date	10,474,000	–	–	10,474,000 ^(Note)

Note: Among the 10,474,000 outstanding Options, 9,234,000 Options were vested and 1,240,000 Options were unvested as of June 30, 2025.

Corporate Governance and Other Information

As at June 30, 2025, none of the Options has been exercised. No further Option will be granted by the Company under the Pre-IPO Share Option Scheme after the Listing.

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

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

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

Equity-settled Share-based Payment Transactions

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

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

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

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

2. 2020 RSU Scheme

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

Grant of RSUs

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

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

Vesting Schedule

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

Form and Timing of Payment of RSUs

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

Maximum Entitlement for Each Participant

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

Remaining Life of the 2020 RSU Scheme

The 2020 RSU Scheme is valid and effective for a period of 10 years commencing from May 1, 2020 to April 30, 2030. The remaining life of the 2020 RSU Scheme is over 4 years.

810,000 Shares in the form of RSUs, representing approximately 0.06% of the total issued share capital of the Company as at the date of this report, have been granted to an employee who is among the five highest paid individuals of the Group on September 30, 2022 at a price of RMB0.1 per Share with reference to the employee's contribution to the Group and work performance, which will be settled upon the exercising of the relevant RSUs. The RSUs will be vested in two equivalent tranches in a period of 2 years from the date of the RSU grant letter and subject to the fulfillment of the performance appraisal stipulated in the RSU grant letter. Since the relevant performance target for the first tranche of the RSUs was not fulfilled, none of the granted RSUs were vested, cancelled, lapsed or forfeited during the Reporting Period. 810,000 Shares were unvested at the beginning and at the end of the Reporting Period.

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

3. *Restricted Share Scheme*

Pursuant to the Restricted Share Scheme, a total of 76,233,330 Restricted Shares, representing approximately 5.78% of the total issued share capital of the Company as at the date of this interim report, have been issued to the 17 participants (the “**Restricted Share Scheme Participants**”) of the 2016 ESOP Plan through Go Prosper Enterprises Corporation and Much Premium Investment Limited, the beneficiary interests of all Restricted Shares granted have been entitled by each of the Restricted Share Scheme Participants, respectively, as at June 30, 2025, but remain subject to certain unlock conditions.

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

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

The Restricted Share Scheme is valid and effective for a period of 10 years commencing from May 1, 2020 to April 30, 2030. The remaining life of the Restricted Share Scheme is over 4 years.

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

Details of the Restricted Shares as at June 30, 2025 are set out below:

Name of Grantee	Relationship with the Company	Date of grant	Number of Restricted Shares granted	Outstanding and subject to unlock conditions as of January 1, 2025 and June 30, 2025
Directors of the Company or its subsidiaries				
Xu Ning (徐寧)	Executive Director and Vice President	September 13, 2016	5,000,000	5,000,000
Yu Lei (俞雷)	Executive Director and Vice President	September 13, 2016	10,000,000	10,000,000
Yu Qinglong (于慶龍)	Executive Director and Chief Technology Officer	September 13, 2016	8,000,000	8,000,000
Xiong Zhonghua (熊忠華)	Director and chief executive of the subsidiaries	September 13, 2016	10,916,665	10,916,665
Hua Chunguo (化春國)	Director and chief executive of the subsidiaries	September 13, 2016	5,000,000	5,000,000
Feng Gang (馮綱)	Director and chief executive of the subsidiaries	September 13, 2016	7,000,000	7,000,000
Wang Xianzhong (汪獻忠)	Director and chief executive of the subsidiaries	September 13, 2016	5,000,000	5,000,000
Employees other than the Directors of the Company, the connected persons or the five highest paid individuals of the Group		September 13, 2016	25,316,665	25,316,665

Save as disclosed above, no Restricted Shares were granted to the Directors of the Company or any other connected persons of the Company as of June 30, 2025. For details on the Restricted Share Scheme, please refer to “Appendix IV – Statutory and General Information – D. ESOP Plans – Share Incentive Schemes – 5. Restricted Share Scheme” of the Prospectus.

RESTRICTED SHARE AGREEMENT

The following is a summary of the principal terms of the Restricted Share Agreement entered into by the Company, Mr. Yang Wenlong and Future Health Limited, a company held as to 60% of its equity interests by Mr. Yang Wenlong on May 31, 2021 (the “**Date of Grant**”) which has been approved by the Shareholders on May 25, 2021. Pursuant to the Restricted Share Agreement, 130,793,590 ordinary Shares, representing 9.91% of the total issued share capital (excluding treasury shares) of the Company as at the date of this report (the “**Founder Incentive Shares**”), were issued to Future Health Limited. No consideration is required to be paid by Mr. Yang Wenlong and Future Health Limited for the grant of any Founder Incentive Shares under the Restricted Share Agreement. The remaining life of the Restricted Share Agreement is over 5 years. No further Shares will be granted by the Company under the Restricted Share Agreement after the Listing.

Corporate Governance and Other Information

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

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

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

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

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

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

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

2023 RSU SCHEME

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

Purposes

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

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

Eligible Participants of 2023 RSU Scheme

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

Maximum Entitlement for Each Participant

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

Duration and Termination

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



Corporate Governance and Other Information

Operation

Contribution to the Trust

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

Grant of Awards

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

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

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

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

Vesting of 2023 RSU Scheme

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

Scheme Limit

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

Lapse of Awards

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

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

Remaining Life of the 2023 RSU Scheme

The 2023 RSU Scheme is valid and effective for a period of 10 years commencing from June 27, 2023 to June 26, 2033. The remaining life of the 2023 RSU Scheme is over 7 years.



Corporate Governance and Other Information

During the Reporting Period, no existing Shares was purchased on the Stock Exchange by the Trustee and no Shares were granted to the 2023 RSU Scheme Participants pursuant to the 2023 RSU Scheme. As at January 1, 2025 and as at June 30, 2025, 6,729,457 Shares were available for grant under the 2023 RSU Scheme. Details of the 2023 RSU Scheme as at June 30, 2025 are set out below:

Name of 2023 Grantee	Relationship with the Company	Date of grant	Closing prices of Shares immediately before the granted during the Reporting Period	Fair value of RSU Shares at the date of grant ⁽¹⁾	Purchase price	Outstanding as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Outstanding as of June 30, 2025	Vesting period
Directors of the Company or its subsidiaries											
Xu Ning (徐寧)	Executive Director and Vice President	December 13, 2023	HK\$2.24	HK\$2.11	Nil	560,000	-	-	-	560,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Yu Lei (俞雷)	Executive Director and Vice President	December 13, 2023	HK\$2.24	HK\$2.11	Nil	900,000	-	-	-	900,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Yu Qinglong (于慶龍)	Executive Director and Chief Technology Officer	December 13, 2023	HK\$2.24	HK\$2.11	Nil	640,000	-	-	-	640,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Hua Chunguo (化春國)	Director and chief executive of the subsidiaries	December 13, 2023	HK\$2.24	HK\$2.11	Nil	350,000	-	-	-	350,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Feng Gang (馮鋼)	Director and chief executive of the subsidiaries	December 13, 2023	HK\$2.24	HK\$2.11	Nil	560,000	-	-	-	560,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Wang Xianzhong (汪獻忠)	Director and chief executive of the subsidiaries	December 13, 2023	HK\$2.24	HK\$2.11	Nil	200,000	-	-	-	200,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Liu Ying (劉英)	Director and chief executive of the subsidiaries	April 2, 2024	HK\$1.15	HK\$1.17	Nil	130,000	-	-	-	130,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.

Corporate Governance and Other Information

Name of 2023 Grantee	Relationship with the Company	Date of grant	Closing prices of Shares immediately before the granted during the Reporting Period	Fair value of RSU Shares at the date of grant ⁽¹⁾	Purchase price	Outstanding as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Outstanding as of June 30, 2025	Vesting period
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		December 13, 2023	HK\$2.24	HK\$2.11	Nil	3,490,000	-	-	-	3,490,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		January 18, 2024	HK\$1.73	HK\$1.70	Nil	6,700,000	-	-	-	6,700,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		April 2, 2024	HK\$1.15	HK\$1.17	Nil	6,570,000	-	-	-	6,570,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Total						20,100,000	-	-	-	20,100,000	

Note:

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

Save as disclosed above, there was no Shares under the 2023 RSU Scheme were granted to the Directors of the Company or any other connected persons of the Company as of June 30, 2025. For details on the 2023 RSU Scheme, please refer to the announcement of the Company dated June 27, 2023.

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

During the six months ended June 30, 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's or its subsidiaries' listed securities (including sale of treasury shares). As of June 30, 2025, the Company did not hold any treasury shares.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

Ms. Cai Li resigned as a non-executive Director and a member of the Remuneration Committee with effect from May 30, 2025.

Ms. Li Chuheng has been appointed as a non-executive Director and a member of the Remuneration Committee and Nomination Committee with effect from May 30, 2025.

Corporate Governance and Other Information

Mr. Jiang Shan, an independent non-executive Director, has been appointed as a member of the Nomination Committee with effect from May 30, 2025.

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

CHANGES IN CONSTITUTIONAL DOCUMENTS

There is no significant change in the Company's constitutional documents during the Reporting Period. The Company's Articles is available on the websites of the Company and Stock Exchange.

DIVIDENDS

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

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

PUBLIC FLOAT

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

EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events subsequent to June 30, 2025.

AUDIT COMMITTEE

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

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the Auditor.

The condensed consolidated financial statements of the Group for the six months ended June 30, 2025 have been reviewed by the Auditor, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Accounting Standards Board.

Report on Review of Condensed Consolidated Financial Statements



德勤

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

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Dingdang Health Technology Group Ltd. (the "Company") and its subsidiaries set out on pages 42 to 70, which comprise the condensed consolidated statement of financial position as of June 30, 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
August 22, 2025



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Six months ended June 30,	
		2025	2024
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Notes		
Revenue	5	2,326,907	2,267,894
Cost of revenue		(1,511,098)	(1,516,158)
Gross profit		815,809	751,736
Fulfillment expenses		(222,034)	(223,307)
Selling and marketing expenses		(525,884)	(485,874)
Research and development expenses		(24,993)	(24,355)
General and administrative expenses		(101,737)	(126,087)
Other gains and losses, net	7	(3,515)	6,654
Other income	8	24,301	25,296
Finance costs	9	(5,516)	(4,351)
Impairment losses under expected credit loss ("ECL") model, net of reversal	10	(677)	(2,199)
Share of result of an associate		–	(1,177)
Loss before income tax	6	(44,246)	(83,664)
Income tax expense	11	(7,775)	(6,137)
Loss for the period		(52,021)	(89,801)
Other comprehensive income/(expense)			
Item that will not be reclassified to profit or loss:			
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income ("FVTOCI")		10,346	(38,745)
Other comprehensive income/(expense) for the period		10,346	(38,745)
Total comprehensive expense for the period		(41,675)	(128,546)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<i>Notes</i>	Six months ended June 30,	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Loss for the period attributable to:			
Owners of the Company		(51,671)	(84,491)
Non-controlling interests		(350)	(5,310)
		(52,021)	(89,801)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(41,325)	(123,236)
Non-controlling interests		(350)	(5,310)
		(41,675)	(128,546)
Loss per share (present in RMB YUAN)			
– Basic and diluted	12	(0.04)	(0.06)



Condensed Consolidated Statement of Financial Position

		As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
	Notes		
Assets			
Non-current assets			
Property and equipment	14	38,704	38,840
Right-of-use assets	13	277,781	167,055
Goodwill		56,845	56,845
Other intangible assets		78,120	92,842
Equity instruments at FVTOCI	21	70,331	59,985
Rental deposits	15	17,099	15,495
Total non-current assets		538,880	431,062
Current assets			
Financial assets at fair value through profit or loss ("FVTPL")	21	345,045	–
Inventories		624,563	571,246
Trade and other receivables and prepayments	15	363,504	374,136
Amounts due from related parties	22	1,671	1,651
Restricted bank deposits		4,960	36,626
Time deposits		437,932	–
Cash and cash equivalents		576,274	1,217,954
Total current assets		2,353,949	2,201,613
Total assets		2,892,829	2,632,675
Equity			
Share capital	17	879	879
Reserves		8,188,835	8,141,528
Accumulated losses		(6,533,864)	(6,482,193)
Equity attributable to owners of the Company		1,655,850	1,660,214
Non-controlling interests		19,329	20,016
Total equity		1,675,179	1,680,230

Condensed Consolidated Statement of Financial Position

		As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
	Notes		
Liabilities			
Non-current liabilities			
Contract liabilities		3,922	3,488
Lease liabilities	13	200,229	97,680
Deferred tax liabilities		16,504	19,257
Total non-current liabilities		220,655	120,425
Current liabilities			
Trade and other payables	16	845,898	709,526
Amounts due to related parties	22	44,615	16,645
Contract liabilities		35,171	41,380
Lease liabilities	13	62,905	54,929
Income tax payable		4,686	5,820
Deferred income		3,720	3,720
Total current liabilities		996,995	832,020
Total liabilities		1,217,650	952,445
Total equity and liabilities		2,892,829	2,632,675

Condensed Consolidated Statement of Changes in Equity

Notes	Attributable to owners of the Company										Total equity RMB'000
	Share capital RMB'000	Treasury share reserves RMB'000	Share premium RMB'000	FVTOCI reserve RMB'000	Other reserves RMB'000	Share-based payments reserves RMB'000	Statutory reserves RMB'000 (Note i)	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	
As of January 1, 2025 (Audited)	879	(39,073)	7,467,471	(65,466)	33,254	718,778	26,564	(6,482,193)	1,660,214	20,016	1,680,230
Loss for the period	-	-	-	-	-	-	-	(51,671)	(51,671)	(350)	(52,021)
Other comprehensive income for the period	-	-	-	10,346	-	-	-	-	10,346	-	10,346
Total comprehensive income/(expense) for the period	-	-	-	10,346	-	-	-	(51,671)	(41,325)	(350)	(41,675)
Acquisition of additional interests of a subsidiary	-	-	-	-	-	-	-	-	-	(4)	(4)
Disposal of a subsidiary (Note ii)	-	-	-	-	-	-	-	-	-	(333)	(333)
Share-based payments expenses 18	-	-	-	-	-	36,961	-	-	36,961	-	36,961
As of June 30, 2025 (Unaudited)	879	(39,073)	7,467,471	(55,120)	33,254	755,739	26,564	(6,533,864)	1,655,850	19,329	1,675,179
As of January 1, 2024 (Audited)	894	(18,844)	7,479,377	(31,914)	65,090	621,950	16,616	(6,095,747)	2,037,422	(527)	2,036,895
Loss for the period	-	-	-	-	-	-	-	(84,491)	(84,491)	(5,310)	(89,801)
Other comprehensive expense for the period	-	-	-	(38,745)	-	-	-	-	(38,745)	-	(38,745)
Total comprehensive expense for the period	-	-	-	(38,745)	-	-	-	(84,491)	(123,236)	(5,310)	(128,546)
Dividends 19	-	-	-	-	-	-	-	-	-	(938)	(938)
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	4,436	4,436
Deregistration of a subsidiary (Note iii)	-	-	-	-	-	-	-	-	-	(301)	(301)
Share-based payments expenses 18	-	-	-	-	-	51,283	-	-	51,283	-	51,283
Purchases of ordinary shares 18(c)	-	(20,228)	-	-	-	-	-	-	(20,228)	-	(20,228)
As of June 30, 2024 (Unaudited)	894	(39,072)	7,479,377	(70,659)	65,090	673,233	16,616	(6,180,238)	1,945,241	(2,640)	1,942,601

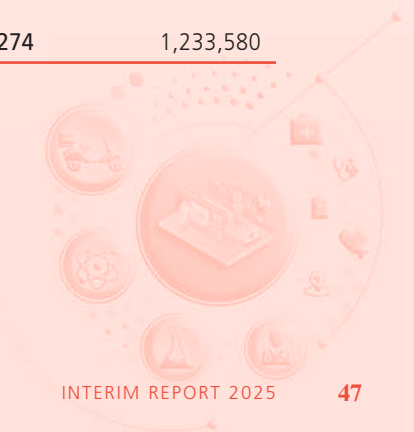
Notes:

- In accordance with the articles of association of the subsidiaries established in the People's Republic of China (the "PRC") and relevant PRC laws and regulations, these subsidiaries are required to transfer at least 10% of their profit after tax, which is determined in accordance with the PRC accounting rules and regulations, to a statutory reserve (including the general reserve fund and enterprise expansion fund, where appropriate). Transfer to this statutory reserve is subject to the approval of the respective director, and is discretionary when the balance of such fund has reached 50% of the registered capital of the respective company. Statutory reserve can be utilized to offset accumulated losses or to increase registered capital of the company. And when statutory reserve is utilized to increase registered capital of the company, such fund needs maintain at a minimum of 25% of the registered capital.
- In January 2025, the Group's non-wholly owned subsidiary, Jiangxi Yaojiaohui Information Technology Co., Ltd.* (江西药交匯信息技术有限公司) was disposed.
- In March 2024, the Group's non-wholly owned subsidiary, Jiangxi Dingdang Lexiang E-Commerce Co. Ltd.* (江西叮嚀樂享電子商務有限公司) was deregistered.

* English names are for identification purpose only.

Condensed Consolidated Statement of Cash Flows

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Operating activities		
Cash generated from operations	199,833	83,923
Income taxes paid	(11,662)	(8,914)
Net cash from operating activities	188,171	75,009
Investing activities		
Interest received	9,227	13,826
Proceeds on disposal of property and equipment	148	90
Purchases of financial assets at FVTPL	(830,040)	(636,734)
Redemption of financial assets at FVTPL	486,977	673,807
Purchases of property and equipment	(9,527)	(10,895)
Payments for right-of-use assets	(3,642)	(2,933)
Purchases of other intangible assets	(418)	(15)
Placement of time deposits	(432,156)	(4,901)
Proceeds on disposal of a subsidiary	509	–
Net cash (used in)/from investing activities	(778,922)	32,245
Financing activities		
Dividends paid to non-controlling shareholders	–	(8,949)
Payments to the Trustee for share purchase	–	(10,630)
Repayments of lease liabilities	(41,310)	(39,438)
Interest paid	(5,516)	(4,351)
Capital withdrawal by non-controlling shareholders	–	(301)
Capital contributions from non-controlling shareholders	–	1,049
Net cash used in financing activities	(46,826)	(62,620)
Net (decrease)/increase in cash and cash equivalents	(637,577)	44,634
Cash and cash equivalents at the beginning of the period	1,217,954	1,185,898
Effect of foreign exchange rate changes on cash and cash equivalents	(4,103)	3,048
Cash and cash equivalents at the end of the period	576,274	1,233,580



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended June 30, 2025 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2024.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

3. ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments	Content
Amendments to IAS 21	Lack of Exchangeability

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

4. SEGMENT INFORMATION

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

The Group's chief operating decision maker, who has been identified as the president, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As the Group's non-current assets (excluding equity instruments at FVTOCI) are all located in the PRC and all the Group's revenue are derived from the PRC, no geographical information is presented. During the six months ended June 30, 2025, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue (six months ended June 30, 2024: nil).



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

5. REVENUE

Disaggregation of revenue from contracts with customers:

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Type of goods or services:		
Product revenue:		
Pharmaceutical and healthcare business	2,260,218	2,210,057
Others*	66,689	57,837
Total revenue from contracts with customers	2,326,907	2,267,894
Timing of revenue recognition:		
A point in time	2,260,218	2,210,057
Over time	66,689	57,837
Total	2,326,907	2,267,894

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

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

6. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Cost of inventories sold	1,507,543	1,515,673
Provision for impairment of inventories	3,555	485
Employee benefit expenses		
– Salaries and bonuses	152,075	164,246
– Share-based payments expenses (Note 18)	36,961	51,283
– Retirement benefit scheme contributions	11,857	15,034
– Welfare, medical and other benefits	20,698	28,364
Total employee benefit expenses	221,591	258,927
Depreciation of property and equipment	7,475	7,739
Depreciation of right-of-use assets	44,056	43,494
Amortization of other intangible assets	15,095	18,541
Auditor's remuneration	940	1,180



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

7. OTHER GAINS AND LOSSES, NET

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Net foreign exchange (losses)/gains	(4,086)	3,008
Loss on disposal of property and equipment	(408)	(5)
Gain on fair value changes of financial assets at FVTPL	1,982	4,502
Loss on early termination of leases	(1,271)	(706)
Impairment loss recognised in respect of goodwill	–	(1,104)
Others	268	959
Total	(3,515)	6,654

8. OTHER INCOME

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Interest income		
– Bank deposits	15,002	13,826
– Lease deposits	262	259
Government grants (Note)	3,921	5,017
Rental income – fixed	1,060	2,345
Dividends from equity instruments at FVTOCI	4,056	3,849
Total	24,301	25,296

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

For the Six months Ended June 30, 2025

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on lease liabilities	5,516	4,351

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Impairment losses, net of reversals, recognized on:		
– Trade receivables	1,107	2,542
– Other receivables	(430)	(343)
Total	677	2,199

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax		
– Current period	10,528	7,910
– Under provision in respect of prior period	–	390
Deferred income tax	(2,753)	(2,163)
Total	7,775	6,137



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

12. LOSS PER SHARE

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

Loss figures are calculated as follows:

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(51,671)	(84,491)

Number of shares:

	Six months ended June 30,	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,299,372,897	1,322,658,246

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended June 30, 2025, the potential ordinary shares were not included in the calculation of diluted loss per share, as taking into account the exercise of the Company's RSUs under the 2023 RSU Scheme (as defined in Note 18) would be anti-dilutive (six months ended June 30, 2024: anti-dilutive). Accordingly, diluted loss per share for the six months ended June 30, 2025 is the same as basic loss per share.

13. LEASES

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from 1 to 10 years (six months ended June 30, 2024: 1 to 10 years). On date of lease commencement, the Group recognized right-of-use assets of RMB167,981,000 (six months ended June 30, 2024: RMB66,745,000) and lease liabilities of RMB164,339,000 (six months ended June 30, 2024: RMB63,812,000).

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

14. PROPERTY AND EQUIPMENT

The Group acquired additional equipment of RMB7,895,000 in relation to its operation during the current interim period (six months ended June 30, 2024: acquired additional equipment of RMB15,177,000 in relation to its equipment renewal).

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Current:		
(a) Trade receivables		
Trade receivables from third parties	131,472	120,940
Notes receivables	471	–
Less: allowance for ECL	(3,802)	(2,695)
Subtotal	128,141	118,245
(b) Other receivables and prepayments		
Welfare receivable	1,535	1,800
Advance to suppliers	35,117	35,625
Prepaid expenses	46,607	39,038
Recoverable value-added tax	31,958	37,470
Receivable from third-party online platforms	98,697	119,166
Deposits receivables	10,710	13,986
Dividend receivables	4,046	–
Deposit in Trustee (as defined in Note 18(c))	100	102
Others	9,475	12,016
Less: allowances for ECL	(2,882)	(3,312)
Subtotal	235,363	255,891
Total	363,504	374,136
Non-current:		
Rental deposits	17,099	15,495
	17,099	15,495

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

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

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Within 3 months	106,443	99,516
3 to 6 months	6,676	7,784
6 to 12 months	15,169	7,396
Over 12 months	3,655	6,244
Less: allowance for ECL	(3,802)	(2,695)
	128,141	118,245

As of June 30, 2025, the Group's trade receivables balance included debtors with aggregate carrying amount of RMB34.3 million (December 31, 2024: RMB27.0 million), which were past due but not impaired as of the reporting date. The Group has not provided an impairment loss as the Group is satisfied with the subsequent settlements and the credit quality of these customers had not seen deteriorated. The Group does not hold any collateral over these balances.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

16. TRADE AND OTHER PAYABLES

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Trade payables	516,173	351,191
Notes payables	4,960	22,960
Subtotal	521,133	374,151
Salary and welfare payables	95,887	120,806
Other tax payable	7,532	4,572
Payables for delivery	45,477	46,643
Payables for service fee	24,644	29,494
Accrued expenses	100,305	83,877
Receipt on behalf of third-party merchants	24,575	25,789
Rental received in advance	856	670
Deposits payable	17,856	15,812
Payable for purchases of property	1,231	2,908
Others	6,402	4,804
Subtotal	324,765	335,375
Total	845,898	709,526

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

16. TRADE AND OTHER PAYABLES (CONTINUED)

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

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Within 3 months	473,838	307,142
3 to 6 months	27,251	33,299
6 to 12 months	8,368	13,531
Over 12 months	11,676	20,179
Total	521,133	374,151

17. SHARE CAPITAL

Authorized

As of December 31, 2024 and June 30, 2025, the Company had an authorized share capital of USD500,000, divided into 5,000,000,000 authorized ordinary shares, with par value of USD0.0001 each.

	Number of ordinary shares	Nominal value of ordinary shares USD
Issued and fully paid		
As of January 1, 2024 (Audited) and June 30, 2024 (Unaudited) of USD0.0001 each	1,341,472,897	134,147
As of January 1, 2025 (Audited) and June 30, 2025 (Unaudited) of USD0.0001 each	1,319,472,897	131,947
	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Presented as:		
Share capital	879	879

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

18. SHARE-BASED PAYMENTS

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

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

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Restricted shares	36,721	48,817
Share options	240	1,479
RSUs	–	987
	36,961	51,283

(a) Details of the restricted shares

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

18. SHARE-BASED PAYMENTS (CONTINUED)

(a) Details of the restricted shares (Continued)

In September 2023, supplementary agreements were signed under the 2020 Share Incentive Plan by adding certain performance conditions. Since the performance targets for the years ended December 31, 2023 and 2024 were not met, 60% restricted shares for the common grantees and all restricted shares for the special grantees that should have been vested in 2023 and 2024, were not vested and will be vested upon the approval from a committee comprising of Controlling Shareholder (the "Administrator"). These supplementary agreements did not have an accounting impact on the share-based payments expenses of the Group as the modification is not beneficial to employees.

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

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

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

	Number of restricted shares for common grantees	Number of restricted shares for special grantees	Total	Weighted -average grant date fair value
Outstanding as of January 1, 2024 (Audited), June 30, 2024 (Unaudited), January 1, 2025 (Audited) and June 30, 2025 (Unaudited)	54,400,000	21,833,330	76,233,330	0.50

18. SHARE-BASED PAYMENTS (CONTINUED)

(a) Details of the restricted shares (Continued)

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

	Number of restricted shares for the Controlling Shareholder	Weighted-average grant date fair value
Outstanding as of January 1, 2024 (Audited)	78,476,154	5.32
Vested	(13,079,359)	5.32
Outstanding as of June 30, 2024 (Unaudited)	65,396,795	5.32
Outstanding as of January 1, 2025 (Audited)	65,396,795	5.32
Vested	(13,079,359)	5.32
Outstanding as of June 30, 2025 (Unaudited)	52,317,436	5.32

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

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

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

18. SHARE-BASED PAYMENTS (CONTINUED)

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

Details of the employees' share option is as follows:

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

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

	Number of share options	Weighted average exercise price <i>RMB</i>	Weighted average remaining term <i>Year</i>
Outstanding as of January 1, 2024 (Audited)	6,616,000	0.1	6.42
Forfeited	(36,000)	0.1	
Outstanding as of June 30, 2024 (Unaudited)	6,580,000	0.1	5.92
Outstanding as of January 1, 2025 (Audited)	1,240,000	0.1	5.41
Outstanding as of June 30, 2025 (Unaudited)	1,240,000	0.1	4.92

18. SHARE-BASED PAYMENTS (CONTINUED)

(c) Details of the RSUs

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

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

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

	Number of RSUs for 2022 Grantee	Grant date fair value
Outstanding as of January 1, 2024 (Audited), June 30, 2024 (Unaudited), January 1, 2025 (Audited) and June 30, 2025 (Unaudited)	810,000	9.85

A restricted share unit scheme (the "2023 RSU Scheme") was adopted by the Company on June 27, 2023 (the "Adoption Date"). The 2023 RSU Scheme was contemplated and adopted to be funded solely by the existing ordinary shares of the Company. The maximum number of shares to be awarded under the 2023 RSU Scheme will be 2.0% of the total issued ordinary shares of the Company as at the Adoption Date. Pursuant to the 2023 RSU Scheme, the Company will purchase the existing shares through CMB Wing Lung (Trustee) Limited (the "Trustee") on the secondary market with the self-owned funds of the Company, and the Trustee has been appointed by the Company for the administration of the 2023 RSU Scheme. During the six months ended June 30, 2024, the Trustee purchased 12,450,000 ordinary shares, which will be granted to the eligible participants, with a total consideration of RMB20,228,000, including 12,250,000 ordinary shares purchased in January of 2024 and 200,000 ordinary shares purchased in April of 2024, at a price range from HK\$1.19 (equivalent to RMB1.08) per share to HK\$2.00 (equivalent to RMB1.82) per share. The cost of the shares purchased was recognized in equity as treasury share reserve. During the six months ended June 30, 2025, no existing ordinary shares was purchased on the Stock Exchange by the Trustee and no RSUs was granted under the 2023 RSU Scheme.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

19. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended June 30, 2025 (six months ended June 30, 2024: nil).

During the six months ended June 30, 2025, no dividend to the non-controlling interests was declared or paid by certain subsidiaries (six months ended June 30, 2024: RMB8,949,000 was paid).

20. OPERATING LEASE ARRANGEMENT

The Group as lessor

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

Undiscounted lease payments receivable on leases are as follows:

	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Within one year	1,289	1,641
In the second year	967	1,189
In the third year	723	838
In the fourth year	492	681
In the fifth year	–	186
	3,471	4,535

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

For Level 2 financial instruments, valuations are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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



Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of June 30, 2025 (Unaudited)				
Assets:				
Financial assets at FVTPL	1,685	110,000	233,360	345,045
Equity instruments at FVTOCI	70,331	–	–	70,331
As of December 31, 2024 (Audited)				
Assets:				
Equity instruments at FVTOCI	59,985	–	–	59,985

During the six months ended June 30, 2025, a fair value gain of RMB10,346,000 (six months ended June 30, 2024: Loss of RMB38,745,000) was recorded for equity instruments at FVTOCI.

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

Financial assets	Fair value as of June 30, 2025 (Unaudited) RMB'000	Fair value as of December 31, 2024 (Audited) RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Equity securities issued by a listed company	70,331	59,985	Level 1	Quoted bid prices in an active market.	N/A	N/A
Equity securities issued by a listed company	1,685	–	Level 1	Quoted bid prices in an active market.	N/A	N/A

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Financial assets	Fair value as of June 30, 2025 (Unaudited) RMB'000	Fair value as of December 31, 2024 (Audited) RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial products issued by banks	110,000	–	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
Financial products issued by banks	233,360	–	Level 3	Discounted cash flow. Future cash flows are estimated based on estimated return.	Estimated return	The higher the estimated return, the higher the fair value, vice versa.

For assets that are measured at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting end. During the current interim period, there were no transfers among different levels of fair values measurement (six months ended June 30, 2024: no).

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

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

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

22. RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

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

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

* English names are for identification purpose only.

(b) Transactions with related parties

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

Name of related parties	Nature of balances/ transactions	Six months ended June 30,	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Product sales	187	178
	Purchase of goods	64,416	89,555
	Brand usage fee	922	1,765
	Expense relating to short-term leases	1,884	1,566
Renhe (Group)	Product sales	7	2
	Brand usage fee	759	1,813
Other related parties	Product sales	–	1

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

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties:

Amounts due from related parties

Name of related parties	Nature of balances/ transactions	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Trade	1,647	1,651
	Non-trade (note)	17	–
Renhe (Group)	Trade	7	–
Total		1,671	1,651

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

Amounts due to related parties

Name of related parties	Nature of balances/ transactions	As of June 30, 2025 (Unaudited) RMB'000	As of December 31, 2024 (Audited) RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Trade (note i)	42,443	14,183
Renhe (Group)	Non-trade (note ii/iii)	2,172	2,439
Other related parties	Non-trade (note ii)	–	23
Total		44,615	16,645

Notes:

- i As of June 30, 2025, there was no notes payables with related parties included in the balance (December 31, 2024: RMB12,264,000).
- ii. The amount is unsecured, interest free and repayable on demand.
- iii. The amount primarily included brand usage fee payables, which was recognized as amounts due to related parties of non-trade nature.

Notes to the Condensed Consolidated Financial Statements

For the Six months Ended June 30, 2025

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management personnel compensation

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

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Salaries and bonuses	2,590	2,710
Share-based payments	36,440	48,298
Retirement benefit scheme contributions	223	215
Welfare, medical and other benefits	226	222
	39,479	51,445

23. SUBSEQUENT EVENTS

There are no significant subsequent events subsequent to June 30, 2025.