



ClouDr Group Limited

智雲健康科技集團*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9955

Interim Report

2025



* For identification purpose only

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Corporate Information

Executive Directors

Mr. Kuang Ming (匡明)
(Chairman and Chief Executive Officer)
Ms. Zuo Yinghui (左穎暉)

Independent Non-Executive Directors

Dr. Hong Weili (洪偉力)
Mr. Zhang Saiyin (張賽音)
Mr. Ang Khai Meng

Audit Committee

Mr. Zhang Saiyin (Chairperson)
Dr. Hong Weili
Mr. Ang Khai Meng

Remuneration Committee

Dr. Hong Weili (Chairperson)
Mr. Kuang Ming
Mr. Zhang Saiyin

Nomination Committee

Mr. Kuang Ming (Chairperson)
Ms. Zuo Yinghui (with effect from August 27, 2025)
Dr. Hong Weili
Mr. Zhang Saiyin
Mr. Ang Khai Meng (with effect from August 27, 2025)

Company Secretary

Ms. Fung Wai Sum (馮慧森) (ACG, HKACG)

Authorized Representatives

Mr. Kuang Ming
Ms. Fung Wai Sum (ACG, HKACG)

Principal Place of Business in the PRC

Rooms 501, 5/F, Building 12
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Wuchang Street, Yuhang District, Hangzhou
Zhejiang Province, China

Principal Place of Business in Hong Kong

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348 Kwun Tong Road, Kowloon, Hong Kong
(until January 9, 2025)

Room 1910, 19/F, Lee Garden One
33 Hysan Avenue, Causeway Bay, Hong Kong
(with effect from January 10, 2025)

Registered Office

PO Box 309, Ugland House, Grand Cayman
KY1-1104, Cayman Islands

Auditor

KPMG
Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council
Ordinance
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong



Corporate Information

Legal Advisers

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Central, Hong Kong

As to PRC law
Tian Yuan Law Firm
10/F, Tower B, China Pacific Insurance Plaza
28 Fengsheng Hutong, Xicheng District, Beijing
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As to Cayman Islands law
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Principal Share Registrar and Transfer Office

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

Hong Kong Share Registrar

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

Principal Banks

Xiamen International Bank (Beijing Branch)
11/F, China Commerce Tower
No. 5, Sanlihe East Road
Xicheng District
Beijing
PRC

Shanghai Pudong Development Bank Co., Ltd
(Xuhui sub-branch)
No. 589, Jianguoxi Road
Xuhui District
Shanghai
PRC

Hangzhou Bank (Keji sub-branch)
No. 3850, Jiangnan Dadao
Binjiang District, Hangzhou
Zhejiang Province
PRC

Stock Code

9955

Company Website

www.cloudr.cn

Financial Summary

	Six months ended June 30		
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	Change (%)
Revenue	892,579	2,124,840	(58.0)
Gross profit	331,012	436,994	(24.3)
Adjusted gross profit (non-IFRS measure) ⁽¹⁾	445,267	436,994	1.9
Operating loss	(587,952)	(102,850)	471.7
Loss for the period	(642,895)	(118,941)	440.5
Adjusted net loss (non-IFRS measure) ⁽²⁾	(63,404)	(32,901)	92.7

	Six months ended June 30		
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	Change (%)
Revenue by product or service type	892,579	2,124,840	(58.0)
— In-hospital Solution	649,952	1,688,110	(61.5)
Value Added Solution	277,101	1,439,278	(80.7)
Subscription Solution (i.e. Targeted Marketing)	151,863	140,922	7.8
P2M Solution ⁽³⁾	220,988	107,910	104.8
— Out-of-hospital Solution	242,627	436,730	(44.4)
Subscription Solution	44,425	27,647	60.7
Value Added Solution	97,201	360,295	(73.0)
P2M Solution ⁽³⁾	40,244	—	—
Others	60,757	48,788	24.5

Notes:

- (1) We define “adjusted gross profit (non-IFRS measure)” as gross profit for the period and adding back impairment loss recognized on inventories related to certain subsidiaries of disposals and proposed disposals, which is one-off.
- (2) We define “adjusted net loss (non-IFRS measure)” as loss for the period and adding back (i) share-based compensation expenses, (ii) expense related to subsidiaries' equity financing activities, (iii) changes in the carrying amounts of financial instruments issued to investors and the fair value of convertible bond, (iv) losses recognized on certain subsidiaries of disposals and proposed disposals and (v) one-off specific provision related to a business whose counterparty is under major lawsuits or judicial investigations.
- (3) We define P2M Solution as sales of proprietary products of which the Group has ownership or national distribution rights through strategic cooperation with pharmaceutical companies.

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



Business Review and Outlook

Overview

We are the largest digital chronic condition management solution provider in China, in terms of numbers of SaaS (Software as a Service) installations in hospitals and pharmacies, each as of December 31, 2024, and numbers of online prescriptions issued through our services in 2024. As an industry pioneer and leader, the Company has its roots in serving and digitizing major participants in the value chain, including hospitals, pharmacies, pharmaceutical companies, patients and doctors.

We have strong AI capabilities based on massive real medical data we have processed through our hospital SaaS and have obtained through online prescription using pharmacy SaaS networks.

Hospital is of the utmost importance in the China's healthcare value chain, which has an extremely high barrier of entry. By June 30, 2025, we have installed our chronic condition management SaaS in 2,774 hospitals, which represents 40% of top 100 hospitals and more than 20% penetration in tier 3 hospitals. Our hospital SaaS enables hospitals to standardize and optimize diagnosis procedures and improve treatment efficiency and reduce medical errors by automating and standardizing electronic health records, prescriptions, testing results, and other medical data.

On the pharmacy side, by June 30, 2025, we have installed our pharmacy SaaS in 269,360 pharmacies, which represents approximately 40% penetration of total pharmacies in China. Over the years, we issued over one billion prescriptions cumulatively through our internet hospitals. Our pharmacy SaaS allows every customer, especially chronic condition patients, once they walk into the pharmacy, to have the immediate access to our internet hospitals and get the online diagnosis and prescriptions so they can purchase prescribed drugs in the pharmacy.

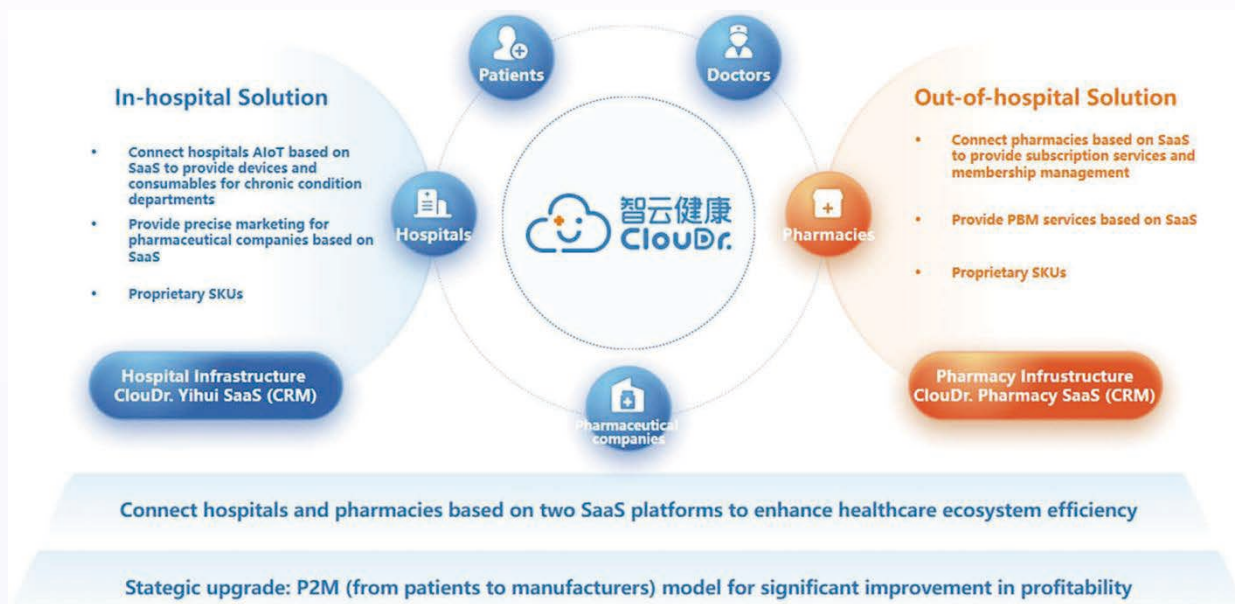
The medical knowledge and insights derived from relevant data have established entity relationships for over 200,000 medicines, essentially covering the majority of chronic diseases. Currently, we have two vertical models, ClouD GPT and ClouD DTx, which respectively excel in physician-patient interactions and medical research. We feed our models with our real case data from high-class hospitals and massive consultation and prescription data from our own internet hospitals to train and enhance their accuracy and applications. Our ClouD GPT model can achieve close to 100% drug usage rationality on a single prescription, and in terms of drug interactions, our model has established rules for compatibility contraindications and multi-drug combinations. Based on our ClouD GPT model, we have reached an expert consensus on the "Establishment and Application of an Internet Healthcare-related Intelligence Assisted Prescription Review System" with the Chinese Society of Clinical Pharmacy of the Chinese Medical Association, the Clinical Pharmacy Society of the Shanghai Medical Association, the Hospital Pharmacy Committee of the Shanghai Pharmaceutical Association, and 35 Class III-A hospitals across China, which sets industry standard for AI-assisted prescription review out of hospitals.

During the Reporting Period, the ClouD GPT model consistently provided clinical decision support to doctors at hospitals and monetised through digital marketing efforts. In pharmacies, it assisted in prescription review using a "traffic light" mechanism and successfully deployed the first digital employee, resulting in significant savings in manpower and compliance costs for the Company. The ClouD DTx model published two articles in top international journals, including one in Journal Citation Reports ("JCR") Q1 with an impact factor of 6 on *Journal of Medical Internet Research*. This study leveraged Cloud DTx, the Company's in-house developed medical foundation model, to provide researchers with a powerful tool capable of rapidly and accurately identifying research directions and formulating methodologies. As a result, it successfully unlocked a new therapeutic approach for Gestational Diabetes Mellitus (GDM), revealing that digital lifestyle interventions can help GDM patients maintain stable blood glucose levels over the long term, thereby positively influencing pregnancy outcomes. This research holds both medical and sociological significance and also lays a theoretical foundation for the company's future development in the field of digital therapeutics.

Business Review and Outlook

With an aim of enabling the chronic disease management industry through technologies and improving the efficiency of the healthcare ecosystem, the Company strives to fulfill its responsibilities to increase the accessibility of quality and affordable healthcare services and products to the stakeholders in the healthcare ecosystem, and continues to build digital infrastructure for the chronic condition management industry.

Our integrated in-and out-of-hospital solutions connect hospitals and pharmacies based on our hospital SaaS and pharmacy SaaS to enhance the efficiency of the healthcare ecosystem.



Our integrated in-hospital solution provides: (1) an AI-driven extensive hospital SaaS to assist doctors in diagnosis and treatment and to help enhance the efficiency of doctor education, and as a result, our hospital SaaS can promote drugs in the following two manners: a) rendering targeted marketing services to pharmaceutical companies and b) selling of proprietary services chronic condition related drugs; and (2) a comprehensive chronic condition management solution to hospitals, including hospital SaaS and proprietary AIoT (Artificial Intelligence of Things), and therefore our SaaS has integrated with HIS (Hospital Information Systems) to process massive amount of real medical data in order to enhance hospital productivity.

Our out-of-hospital solution connects doctors and patients, and provides high-quality and trust-worthy medical services through our AI vertical model Cloud GPT to provide (1) pharmacy SaaS which enables in-store, real-time online consultation, prescription and risk pooling of outpatient services, which we monetise by charging SaaS subscription fees to pharmacies; and (2) sales of proprietary and partnered chronic condition related drugs based on our data insights in pharmacies including information on inventory, sales, and shipments of prescription drugs.

During the Reporting Period, the Company restructured its business model to prioritize high-quality and cash-generation growth by focusing on the core AI capabilities. Rather than pursuing growth for scale alone, our strategy is now centered on delivering long-term value and improved financial resilience. Specifically, we continued to focus on the AI-driven P2M strategy to conduct targeted marketing for both proprietary and third-party drugs whilst we proactively scaled down the business related to the sales of medical supplies and consumables, which had weaker strategic relevance and lower profitability. Overall, by shifting from a scale-driven model to a quality-driven model, the Company's business model is more resilient and sustainable.

Business Review and Outlook

Notably, during the first half of the year, we achieved the first-ever net cash inflow from operating activities of RMB28.7 million since our initial public offering in June 2022, as compared to net cash outflow from operating activities of RMB195.5 million during the same period in 2024, thereby fully validating the viability of our transformation. In the short term, the transformation will be focused on the P2M strategy to achieve healthy cash flow and profitability; in the mid-long term, it will target data assets monetization; and in the long term, we believe the transformation will lead us to achieve a closed-loop of individual chronic condition management by connecting hospital, pharmacy, pharmaceutical companies, patients and payers via healthcare data sharing.

The AI-driven P2M strategy is based on our solid infrastructure in both in-hospital scenarios and out-of-hospital scenarios. Under such strategy, we are able to sell proprietary products of which the Company has ownership, sales rights or other exclusive rights through strategic cooperation with pharmaceutical companies, and we believe this strategy will lead us to the path of profitability. With the steady revenue growth of Ischelium® and Hetangjing®, our P2M solution has already realized a total revenue of RMB261.2 million and has achieved profitability as of June 30, 2025.

We are pleased to update on the progress in the development and regulatory pathway of Iloprost Infusion for Injection, one of our key P2M pipeline products indicated for pulmonary arterial hypertension (PAH), a designated rare disease. The product is expected to receive sales approval under the Medicine and Device Access (藥械通) in the Greater Bay Area by the end of September 2025. Following the approval, a real-world study will be launched in the region to collect clinical data with an estimated duration of six months. Concurrently, we have made substantial headway in our national regulatory strategy. Preliminary discussions with the National Medical Products Administration (NMPA) have aligned on utilizing the “green channel” for expedited review. The product is planned to be submitted to the Center for Drug Evaluation (CDE) by the end of 2025, targeting a conditional approval by June 2027 and a formal national launch by August 2027. This timeline represents critical steps in accelerating patient access to this important therapy while supporting long-term market expansion and leading to profitability.

We also enriched our P2M pipeline in the first half of 2025 with eight products in the process of registration application or pre-launch. We have already become the gateway for industrial enterprises to enter into hospitals and pharmacies based on our broad and in-depth hospital network and pharmacy network. As a result, our digitization capability can connect industrial enterprises with end hospitals and pharmacies, and ultimately bring high-quality products with competitive pricing and high convenience to patients with chronic conditions.

In 2024, the Company updated the classification of its revenue by re-grouping its revenue into: (1) in-hospital solution and (2) out-of-hospital solution. Information that was previously presented under “pharmacy solution” and “individual chronic condition management solution and others” is now combined as “out-of-hospital solution”, and information that was previously presented under “individual chronic condition management solution and others” is now presented under “out-of-hospital solution — others” as the revenue from the individual chronic condition management solution is not significant enough to be disclosed separately, as a result of the Company’s proactive optimization of its revenue structure. The Company believes that the new classification better reflects the current status and future direction of the business development of the Group.

Business Review and Outlook

For the six months ended June 30, 2025, our total revenue amounted to RMB892.6 million, representing a year-on-year decrease of 58.0%, mainly due to the decrease in value-added solution in both in-hospital solution and out-of-hospital solution as a result of our strategic transformation. Our gross profit margin significantly increased from 20.6% in the six months ended June 30, 2024 to 37.1% in the six months ended in June 30, 2025, a positive result of our business restructuring that focuses on high-quality and cash-generation growth. We also achieve adjusted gross profit margin (non-IFRS measure) of 49.9% in the six months ended June 30, 2025, which excludes impairment loss on inventories related to disposals and proposed disposals of certain subsidiaries and reflects our normal operation. Due to losses recognized on certain subsidiaries of proposed disposals and the one-off specific provision, our net loss for the Reporting Period amounted to RMB642.9 million, representing a year-on-year increase of 440.5%. With the deepening execution of the national centralized procurement using a volumed-based purchase (“VBP”) (集中帶量採購) policy initiated by the NHSA (國家醫療保障局), we started to propose disposals of certain subsidiaries in the first quarter of 2025, and certain subsidiaries are no longer in operation since April 2025. Therefore, our non-IFRS adjusted net loss amounted to RMB63.4 million, representing a year-on-year increase of 92.7%. For further details of the disposals, please refer to the Announcement and the section headed “Termination of Discloseable Transactions” and “Discloseable Transactions” in the announcement of the Company dated August 27, 2025. We continued to serve more patients with chronic conditions, with the average daily online effective prescription volume close to one million during the Reporting Period.

In-hospital Solution

We grow our business in hospitals with the “Access, Install, Monetize” model, or the AIM model. This three-prong model outlines our concurrent efforts to access hospitals and establish business relationships, install our hospital SaaS to increase stickiness of hospitals, and seek monetization opportunities through our in-hospital solution.

Launched in 2016, our hospital *ClouDr. Yihui* SaaS was the first of its kind in China to digitize and standardize the in-hospital chronic condition management process. Medical devices such as glucose meters, blood ketone meters and vital sign monitors can be connected to *ClouDr. Yihui* SaaS through our proprietary AIoT devices. During the Reporting Period, we continued to penetrate more hospitals and to deepen our cooperation with existing hospitals.

As of June 30, 2025, 2,774 hospitals had installed *ClouDr. Yihui* SaaS, including 784 Class III public hospitals and 1,116 Class II public hospitals. Additionally, 40 out of the 2,774 hospitals are China’s top 100 hospitals.

For our in-hospital solution, we monetize through our value added solution, subscription solution and P2M solution.

The comprehensive value added solution include the SaaS system and hospital supplies, which are primarily related to chronic conditions and can be connected to our hospital SaaS through the proprietary AIoT devices. During the Reporting Period, we proactively reduced the value-added solution for the reasons that (1) we have already built up strong relationship with hospitals and doctors in the previous years and have tightly bonded with users, so the low-margin medical supply business is no longer our core business; and (2) headwinds from VBP for certain medical consumables impact growth potential. Notwithstanding the above, we continued to expand our hospital SaaS network and strengthen our relationships with hospitals by optimizing AI-driven functions for more precise and customised chronic condition management.



Business Review and Outlook

Leveraging our hospital network and hospital SaaS, we offer pharmaceutical companies subscription services, i.e., targeted marketing services, primarily for medicines related to chronic condition management. Our subscription services can help pharmaceutical companies achieve more effective marketing in a cost-saving way. With the advancement of the national medical system reform, there is an increase of pharmaceutical and medical device companies paying more attention to cost reduction and efficiency improvement, thus targeted marketing has greater room to grow continuously.

As of June 30, 2025, we had contracted with 45 pharmaceutical companies to provide them with targeted marketing services, which represented an increase of 9.8% as compared to that as of June 30, 2024, showing that our strong hospital access capability through AI-driven SaaS network has been recognized by more pharmaceutical companies. The total partnered SKUs reached 50 as of June 30, 2025, which maintained the same as compared to that as of June 30, 2024. Revenue from our subscription solution amounted to RMB151.9 million, representing an increase of 7.8% as compared to that as of June 30, 2024.

Under the upgraded P2M strategy, we recorded P2M solution as a new sub-business line since the financial year ended December 31, 2023, which is sales of proprietary products. We believe that P2M solution is an upgraded version of targeted marketing, given that we have stronger control of the products and are more involved in the process including but not limited to research and development, manufacturing, sales and marketing, etc. During the Reporting Period, this sub-business line mainly includes our proprietary Ischelium®, a drug widely recognized by doctors for treating mild vascular dementia and cerebrovascular disease, and Hetangjing® Dapagliflozin Tablets, a first-line medication for improving glycemic control in adult patients with type 2 diabetes. We also enriched our P2M pipeline in the first half of 2025 with eight products in the process of registration application or pre-launch. Revenue from our in-hospital P2M solution amounted to RMB221.0 million, representing a significant increase of 104.8% as compared to the six months ended June 30, 2024.

Business Review and Outlook

The AI-driven hospital SaaS significantly improved our customer stickiness for monetization opportunities. Our in-hospital solution has allowed us to successfully build deep connections with hospitals and pharmaceutical companies, laying a solid foundation to extend our businesses to out-of-hospital settings. For the six months ended June 30, 2025, the number of hospitals that installed our *ClouDr. Yihui* SaaS reached 2,774, representing an increase of 42 hospitals, or 1.5% as compared to the six months ended June 30, 2024.

	Six months ended June 30		
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	Change (%)
Revenue			
In-hospital solution	649,952	1,688,110	(61.5)
Value Added Solution	277,101	1,439,278	(80.7)
Subscription Solution (i.e. Targeted Marketing)	151,863	140,922	7.8
P2M Solution	220,988	107,910	104.8
Gross profit			
In-hospital solution	228,342	368,692	(38.1)
Value Added Solution	(50,757)	163,485	(131.0)
Subscription Solution (i.e. Targeted Marketing)	136,990	125,228	9.4
P2M Solution	142,109	79,979	77.7
Gross margin			
In-hospital solution	35.1%	21.8%	13.3
Value Added Solution	(18.3)%	11.4%	(29.7)
Subscription Solution (i.e. Targeted Marketing)	90.2%	88.9%	1.3
P2M Solution	64.3%	74.1%	(9.8)
Adjusted gross profit			
In-hospital solution	342,597	368,692	(7.1)
Value Added Solution	63,498	163,485	(61.2)
Subscription Solution (i.e. Targeted Marketing)	136,990	125,228	9.4
P2M Solution	142,109	79,979	77.7
Adjusted gross margin			
In-hospital solution	52.7%	21.8%	30.9
Value Added Solution	22.9%	11.4%	11.5
Subscription Solution (i.e. Targeted Marketing)	90.2%	88.9%	1.3
P2M Solution	64.3%	74.1%	(9.8)

Business Review and Outlook

	Six months ended June 30		
	2025	2024	Change (%)
Number of hospital that installed our hospital SaaS ⁽¹⁾	2,774	2,732	1.5
Subscription Solution — Number of partnered pharmaceutical companies ⁽²⁾	45	41	9.8
Subscription Solution — Number of partnered SKUs ⁽³⁾	50	50	0.0

Notes:

- (1) Number of hospitals that installed our hospital SaaS is the cumulative total number as of the end date of the respective period.
- (2) Number of partnered pharmaceutical companies is the number of pharmaceutical companies to which we provided digital marketing services during the respective period.
- (3) Number of SKUs marketed through digital marketing services during the respective period.

Out-of-hospital Solution

Our integrated out-of-hospital solution fulfills chronic condition patients' need for out-of-hospital consultation, prescription services, and insurance services through pharmacy SaaS, pharmacy supplies of medical devices, consumables, pharmaceuticals, insurance products and miscellaneous.

Our pharmacy SaaS, *ClouDr. Pharmacy*, was launched in the first half of 2019. It plays a critical role in our out-of-hospital medical services by empowering pharmacies with in-store, real-time consultation and prescription services for walk-in customers. We currently have two internet hospitals as part of our platform to deliver these services in compliance with relevant regulations. These internet hospitals allow us to provide online consultation and prescription services through our online applications to patients in different provinces across China. We had approximately 110,000 registered doctors and approximately 50.2 million registered users as of June 30, 2025. During the Reporting Period, the number of online prescriptions provided through our services reached 177.6 million, i.e. the average daily online prescription volume surpassed 981,000, representing a significant year-on-year increase of 53.0%, which proves the high customer recognition of our pharmacy SaaS. We also provide advanced features, such as a new retail function that offers e-commerce solutions on private domain traffic management such as WeChat mini programs, public domain traffic management and inventory management services. Our pharmacy SaaS has also integrated risk pooling of outpatient services in eight provinces. As of June 30, 2025, 269,360 pharmacies had installed *ClouDr. Pharmacy*, representing an increase of 41,029 pharmacies from that as of June 30, 2024, covering approximately 40% of pharmacies in China.

Leveraging the data insights generated from the pharmacy SaaS prescription services, we effectively connect pharmaceutical companies and pharmacies for pharmacy supplies purchases. Due to our proactive reduction of certain low-margin value-added services, the number of transacting customers for our pharmacy supplies amounted to 197 customers for the six months ended June 30, 2025, representing a decrease of 661 customers, or 77.0% as compared to that for the six months ended June 30, 2024, but the average revenue per transacting customer increased to approximately RMB493,000 for the six months ended June 30, 2025, representing an increase of 17.5% as compared to that for the six months ended June 30, 2024.

Business Review and Outlook

The revenue of our out-of-hospital subscription solution business line amounted to RMB44.4 million, representing a significant increase of 60.7% as compared to that for the six months ended June 30, 2024, due to the increased market concentration and increased demand of the integrated risk pooling of outpatient services. The revenue of our out-of-hospital value-added solution business line amounted to RMB97.2 million, representing a decrease of 73.0% as compared to that for the six months ended June 30, 2024, due to our proactive reduction of certain low-margin value-added services and the shift of our strategic focus to P2M solution. We added a new business line of P2M solution under Pharmacy Solution in the year ended December 31, 2024, due to its significant contribution and its strategic importance in the future. Revenue from the P2M Solution amounted to RMB40.2 million for the six months ended June 30, 2025.

	Six months ended June 30		
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	Change (%)
Revenue			
Out-of-hospital solution	242,627	436,730	(44.4)
Subscription Solution	44,425	27,647	60.7
Value Added Solution	97,201	360,295	(73.0)
P2M Solution	40,244	—	—
Others	60,757	48,788	24.5
Gross profit			
Out-of-hospital solution	102,670	68,302	50.3
Subscription Solution	41,986	27,067	55.1
Value Added Solution	19,115	17,147	11.5
P2M Solution	23,888	—	—
Others	17,681	24,088	(26.6)
Gross margin			
Out-of-hospital solution	42.3%	15.6%	26.7
Subscription Solution	94.5%	97.9%	(3.4)
Value Added Solution	19.7%	4.8%	14.9
P2M Solution	59.4%	—	—
Others	29.1%	49.4%	(20.3)

Business Review and Outlook

Six months ended June 30			
	2025	2024	Change (%)
Number of pharmacy stores that installed our pharmacy SaaS ⁽¹⁾	269,360	228,331	18.0
Number of registered users (in millions) ⁽²⁾	50.2	33.2	51.2
Number of registered doctors (in thousands) ⁽³⁾	110.0	104.3	5.5
Number of online prescriptions (in millions)	177.6	116.1	53.0
Subscription Solution — Number of SaaS-paying pharmacy stores	155,940	112,854	38.2
Value Added Solution — Number of transacting customers	197	858	(77.0)
Value Added Solution — Average revenue per transacting customer (in RMB thousands)	493	420	17.4

Notes:

- (1) Number of pharmacy stores that installed our pharmacy SaaS is the cumulative total number as of the end date of the respective period.
- (2) Number of registered users is the cumulative total number as of the end date of the respective period.
- (3) Number of registered doctors is the cumulative total number as of the end date of the respective period.

Significant Events/Recent Developments after the Reporting Period

Saved as disclosed in this report, there were no significant events affecting the Group since the end of the Reporting Period and up to the date of this report.

Business outlook

We intend to focus on the following key strategies to solidify our leadership position in China's chronic condition management market: (1) continue to solidify our hospital SaaS and pharmacy SaaS infrastructure, (2) continue to build up a strong pipeline for proprietary products under the P2M strategy to drive monetization, (3) continue to invest in product and technology innovation with a focus on medical AI, (4) continue to grow our number of patient and doctor users, and (5) continue to invest in strategic partnership and acquisitions.

In respect of the in-hospital solution, we will continue our hospital-first strategy with the AIM model approach. We will continue to strengthen our value proposition and SaaS network in hospitals by (1) investing in product capabilities and medical know-how to deepen our partnership with hospitals, (2) increasing sales professionals with medical background to expand hospital network and hospital SaaS installation base, and (3) focusing on partnerships with pharmaceutical companies to drive further monetization through in-hospital subscription solution for targeted marketing, and P2M solution, for sales of proprietary chronic condition related drugs, both leveraging our existing hospital infrastructure.

Business Review and Outlook

In respect of the out-of-hospital solution, we focus on providing high quality and trust-worthy medical services to our users. We will continue to expand our pharmacy network by increasing SaaS installation base, and enriching our pharmacy product portfolio and services to meet various needs of pharmacies such as offline and online operation, membership management, inventory management, and supply chain. We will continue to implement our P2M strategy to the out-of-hospital solution business to improve business line profitability by leveraging our existing pharmacy infrastructure.

Looking forward, we are well positioned for the growth of the in- and out-of-hospital chronic condition management solutions. The fly wheel effect of our business model will lead to stronger monetization.

Management Discussion and Analysis

Revenues

Our revenues decreased by 58.0% from approximately RMB2,124.8 million for the six months ended June 30, 2024 to approximately RMB892.6 million for the six months ended June 30, 2025. The decrease was primarily attributable to the decrease of value-added solution in both in-hospital solution and out-of-hospital solution due to the strategic transformation that the Company restructured its business model to prioritize high-quality and cash-generation growth by focusing on the core AI capabilities.

In-hospital solution. Revenue from the in-hospital solution decreased by 61.5% from approximately RMB1,688.1 million for the six months ended June 30, 2024 to approximately RMB650.0 million for the six months ended June 30, 2025, primarily due to the decrease of value-added solution as a result of disposals and proposed disposals of certain subsidiaries that are involved in the sales of medical supplies and consumables, which is in line with our restructuring that prioritizes high-quality and cash-generation growth. For further details of the disposals, please refer to the Announcement and the section headed “Termination of Discloseable Transactions” and “Discloseable Transactions” in the announcement of the Company dated August 27, 2025.

Out-of-hospital solution. Revenue from the out-of-hospital solution decreased by 44.4% from approximately RMB436.7 million for the six months ended June 30, 2024 to approximately RMB242.6 million for the six months ended June 30, 2025, primarily due to our proactive decision to reduce some low margin value added solution and to focus on pharmacy subscription solution and P2M solution.

Cost of Sales

Our cost of sales decreased by 66.7% from approximately RMB1,687.8 million for the six months ended June 30, 2024 to approximately RMB561.6 million for the six months ended June 30, 2025. The main reason for the decrease of cost of sales being faster than the decrease of revenue was primarily attributable to a reduced proportion of the low-margin valued-added solution in the revenue mix as a result of our restructuring that prioritizes high-quality and cash-generation growth.

Gross profit and gross margin

As a result of the foregoing, our overall gross profit for the six months ended June 30, 2024 and 2025 were approximately RMB437.0 million and approximately RMB331.0 million, respectively, and our overall gross margin for the same periods was 20.6% and 37.1%, respectively. The decrease of our overall gross profit was primarily attributable to strategic transformation that results in lower contribution from the low-margin value-added solution. The significant increase of our overall gross margin was a result of the optimization of the revenue structure with a focus on high-margin subscription solution and P2M solution in both in-hospital solution and out-of-hospital solution.

In-hospital solution. Our gross margin for the in-hospital solution significantly increased from 21.8% for the six months ended June 30, 2024 to 35.1% for the six months ended June 30, 2025, primarily attributable to higher revenue contribution from high-margin subscription solution and P2M solution as a result of our business restructuring.

Management Discussion and Analysis

Out-of-hospital solution. Our gross margin for the out-of-hospital solution significantly increased from 15.6% for the six months ended June 30, 2024 to 42.3% for the six months ended June 30, 2025, primarily due to our proactive reduction of the low-margin value-added solution in pharmacies as a result of our business restructuring that prioritizes high-quality and cash-generation growth.

Selling and marketing expenses

Our selling and marketing expenses increased by 18.3% from approximately RMB383.6 million for the six months ended June 30, 2024 to approximately RMB453.9 million for the six months ended June 30, 2025, primarily attributable to significant revenue increase of our in-hospital P2M solution. More than 74.5% of our selling and marketing expenses are people related costs (including share-based compensation).

Although we enjoyed significant operating leverage and customer stickiness with high recurring purchases, the selling and marketing expense to revenue ratio increased from 16.9% for the six months ended June 30, 2024 to 48.6% for the six months ended June 30, 2025 due to reduced revenue as a result of our strategic transformation.

Administrative expenses

Our administrative expenses decreased by 1.6% from RMB120.6 million for the six months ended June 30, 2024 to RMB118.7 million for the six months ended June 30, 2025. The decrease was primarily attributable to effective management and proactive control of administrative expenses.

The administrative expenses to revenue ratio increased from 3.4% for the six months ended June 30, 2024 to 7.3% for the six months ended June 30, 2025 due to reduced revenue as a result of strategic transformation.

Research and development expenses

Our research and development expenses decreased from approximately RMB41.8 million for the six months ended June 30, 2024 to approximately RMB26.4 million for the six months ended June 30, 2025. The research and development expense to revenue ratio increased from 1.7% for the six months ended June 30, 2024 to 2.7% for the six months ended June 30, 2025 due to reduced revenue as a result of strategic transformation.

Impairment loss on trade receivables and other receivable

We recorded impairment loss on trade receivables and other receivables of RMB13.1 million and RMB181.7 million for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively. The change was primarily due to the impairment loss recognized on the assets related to disposals and proposed disposals of certain subsidiaries and the one-off specific provision.

Loss from operations

As a result of the foregoing, our loss from operations increased by 471.7% from approximately RMB102.9 million for the six months ended June 30, 2024 to approximately RMB588.0 million for the six months ended June 30, 2025. The increase was primarily due to losses recognized on certain subsidiaries of disposals and proposed disposals and the one-off specific provision.

Finance costs

Our finance costs increased by 12.6% from approximately RMB7.8 million for the six months ended June 30, 2024 to approximately RMB8.8 million for the six months ended June 30, 2025, primarily attributable to more extensive utilization of debt financing instruments.

Change in the fair value of convertible bond

We recorded change in the fair value of convertible bond of approximately nil and a loss of RMB3.0 million for the six months ended June 30, 2024 and 2025, respectively. The change represents the fair value increase of our convertible bond issued to investors.

Change in the carrying amounts of financial instruments issued to investors

We recorded change in the carrying amounts of financial liabilities of a loss of approximately RMB6.5 million and a loss of approximately RMB6.6 for the six months ended June 30, 2024 and 2025, respectively. The losses were due to the amortized interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights, which was recognized as financial instruments issued to investors.

Impairment loss recognized on non-current assets and assets held for sale

We recorded impairment loss recognized on non-current assets and assets held for sale of nil and approximately RMB37.0 million for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively. The change was primarily as a result of recognizing impairment loss on the assets related to proposed disposals.

Income tax

We recorded income tax credits of approximately RMB1.8 million for the six months ended June 30, 2024 as compared to income tax expenses of approximately RMB419,000 for the six months ended June 30, 2025. The change was primarily due to an increase in income tax arising from net profit from certain subsidiaries and consolidated affiliated entities of the Group and the changes of deferred tax liabilities.

Loss for the period

As a result of the foregoing, our loss increased by 440.5% from approximately RMB118.9 million for the six months ended June 30, 2024 to approximately RMB642.9 million for the six months ended June 30, 2025. The increase was primarily due to losses recognized on certain subsidiaries of disposals and proposed disposals and the one-off specific provision.

Management Discussion and Analysis

Adjusted Gross Profit and Adjusted Net Loss (Non-IFRS Measure)

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards (“**IFRS**”), we also use adjusted gross profit and adjusted net loss (non-IFRS measure) (defined below) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that the presentation of these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of items such as certain non-cash items, certain transaction costs related to financing activities, certain disposals and proposed disposal-related items and the one-off specific provision. We believe that these measures provide useful information to investors in understanding and evaluating the Group’s consolidated results of operations in the same manner as they help our management. However, the use of non-IFRS measures has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies.

We define “adjusted gross profit (non-IFRS measure)” as gross profit for the period and adding back impairment loss recognized on inventories related to certain subsidiaries of disposals and proposed disposals.

For the six months ended June 30, 2024 and 2025, our adjusted gross profit (non-IFRS measure) was approximately RMB437.0 million and approximately RMB445.3 million, respectively.

We define “adjusted net loss (non-IFRS measure)” as loss for the period and adding back (i) share-based compensation expenses, (ii) expense related to subsidiaries’ equity financing activities, (iii) change in the carrying amounts of financial instruments issued to investors and the fair value of convertible bond, (iv) losses recognized on certain subsidiaries of disposals and proposed disposals, and (v) one-off specific provision related to a business whose counterparty is currently under major lawsuits or judicial investigations.

For the six months ended June 30, 2024 and 2025, our adjusted net loss (non-IFRS measure) was approximately RMB32.9 million and approximately RMB63.4 million, respectively.

For further details of the disposals, please refer to the Announcement and the section headed “Termination of Discloseable Transactions” and “Discloseable Transactions” in the announcement of the Company dated August 27, 2025.

Management Discussion and Analysis

The following table sets forth the reconciliations of our non-IFRS financial measures for the six months ended June 30, 2024 and 2025 to the nearest measure prepared in accordance with IFRS:

	Six months ended June 30	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	892,579	2,124,840
Cost of Sales	(561,567)	(1,687,846)
Gross profit	331,012	436,994
Add:		
Impairment loss recognized on inventories related to certain subsidiaries of disposals and proposed disposals ⁽¹⁾	114,255	—
Adjusted gross profit (non-IFRS measure)	445,267	436,994
Adjusted gross profit margin (non-IFRS measure) (%)	49.9	20.6
Loss for the period	(642,895)	(118,941)
Add:		
Share-based compensation related items ⁽²⁾	58,735	79,422
Expense related to subsidiaries' equity financing activities ⁽³⁾	1,118	139
Changes in the carrying amounts of financial instruments issued to investors and the fair value of convertible bond ⁽⁴⁾	9,603	6,479
Losses recognized on certain subsidiaries of disposals and proposed disposals ⁽⁵⁾	321,164	—
One-off specific provision related to a business whose counterparty is under major lawsuits or judicial investigations ⁽⁶⁾	188,871	—
Adjusted net loss (non-IFRS measure)	(63,404)	(32,901)
Adjusted net loss margin (non-IFRS measure) (%)⁽⁷⁾	(7.1)	(1.5)

Notes:

- (1) Impairment loss recognized on inventories related to certain subsidiaries of disposals and proposed disposals affects cost of sales, but such impairment loss is not indicative of our continuing operational performance.
- (2) Share-based compensation related items relate to the share awards we offered to our employees, directors and consultants under the pre-IPO equity incentive scheme, the post-IPO share award scheme and the 2025 share scheme of the Company, which are primarily non-cash in nature and commonly added back to IFRS measures in calculating similar non-IFRS measures adopted by other companies in our industry.
- (3) Expense related to subsidiaries' equity financing activities is commonly added back to IFRS measures in calculating similar non-IFRS financial measures, primarily because it represents the professional service expense in connection with the subsidiaries' equity financing with the redemption rights granted to investors and only relates to the scale of financing from investors.
- (4) Change in the carrying amounts of financial instruments issued to investors represents the amortized interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights, which was recognized as financial instruments issued to investors. Change in the fair value of convertible bond represents the fair value increase of our convertible bond issued to investors. Such changes are non-cash in nature.
- (5) Losses recognized on the assets related to certain subsidiaries of disposals and proposed disposals include disposal loss, impairment loss and operating loss, which are not indicative of our continuing operational performance.
- (6) One-off specific provision related to a business whose counterparty is under major lawsuits or judicial investigations is presented separately to provide a clearer view of the Company's core operational performance.
- (7) Represents adjusted net loss (non-IFRS measure) divided by the total revenue for the period indicated.

Management Discussion and Analysis

Liquidity and capital resource

During the six months ended June 30, 2025, we funded our cash requirements principally from capital contribution from shareholders and bank loans. We had cash and cash equivalents of approximately RMB304.8 million and approximately RMB375.3 million as of December 31, 2024 and June 30, 2025, respectively. In addition, we had RMB69.0 million financial assets measured at fair value and RMB1.0 million time deposits with initial term over three months in current assets as of June 30, 2025, and those financial assets are short term and for treasury management purposes.

As of June 30, 2025, we had bank and other loans of RMB271.2 million (as of December 31, 2024: RMB340.2 million). Borrowings are classified as current liabilities and non-current liabilities. RMB259.9 million are repayable within one year and RMB11.4 million are payable over one year as of June 30, 2025. The effective annual interest rates of borrowings ranged from 2.7% to 5.5% as of June 30, 2025.

Going forward, we intend to satisfy our liquidity requirements by using a combination of cash generated from operating activities, other funds raised from the capital markets from time to time and the net proceeds received from the global offering. We currently do not have any plans for material additional external financing and we are in a good cash position.

Significant investments

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

Material acquisitions and disposals

On March 30, 2025, the Company's indirect wholly-owned subsidiaries Hangzhou Kangsheng Health Management Consultant Co., Ltd. (杭州康晟健康管理諮詢有限公司), Jiangsu Zhiyun Health Management Co., Ltd. (江蘇智雲健康管理有限公司) and 91health Shanghai Limited (上海運臻網絡科技有限公司) entered into share transfer agreements with various purchasers for the transfer of the equity interest of one wholly-owned subsidiary and four non-wholly owned subsidiaries of the Group, respectively. The disposals support our long-term strategies that focuses on: (a) technological improvement of AI-driven SaaS; and (b) P2M pipeline enrichment and monetisation. For further details of the disposals, please refer to the Announcement and the section headed "Termination of Discloseable Transactions" and "Discloseable Transactions" in the announcement of the Company dated August 27, 2025.

Save as disclosed in this report, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures for the six months ended June 30, 2025.

Pledge of assets

As at June 30, 2025, approximately RMB33.1 million of plant and buildings were pledged as security for bank and other loans granted to the Group.

Future plans for material investments or capital asset

As at June 30, 2025, the Group did not have detailed future plans for material investments or capital assets.

Gearing ratio

The Group monitors capital on basis of the gearing ratio, which is calculated as dividing liabilities excluded financial instruments issued to investors and convertible bond by total assets. As at June 30, 2025, the gearing ratio was 49.7%, as compared with 42.1% as at December 31, 2024. The increase was primarily due to reduced assets due to our business restructuring.

Foreign exchange exposure

During the six months ended June 30, 2025, the Group mainly operated in China with most of the transactions settled in Renminbi (“**RMB**”). The functional currency of our Company and the subsidiaries and consolidated affiliated entities operating in China is RMB. Our management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our group entities. For the six months ended June 30, 2025, we had currency translation gain of approximately RMB178,000, as compared with currency translation loss of approximately RMB74,000 for the six months ended June 30, 2024. We did not hedge against any fluctuation in foreign currency during the six months ended June 30, 2024 and 2025.

Contingent liabilities

As at June 30, 2025, we did not have any material contingent liabilities (as at June 30, 2024: nil).

Indebtedness

As at June 30, 2025, the Group had bank and other loans of RMB271.2 million and lease liabilities of RMB24.0 million, as compared to RMB340.2 million and RMB26.4 million, respectively, as at December 31, 2024.

Employees and remuneration

As at June 30, 2025, the Group had a total of 966 employees, of which 292 employees were in Hangzhou, 113 employees were in Shanghai were 561 employees are in other offices in China. The Group also had over 4,000 flexible staffing as of June 30, 2025 to support business penetration into lower tier cities, and to access over 2,700 hospitals and over 269,000 pharmacies.

Management Discussion and Analysis

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

Function	Number of full-time employees
Selling and marketing	775
Research and development	67
General and administrative	52
Others ¹	72
Total	966

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

The total people related cost incurred by the Group for the six months ended June 30, 2025 was approximately RMB447.1 million, as compared to approximately RMB423.6 million for the six months ended June 30, 2024. The full-time staff cost incurred for the six months ended June 30, 2025 was approximately RMB218.0 million as compared to approximately RMB280.2 million for the six months ended June 30, 2024. The flexible staffing cost incurred for the six months ended June 30, 2025 was approximately RMB229.1 million as compared to approximately RMB143.4 million for the six months ended June 30, 2024.

The Company has also adopted a pre-IPO equity incentive scheme, a post-IPO share award scheme and the 2025 share scheme.

We provide regular and specialized training tailored to the needs of our employees in different departments. Our human resource department regularly organizes internal training sessions conducted by senior employees or outside consultants on topics of interest. Our human resource department schedules online trainings, reviews the content of the trainings, follows up with employees to evaluate the impact of such training and rewards lecturers for positive feedback. Through these trainings, we ensure that our staff's skillsets remain up-to-date, enabling them to better discover and meet consumers' needs.

1. The total people related cost and full time staff cost exclude the costs related to the 72 employees in the manufacturing function which are included in the manufacturing cost.

Corporate Governance and Other Information

The Company was incorporated in the Cayman Islands on August 24, 2015 as an exempted company with limited liability, and the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on July 6, 2022.

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

Compliance with the Corporate Governance Code

The Board believes that transparency and good corporate governance will lead to long-term success of the Company.

The Company adopted the principles and code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as the basis of our corporate governance practice.

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

Code provision C.2.1 of the Corporate Governance Code recommends, but does not require, that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Kuang Ming (“**Mr. Kuang**”) performs both the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Kuang is the founder of the Group and has extensive experience in the business operations and management of the Group. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Kuang has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning. The Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees and three independent non-executive Directors. The Board will reassess the division of the roles of chairman and the chief executive officer from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of the Group as a whole.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding the Directors’ dealings in the securities of the Company. The Company’s employees who are likely to be in possession of unpublished inside information of the Company are also subject to the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the Reporting Period.

Corporate Governance and Other Information

Share Schemes

Our Company has adopted three share schemes, namely the Pre-IPO Equity Incentive Scheme, the Post-IPO Share Award Scheme (terminated on January 2, 2025) and the 2025 Share Scheme (adopted on January 2, 2025). Please refer to the section headed “Statutory and General Information — D. Share Incentive Plans” of Appendix IV to the Prospectus for further details of the Pre-IPO Equity Incentive Scheme and the Post-IPO Share Award Scheme, and the Company’s circular dated December 11, 2024 for further details of the 2025 Share Scheme.

Maximum number of Shares available for issue

In view of the adoption of the 2025 Share Scheme, on January 21, 2025, the Board resolved to cancel (i) 10,936,061 outstanding RSUs representing 10,936,061 underlying Shares previously granted to 350 award grantees pursuant to the terms of the Pre-IPO Equity Incentive Scheme and (ii) 42,493,300 outstanding Award Shares representing 42,493,300 underlying Shares previously granted to 350 award grantees pursuant to the terms of the Post-IPO Share Award Scheme. On the same date, the Board resolved to grant 58,680,611 Share Awards involving 58,680,611 new Shares to award grantees under the 2025 Share Scheme, representing approximately 9.9960% of the total issued Shares as at January 21, 2025. 53,429,361 of such Share Awards involving 53,429,361 new Shares were granted to the award grantees in consideration of the cancellation of the RSUs and award shares previously granted to them respectively and subject to the acceptance by the award grantees.

The maximum aggregate number of Shares that may be issued in respect of the 2025 Share Scheme is 27,853,946 Shares, representing approximately 4.68% of the weighted average number of Shares issued for the six months ended June 30, 2025.

Further, details and relevant breakdowns of each of the share schemes are set out below:

Pre-IPO Equity Incentive Scheme

The Pre-IPO Equity Incentive Scheme was approved and adopted by the Company on August 24, 2015.

Purpose

The purpose of the Pre-IPO Equity Incentive Scheme is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, directors, and consultants of the Group and to promote the success of the Company’s business by offering these individuals or entities an opportunity to acquire a proprietary interest in the success of the Company.

Eligible participants

Persons eligible to participate in the Pre-IPO Equity Incentive Scheme include an officer, an employee, a director or a consultant employed by the Company (collectively, the “**Service Providers**”) or any parent company or subsidiary of the Company or trusts or companies established in connection with any employee benefit plan of the Company for the benefits of the Service Providers but excluding a ten percent owner, who is in the employment of or other contractual relationship with any member of the Group.

Maximum number of Shares available for grant and issue

The maximum aggregate number of new Shares issued and may be issued pursuant to all share awards under the Pre-IPO Equity Incentive Scheme is 84,254,735 Shares as of August 24, 2015 that are reserved under the Pre-IPO Equity Incentive Scheme. The grant of RSUs under the Pre-IPO Equity Incentive Scheme will be satisfied with existing Shares held by Prime Forest Assets Limited (a limited liability company incorporated under the laws of British Virgin Islands established for the purpose of holding Shares pursuant to the Pre-IPO Equity Incentive Scheme) and no new Shares will be issued pursuant to grant under the Pre-IPO Equity Incentive Scheme.

The total number of Shares available for grant under the Pre-IPO Equity Incentive Scheme was 1,654,832 Shares as of January 1, 2025 and nil as of June 30, 2025.

Limit for each participant

Under the Pre-IPO Equity Incentive Scheme, there is no specific limit on the maximum number of shares which may be granted to a single eligible participant but unvested under the Pre-IPO Equity Incentive Scheme.

Option period

The relevant option agreement shall specify the term of the relevant option; provided, however, that the term shall not exceed 10 years from the date of grant. Subject to the preceding sentence, the scheme administrator in its sole discretion shall determine when an option is to expire.

Vesting Period

The vesting criteria and conditions, and the vesting date are specified in the share award agreement. Details of the vesting period of individual grants are stated in the table below.

Period of the Pre-IPO Equity Incentive Scheme

The Pre-IPO Equity Incentive Scheme commenced on August 24, 2015 and will expire on August 24, 2035. Upon expiry of the Pre-IPO Equity Incentive Scheme, any Pre-IPO Awards that are outstanding shall remain in force according to the terms of the Pre-IPO Equity Incentive Scheme and the applicable award agreement.

Purchase price

The purchase price, if any, shall be determined by the scheme administrator in its sole discretion.

Exercise price

The exercise price shall be set forth in the option agreement to be entered into between the Company and the optionee under the Pre-IPO Equity Incentive Scheme which generally shall not be less than 100% of the fair market value of the Company's shares on the date of grant and such price shall be payable according to the relevant option agreement.

Corporate Governance and Other Information

Payment for Shares

The consideration to be paid for the Shares to be issued under the Pre-IPO Equity Incentive Scheme, including the method of payment, shall be determined by the Scheme Administrator (and, in the case of an incentive stock option, shall be determined on the date of grant).

Further details of the Pre-IPO Equity Incentive Scheme are set out in the section headed “Statutory and General Information — D. Share Incentive Plans” of Appendix IV to the Prospectus.

Details of the outstanding RSUs granted under the Pre-IPO Equity Incentive Scheme are as follows:

Grantees in category	Role	Date of grant	Vesting period	Purchase price (per share)	Unvested and undelivered RSUs as of January 1, 2025	Granted during the Reporting Period	Vested and delivered during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested RSUs as of June 30, 2025	Closing price of Shares immediately before the grant during the Reporting Period	Fair value of RSUs at the date of grant during the Reporting Period	Weighted average closing price of the Share immediately before the date of vesting and delivering during the Reporting Period
Directors													
Mr. Kuang Ming ⁽¹⁾	Executive Director	January 1, 2020	4 years	HK\$0.01	249,835	—	—	249,835	—	—	NA	NA	NA
		December 30, 2022	4 years	HK\$0.01	2,000,000	—	—	2,000,000	—	—	NA	NA	NA
Ms. Zuo Yinghui	Executive Director	January 1, 2021	4 years	HK\$0.01	175,000	—	—	175,000	—	—	NA	NA	NA
Four highest paid individuals (excluding Mr. Kuang) during the Reporting period in aggregate⁽⁴⁾	Other employees	Between 2020 and 2021	4 years	HK\$0.01	5,651,790	—	—	5,651,790	—	—	NA	NA	NA
Other grantees in aggregate	Other employees	Between 2015 and 2021	Between immediately available and 4 years	HK\$0.01 to HK\$18.28	3,315,511	—	—	2,482,186	833,325	—	NA	NA	NA
	Other employees	September 1, 2022	4 years	HK\$0.01 to HK\$3.92	383,000	—	—	337,250	45,750	—	NA	NA	NA
	Other employees	December 15, 2022	4 years	HK\$0.01	40,000	—	—	40,000	—	—	NA	NA	NA
	Other employees	January 1, 2025	Between immediately available and 2 years	Nil	—	1,749,835 ⁽²⁾	—	1,749,835	—	—	HK\$1.20	HK\$1.19	NA
Total					11,815,136	1,749,835	—	12,685,896	879,075	—			

Notes:

- (1) The fair values of the Award Shares granted during the Reporting Period were determined based on the difference between the closing market price of the Company's shares that are publicly traded on the Stock Exchange at the grant date and the price of the RSUs payable by the grantee.
- (2) On January 1, 2025, the Board resolved to cancel 1,749,835 outstanding RSUs representing 1,749,835 underlying Shares previously granted to Mr. Kuang Ming pursuant to the terms of the Pre-IPO Equity Incentive Scheme and grant the same number of RSUs representing the same number of underlying Shares to certain employees of the Group.
- (3) On January 21, 2025, the Board resolved to cancel 10,936,061 outstanding RSUs representing 10,936,061 underlying Shares previously granted to 350 award grantees pursuant to the terms of the Pre-IPO Equity Incentive Scheme.
- (4) One of the five highest paid individuals during the Reporting Period was our executive Director and CEO, Mr. Kuang, whose interest in the Pre-IPO Equity Incentive Scheme was disclosed separately in the table.

Post-IPO Share Award Scheme

The Post-IPO Share Award Scheme was conditionally adopted by our Company on June 10, 2022. On January 2, 2025, the Post-IPO Share Award Scheme was terminated upon the adoption of the 2025 Share Scheme with the approval of the Shareholders. For further details, please refer to the Company's circular dated December 11, 2024. The following is a summary of the principal terms of the Post-IPO Share Award Scheme.

Purpose

The purpose of the Post-IPO Share Award Scheme is to align the interests of Eligible Persons' (as defined below) with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

Eligible Persons

Any individual, being an employee, director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group or any affiliate of the Group (including nominees and/or trustees of any employee benefit trust established for them), and any officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate of the Group who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group (an "**Eligible Person**" and, collectively "**Eligible Persons**") is eligible to receive an Award. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Post-IPO Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO Share Award Scheme.

Award

An Award gives a selected participant a conditional right, when the Award Shares vest, to obtain the Award Shares or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, the cash equivalent from the sale of the Award Shares. An Award includes all cash income from dividends in respect of those Shares from the date the Award is granted (the "**Grant Date**") to the date the Award vests (the "**Vesting Date**"). For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Award Shares be paid to the selected participant even though the Award Shares have not yet vested.

Granting of Awards

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a selected participant (in the case of the Board's delegate(s), to any selected participant other than a Director or an officer of the Company) by way of an award letter ("**Award Letter**"). The Award Letter will specify the Grant Date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary.

Corporate Governance and Other Information

Each grant of an Award to any Director or the chairman of the board of the Company shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of an Award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of the Company.

Maximum number of Award Shares (which can be satisfied by existing Shares) available for grant

The aggregate number of Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 58,703,821 Shares without Shareholders' approval (the "**Post-IPO Share Award Scheme Limit**") subject to an annual limit of 3% of the total number of issued Shares at the relevant time.

As of January 1, 2025 and June 30, 2025, 28,856,518 Award Shares and nil Award Shares were available for grant under the Post-IPO Share Award Scheme, respectively.

Maximum number of new Shares available for issue

The total number of new Shares issued and may be issued pursuant to the Post-IPO Share Award Scheme will not exceed 58,703,821 Shares, representing 10% of the Company's issued share capital upon the Listing (the "**Scheme Mandate**"). On January 2, 2025, the Post-IPO Share Award Scheme was terminated upon the adoption of the 2025 Share Scheme with the approval of the Shareholders. It follows that, as of June 30, 2025, the Post-IPO Share Award Scheme was no longer in effect.

Consideration and purchase price

The purchase price of Shares awarded or any amount payable on application or acceptance of the Award shall be determined by the Board or the committee of the Board or person(s) to which the Board has delegated its authority in its sole discretion.

Limit for each participant

Under the Post-IPO Share Award Scheme, there is no specific limit on the maximum number of shares which may be granted to a single eligible participant but unvested under the Post-IPO Share Award Scheme.

Termination

The Post-IPO Share Award Scheme shall terminate on the earlier of:

- (a) the end of the period of ten years commencing on the Listing Date except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the Post-IPO Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Post-IPO Share Award Scheme; and
- (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the Post-IPO Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the Awards Shares already granted to a selected participant.

Corporate Governance and Other Information

Remaining Life of the Post-IPO Share Award Scheme

On January 2, 2025, the Post-IPO Share Award Scheme was terminated upon the adoption of the 2025 Share Scheme with the approval of the Shareholders. For further details, please refer to the Company's circular dated December 11, 2024.

Further details of the Post-IPO Share Award Scheme are set out in the section headed "Statutory and General Information — Share Incentive Plan" of Appendix IV to the Prospectus. Details of the unvested Award Shares granted under the Post-IPO Share Award Scheme (to be satisfied by existing Shares) are as follows:

Grantees in category	Role	Date of grant	Vesting period	Purchase price (per share)	Unvested and undelivered Award Shares as of January 1, 2025	Granted during the Reporting Period	Vested and delivered during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested Award Shares as of June 30, 2025	Closing price of Shares immediately before the grant during the Reporting Period	Fair value of Award Shares at the date of grant during the Reporting Period	Weighted average closing price of the Share immediately before the date of vesting and delivering during the Reporting Period
Directors													
Ms. Zuo Yinghui	Executive Director	December 30, 2022	2 years	HK\$0.01	30,000	—	—	30,000	—	—	NA	NA	NA
Four highest paid individual (excluding Mr. Kuang) during the Reporting period in aggregate⁽¹⁾													
	Other employees	Between 2022 and 2024	Between immediately available and 4 years	HK\$0.01	12,486,458	—	—	12,486,458	—	—	NA	NA	NA
	Other employees	January 1, 2025	Between immediately available and 2 years	HK\$0.01	—	8,800,000	—	8,800,000	—	—	HK\$1.20	HK\$1.19	NA
Other grantees in aggregate													
	Other employees	Between 2022 and 2024	Between immediately available and 4 years	HK\$0.01	3,469,282	—	—	3,427,282	42,000	—	NA	NA	NA
	Other employees	January 1, 2025	Between immediately available and 2 years	HK\$0.01	—	18,306,683	—	17,749,560	557,123	—	HK\$1.20	HK\$1.19	NA
Total					15,985,740	27,106,683	—	42,493,300	599,123	—			

Notes:

- (1) The fair values of the Award Shares granted during the Reporting Period were determined based on the difference between the closing market price of the Company's shares that are publicly traded on the Stock Exchange at the grant date and the price of the Award Shares payable by the grantee.
- (2) One of the five highest paid individuals during the Reporting Period was our executive Director and CEO, Mr. Kuang, whose has no interest in the Post-IPO Share Award Scheme.
- (3) There is no performance target attached to the Award Shares granted during the Reporting Period.
- (4) On January 21, 2025, the Board resolved to cancel 42,493,300 outstanding Award Shares representing 42,493,300 underlying Shares previously granted to 350 award grantees pursuant to the terms of the Post-IPO Share Award Scheme.

2025 Share Scheme

The following sets forth a summary of the principal terms of the 2025 Share Scheme, which was adopted on January 2, 2025.

Corporate Governance and Other Information

Purpose

The purpose of the 2025 Share Scheme is (i) to provide the Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to Eligible Participants (as defined below); (ii) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire shareholding interests in the Company; and (iii) to encourage Eligible Participants to contribute to the long-term growth and profitability of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

Eligible Participants

Eligible Participants under the 2025 Share Scheme shall include: (i) employee participants, namely, any person who is an employee (whether full-time or part-time), director or officer of any member of the Group; (ii) related entity participants, being any person who is an employee (whether full-time or part-time), director or officer of a related entity; and (iii) service provider participants (the “**Service Provider Participants**”), being any person providing services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the scheme administrator and shall include those identified in the circular of the Company dated December 11, 2024 (the Service Provider Participants, employee participants and related entity participants are collectively known as the “**Eligible Participants**”).

Awards

Under the 2025 Share Scheme, an award may take the form of a share option or a share award, which shall be funded by award shares. The Company may use treasury Shares to satisfy the exercise of vesting of awards under the 2025 Share Scheme.

Scheme Administration

The 2025 Share Scheme shall be administered by the scheme administrator, being the Board and/or any committee of the Board or other persons to whom the Board has delegated its authority in accordance with the rules of the 2025 Share Scheme.

Maximum number of Share Awards available for grant

The aggregate number of Shares underlying all grants made pursuant to the 2025 Share Scheme will not exceed 58,703,821 Shares, being 10% of the total number of Shares in issue on date of approval of the 2025 Share Scheme (the “**2025 Share Scheme Limit**”). The aggregate number of Shares underlying all grants made to the Service Provider Participants pursuant to the 2025 Share Scheme will not exceed 11,740,764 Shares, being 2% of the total number of Shares in issue on the date of approval of the 2025 Share Scheme (the “**Service Provider Sublimit**”).

As of January 2, 2025, being the date of the adoption of the 2025 Share Scheme, 58,680,611 Shares were available for grant under the 2025 Share Scheme Limit and 11,740,764 Shares were available for grant under the Service Provider Sublimit. On January 21, 2025, the Board resolved to grant 58,680,611 Share Awards involving 58,680,611 new Shares to the award grantees under the 2025 Share Scheme, representing approximately 10% of the total issued Shares as at the same date. It follows that, as of June 30, 2025 and the Latest Practicable Date, the total number of Shares available for future grant under the 2025 Share Scheme was nil Shares and nil Shares, and the total number of Shares available for future grant to the Service Provider Participants under the 2025 Share Scheme was nil Shares and nil Shares.

Corporate Governance and Other Information

Maximum number of new Shares available for issue

The total number of new Shares which may be issued pursuant to the 2025 Share Scheme will not exceed 58,703,821 Shares, representing 10% of the Company's issued share capital on date of approval of the 2025 Share Scheme. As of the Latest Practicable Date, 23,211 new Shares (representing approximately 0.0036% of the issued share capital of the Company as of the Latest Practicable Date) were available for issue under the 2025 Share Scheme Limit.

Maximum entitlement of each Eligible Participant

Unless approved by the Shareholders in the manner set out in the 2025 Share Scheme, the total number of Shares issued and to be issued upon exercise of awards granted and to be granted under the 2025 Share Scheme and any other share schemes of the Company to each Eligible Participant (including both exercised and outstanding share options) in any 12 month period shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares). Any further grant of awards to an Eligible Participant which would exceed this limit shall be subject to separate approval of the Shareholders in general meeting with the relevant Eligible Participant and his/her close associates (or associates if the relevant Eligible Participant is a connected person) abstaining from voting.

Issue price for Share Awards and exercise price of share options

The issue price for awards which take the form of Share Awards shall be such price determined by the scheme administrator and notified to the grantee in the award letter. For the avoidance of doubt, the scheme administrator may determine the issue price to be at nil consideration.

The scheme administrator shall determine the exercise price for share options in which it shall in any event be no less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date.

Exercise period for share options

The exercise period for share options shall not be longer than 10 years from the grant date. a share option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the grant date.

Vesting period

The scheme administrator may determine the vesting period and specify such period in the award letter. The vesting period of awards funded by new shares may not be for a period less than 12 months from the grant date, except in limited circumstances set out in the rules of the 2025 Share Scheme.

Performance Target

The scheme administrator may in respect of each award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of awards in its sole and absolute discretion.

Corporate Governance and Other Information

Termination

Subject to the rules of the 2025 Share Scheme, the 2025 Share Scheme shall terminate on the earlier of (a) the 10th anniversary of the date on which the 2025 Share Scheme was adopted; and (b) such date of early termination as determined by the Board, provided that notwithstanding such termination, the 2025 Share Scheme and the rules of 2025 Share Scheme shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any awards granted prior to the termination of the 2025 Share Scheme and such termination shall not affect any subsisting rights already granted to any grantee thereunder.

Remaining life of the scheme

The term of the 2025 Share Scheme is 10 years from the date of adoption unless terminated earlier. The remaining life of the 2025 Share Scheme is approximately 9.5 years.

Further details of the 2025 Share Scheme, please refer to the Company's circular dated December 11, 2024.

Details of the outstanding Share Awards granted under the 2025 Share Scheme are as follows:

Grantees in category	Role	Date of Grant	Vesting Period	Purchase Price (per Share)	Unvested as of January 1, 2025	Granted to replace the Pre-IPO Equity Incentive Scheme and Post-IPO Share Award Scheme outstanding shares during the Reporting Period	Granted during the Reporting Period	Vested and delivered during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of June 30, 2025	Closing price of Shares immediately before the date of grant during the Reporting Period	Fair value of Share Awards at the date of grant during the Reporting Period	Weighted average closing price of the Shares immediately before the date of vesting and delivering during the Reporting Period
Directors														
Mr. Kuang Ming	Executive Director	January 21, 2025	Immediately available	Nil	–	500,000	–	500,000	–	–	–	NA	NA	HK\$1.04
Ms. Zuo Yinghui	Executive Director	January 21, 2025	Immediately available	Nil	–	205,000	–	205,000	–	–	–	NA	NA	HK\$1.04
Four highest Paid individuals (excluding Mr. Kuang) during the Reporting Period in aggregate⁽¹⁾														
	Other employees	January 21, 2025	Between immediately available and 2 years	Nil	–	26,938,248	–	13,875,000	–	–	13,063,248	NA	NA	HK\$1.04
Employee Participants (not including Mr. Kuang and Ms. Zuo)														
	Other employees	January 21, 2025	Between immediately available and 2 years	Nil	–	25,786,113	5,251,250	16,246,666	–	–	14,790,697	HK\$1.20	HK\$1.19	HK\$1.17
Total					–	53,429,361	5,251,250	30,826,666	–	–	27,853,946			

Note:

- (1) One of the five highest paid individuals during the Reporting Period was our executive Director and CEO, Mr. Kuang, whose interest in the 2025 Share Scheme was disclosed separately in the table.

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

Mr. Kuang ceased to act as the director and legal representative of Shandong Guoyitang Pharmaceutical Chain Co., Ltd. (山東國一堂大藥房連鎖有限公司) as it has been deregistered.

Ms. Zuo Yinghui was appointed as the legal representative of Hangzhou Zhiyun Qikang Biomedical Co., Ltd. with effect from June 20, 2025.

Ms. Zuo Yinghui and Mr. Ang Khai Meng were appointed as members of the Nomination Committee with effect from August 27, 2025.

Save as disclosed above, there has been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and as of the Latest Practicable Date.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As far as our Directors are aware, as of June 30, 2025, the interests and short positions of the Directors and the chief executives in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code, to be notified to our Company and the Stock Exchange are set out below:

Name of Director	Nature of interest	Relevant entity	Number of Shares	Approximate % of interest ⁽¹⁾
Mr. Kuang ⁽²⁾	Interest in a controlled corporation/ Other/Beneficial owner	Company	134,341,185 (L) ⁽³⁾	20.80%
Ms. Zuo Yinghui	Beneficial owner	Company	3,185,000 (L) ⁽³⁾	0.49%

Notes:

- (1) The calculation is based on the total number of 645,718,830 Shares in issue as of June 30, 2025.
- (2) This includes (i) 94,571,580 Shares held by HaoYuan health Limited (formerly known as ClouDr Limited). The entire interest in HaoYuan health Limited is held through a trust which was established by Mr. Kuang (as settlor) and the beneficiaries of which are himself and his family members. Mr. Kuang is deemed to be interested in the Shares held by HaoYuan health Limited; (ii) various voting proxies granted to Mr. Kuang over the Shares of the Company, which in aggregate amount to 39,032,605 Shares. Each of SIG Global China Fund I, LLLP, FORTUNE SEEKER INVESTMENTS LIMITED, Treasure Harvest Investments Limited and Tembusu HZ II Limited (each a "Proxy Grantor") has entered into a voting proxy agreement with Mr. Kuang before Listing, pursuant to which each Proxy Grantor granted Mr. Kuang, as their respective attorney, a voting proxy of 50% of the Shares that each Proxy Grantor holds, upon Listing, representing an aggregate of approximately 6.65% voting power in the Company; and (iii) 737,000 Shares held by Mr. Kuang directly.
- (3) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in the Shares.

Corporate Governance and Other Information

Save as disclosed above, as of June 30, 2025, none of the Directors and chief executives of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

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

As far as our Directors are aware, as of June 30, 2025, the following persons (other than the Directors and the chief executives of the Company whose interests have been disclosed in this interim report) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of Substantial Shareholder	Capacity/Nature of interest	Number of shares	Approximate % of interest ⁽¹⁾
Trident Trust Company (HK) Limited ⁽²⁾	Trustee	94,874,998 (L)	14.69%
Data Vantage Development Limited ⁽³⁾⁽⁴⁾	Interest in controlled corporations	94,571,580 (L)	14.65%
HaoYuan health Limited ⁽³⁾	Beneficial owner	94,571,580 (L)	14.65%

Notes:

- (1) The calculation is based on the total number of 645,718,830 Shares in issue as of June 30, 2025.
- (2) Trident Trust Company (HK) Limited, as trustees of the Hao and Yuan Trust and 91health Incentive Trust, controls (i) (through Data Vantage Development Limited) HaoYuan health Limited, which holds 94,571,580 Shares and (ii) Prime Forest Assets Limited, which holds 303,418 Shares. Trident Trust Company (HK) Limited is therefore deemed to be interested in the Shares in which HaoYuan health Limited and Prime Forest Assets Limited respectively have interest. The interest of HaoYuan health Limited has also been disclosed as the interests of Mr. Kuang in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures".
- (3) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in the Shares.
- (4) Data Vantage Development Limited controls 100% of HaoYuan health Limited (which holds 94,571,580 Shares) and is therefore deemed to be interested in the Shares in which HaoYuan health Limited has interest.

Corporate Governance and Other Information

Save as disclosed herein, as of June 30, 2025, no person, other than the Directors and chief executives whose interests are set out in this interim report, had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On July 6, 2022, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering, after deducting the underwriting fees and other estimated expenses paid and payable by us in connection with the global offering and discretionary incentive fee, were approximately HK\$425.7 million. As of the date of this report, there was no change in the intended use of proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated June 23, 2022. To the extent that the net proceeds are not immediately required for the intended purposes or if we are unable to put into effect any part of our plan as intended, we will hold such funds in short-term deposits in licensed bank(s) only so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. The Board currently expects full utilization of the proceeds by December 31, 2026.

Set out below is the status of use of proceeds from the Global Offering as at June 30, 2025.

Purpose	% of use of proceeds	Net proceeds (HK\$ million)	Unutilized	Utilized	Unutilized
			amount as at December 31, 2024 (HK\$ million)	during the six months ended June 30, 2025 (HK\$ million)	amount as at June 30, 2025 (HK\$ million)
Business expansion	60%	255.4	87.2	55.0	32.2
To advance our medical know-how and technology capabilities to reinforce our leadership in the digital healthcare industry	25%	106.4	28.1	20.2	7.0
To broaden our ecosystem through strategic partnerships, investments and acquisitions in other businesses that complement our organic growth strategies	5%	21.3	—	—	—
Working capital and general corporate purposes	10%	42.6	—	—	—
Total	100%	425.7	115.3	75.2	40.1

DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

Corporate Governance and Other Information

OTHER INFORMATION**Purchase, sale or redemption of the Company's listed securities**

During the Reporting Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules). The Company did not hold any treasury shares as at June 30, 2025.

Material litigation

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

Audit committee

The Company has established an audit committee comprising of three members, namely Mr. Zhang Saiyin, Dr. Hong Weili and Mr. Ang Khai Meng, with Mr. Zhang Saiyin (being our independent non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise) as chairman of the audit committee.

The audit committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended June 30, 2025 and this report. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters with senior management members of the Company. The audit committee considered that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Continuing disclosure obligations pursuant to the Listing Rules

The Directors were not aware of any circumstances resulting in the responsibility of disclosure under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Consolidated Statement of Profit or Loss

for the six months ended June 30, 2025 — unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

		Six months ended June 30	
	Note	2025 RMB'000	2024 RMB'000
Revenue	3	892,579	2,124,840
Cost of sales		(561,567)	(1,687,846)
Gross profit		331,012	436,994
Other net (loss)/income	4	(138,358)	19,277
Selling and marketing expenses		(453,861)	(383,599)
Administrative expenses		(118,693)	(120,595)
Research and development expenses		(26,375)	(41,798)
Impairment losses on trade receivables and other receivables		(181,677)	(13,129)
Loss from operations		(587,952)	(102,850)
Finance costs	5(a)	(8,763)	(7,783)
Change in the fair value of convertible bonds		(3,048)	—
Change in the carrying amounts of financial instruments issued to investors		(6,555)	(6,479)
Impairment loss recognized on non-current assets and assets held for sale		(36,996)	—
Loss before taxation	5	(643,314)	(117,112)
Income tax	6	419	(1,829)
Loss for the period		(642,895)	(118,941)
Attributable to:			
— Equity shareholders of the Company		(549,113)	(115,838)
— Non-controlling interests		(93,782)	(3,103)
Loss for the period		(642,895)	(118,941)
Loss per share	7		
Basic and diluted (RMB)		(0.92)	(0.20)

The notes on pages 45 to 63 form part of this interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended June 30, 2025 — unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Loss for the period	(642,895)	(118,941)
Other comprehensive income for the period (after tax)		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange difference on translation of:		
— Financial statements of overseas subsidiaries	(2,183)	404
Total comprehensive income for the period	(645,078)	(118,537)
Attributable to:		
— Equity shareholders of the Company	(551,296)	(115,434)
— Non-controlling interests	(93,782)	(3,103)
Total comprehensive income for the period	(645,078)	(118,537)

The notes on pages 45 to 63 form part of this interim financial report.

Consolidated Statement of Financial Position

at June 30, 2025 — unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Non-current assets			
Property, plant and equipment	8	120,935	143,245
Intangible assets		191,439	202,206
Goodwill		64,177	72,209
Financial assets measured at fair value through profit or loss ("FVPL")		40,246	40,372
Other non-current assets	9	198,664	89,531
		615,461	547,563
Current assets			
Financial assets measured at FVPL	10	68,964	222,354
Inventories	11	176,023	169,386
Trade and bills receivables	12	506,384	727,577
Prepayments, deposits and other receivables	13	319,630	302,045
Restricted bank deposits		472	6,313
Time deposits with initial term over three months		1,000	5,000
Cash and cash equivalents	14	375,330	304,802
Assets held for sale	15	91,690	559,162
		1,539,493	2,296,639
Current liabilities			
Trade payables	16	125,532	173,832
Other payables and accrued expenses	17	458,907	423,495
Contract liabilities		66,405	70,827
Bank and other loans		259,852	330,962
Lease Liabilities		9,052	13,122
Financial instruments issued to investors		227,678	214,622
Convertible bonds		35,258	—
Liabilities held for sale		91,690	126,369
		1,274,374	1,353,229
Net current assets		265,119	943,410
Total assets less current liabilities		880,580	1,490,973

The notes on pages 45 to 63 form part of this interim financial report.

Consolidated Statement of Financial Position

at June 30, 2025 — unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Non-current liabilities			
Bank and other loans		11,370	9,279
Lease liabilities		14,967	13,254
Deferred tax liabilities		33,719	35,756
		60,056	58,289
NET ASSETS			
		820,524	1,432,684
CAPITAL AND RESERVES			
Share capital	18(b)	433	391
Reserves	18(c)	961,936	1,453,356
Total equity attributable to equity shareholders of the Company			
Non-controlling interests		(141,845)	(21,063)
TOTAL EQUITY			
		820,524	1,432,684

The notes on pages 45 to 63 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended June 30, 2025 — unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to equity shareholders of the Company								Non-controlling interests	Total equity
	Share capital	Treasury share reserve	Capital reserve	Share-based payments reserve	Other reserve	Exchange reserve	Accumulated losses	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 18	Note 18	Note 18	Note 18		Note 18				
Balance at January 1, 2024	391	(14,163)	11,554,157	389,222	2,546	(191,842)	(9,914,981)	1,825,330	(60,024)	1,765,306
Changes in equity for the six months ended June 30, 2024:										
Loss for the period	—	—	—	—	—	—	(115,838)	(115,838)	(3,103)	(118,941)
Other comprehensive income	—	—	—	—	—	404	—	404	—	404
Total comprehensive income	—	—	—	—	—	404	(115,838)	(115,434)	(3,103)	(118,537)
Non-controlling interests arising from acquisition of subsidiaries	—	—	—	—	—	—	—	—	3,793	3,793
Disposal of a subsidiary	—	—	—	—	—	—	—	—	(416)	(416)
Capital injection into a subsidiary by non-controlling shareholders	—	—	—	—	—	—	—	—	4,300	4,300
Equity-settled share-based payment	—	—	—	79,422	—	—	—	79,422	—	79,422
Restricted share units vested and delivered	—	(5,253)	236,924	(240,832)	—	—	—	(9,161)	—	(9,161)
Balance at June 30, 2024	391	(19,416)	11,791,081	227,812	2,546	(191,438)	(10,030,819)	1,780,157	(55,450)	1,724,707

Consolidated Statement of Changes in Equity

for the six months ended June 30, 2025 — unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to equity shareholders of the Company								Non-controlling interests	Total equity
	Share-based payments					Exchange reserve	Accumulated losses	Subtotal		
	Treasury	Capital								
	Share capital	share reserve	reserve	reserve	Other reserve					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000					
Note 18	Note 18	Note 18	Note 18		Note 18					
Balance at January 1, 2025	391	(1,855)	11,804,256	267,895	2,546	(188,096)	(10,431,390)	1,453,747	(21,063)	1,432,684
Changes in equity for the six months ended June 30, 2025:										
Loss for the period	—	—	—	—	—	—	(549,113)	(549,113)	(93,782)	(642,895)
Other comprehensive income	—	—	—	—	—	(2,183)	—	(2,183)	—	(2,183)
Total comprehensive income	—	—	—	—	—	(2,183)	(549,113)	(551,296)	(93,782)	(645,078)
Issue of new shares of the Company	42	(42)	—	—	—	—	—	—	—	—
Disposal of subsidiaries	—	—	—	—	—	—	—	—	(27,422)	(27,422)
Issuance of shares of a subsidiary to non-controlling interests	—	—	6,078	—	—	—	—	6,078	422	6,500
Recognition of redemption liabilities for the redemption rights	—	—	(6,500)	—	—	—	—	(6,500)	—	(6,500)
Equity-settled share-based payment	—	—	—	58,735	—	—	—	58,735	—	58,735
Restricted share units vested and delivered	—	1,564	213,069	(213,028)	—	—	—	1,605	—	1,605
Balance at June 30, 2025	433	(333)	12,016,903	113,602	2,546	(190,279)	(10,980,503)	962,369	(141,845)	820,524

The notes on pages 45 to 63 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

for the six months ended June 30, 2025 — unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Operating activities		
Cash used in operations	29,490	(189,662)
Income tax paid	(836)	(5,874)
Net cash generated from/(used in) operating activities	28,654	(195,536)
Investing activities		
Payment for the purchase of property, plant and equipment, intangible assets and other non-current assets	(130,023)	(55,984)
Proceeds from disposal of property, plant and equipment and intangible assets	796	2,425
Proceeds from disposal of time deposits with original maturity over three months	5,000	—
Placement of time deposits with original maturity over three months	(1,000)	—
Payment for acquisition of subsidiaries, net of cash acquired	—	764
Payment for prior year acquisition of subsidiary	(1,000)	—
Proceeds from disposal of subsidiaries, net of cash disposed	(702)	(50)
Advances to third parties and staffs	(14,434)	(11,495)
Proceeds from repayment of advances to third parties and staffs	46,640	2,200
Payment of deposits for acquisition of non-controlling interest	(2,090)	—
Net proceeds from sales of financial assets measured at FVPL	153,616	96,899
Proceeds from transfer of shares of subsidiaries to non-controlling interests in prior year	—	6,631
Advances to non-controlling interest of the Group	—	(126)
Proceeds from repayment of advances to non-controlling interest of the Group	—	2,005
Net cash generated from investing activities	56,803	43,269

The notes on pages 45 to 63 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

for the six months ended June 30, 2025 — unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Financing activities		
Proceeds from issuance of the financial instruments to investors	6,500	10,000
Proceeds of investment deposits from investors	20,000	20,000
Capital injection from non-controlling interest in a subsidiary	—	4,300
Proceeds from bank and other loans	276,659	257,925
Repayment of bank and other loans	(304,926)	(130,618)
Repayment of advance from non-controlling interest of the Group	—	(1,000)
Advance from third parties and staffs	16,461	—
Repayment of advance from third parties and staffs	(20,955)	(2,981)
Interest expense paid	(8,419)	(6,934)
Payment of capital element of lease liabilities	(4,833)	(5,409)
Payment of interest element of lease liabilities	(492)	(695)
Payment for purchase of treasury shares	—	(7,833)
Proceeds from issuance of the convertible bonds	32,334	—
Issuance cost of convertible bonds and the financial instruments issued to investors	(1,118)	(3,892)
Net cash generated from financing activities	11,211	132,863
Net increase/(decrease) in cash and cash equivalents	96,668	(19,404)
Cash and cash equivalents at January 1	305,378	243,375
Effect of foreign exchange rate changes	(304)	210
Cash and cash equivalents at June 30	401,742	224,181
Analysis of balance of cash and cash equivalents:		
Cash and cash equivalents	375,330	224,181
Cash and cash equivalents included in assets classified as held-for-sale	26,412	—

The notes on pages 45 to 63 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

1 BASIS OF PREPARATION

ClouDr Group Limited (the “**Company**”, formerly known as 91health Group Limited) was incorporated in Cayman Islands on August 24, 2015 as an exempted company with limited liability under the Companies Act (as consolidated and revised) of the Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in providing supplies and software as a service (“**SaaS**”) to hospitals and pharmacies, digital marketing services to pharmaceutical companies, and online consultation and prescriptions to patients, all centered around chronic condition management.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”), including compliance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue on August 27, 2025.

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

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

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

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

2 CHANGES IN ACCOUNTING POLICIES

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

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

3 REVENUE AND SEGMENT REPORTING

(a) Revenue from contracts with customers

The Group's products and services portfolio consists essentially of: (i) sales of hospital supplies, providing hospital SaaS, and providing digital market service to pharmaceutical companies, which all center around the demands of the end hospital customers, collectively as "In-hospital solution"; (ii) sales of pharmacy supplies and providing pharmacy SaaS, sales of chronic condition products to individual customers, providing premium membership services and insurance brokerage services and others, collectively as "Out-of-hospital solution".

The Group categorised above products or services portfolio into four solutions or products, patient to manufacturer products, value added solutions, subscription solutions, others. Details as below:

- Patient to manufacturer ("**P2M**") solutions include sales of pharmaceutical products to hospitals or pharmacies, of which the Group had ownership or national distribution rights through strategic cooperation with pharmaceutical companies;
- Value added solutions include sales of hospital and pharmacy supplies excluding the sales of pharmaceutical products included in the P2M solutions, and providing hospital SaaS;
- Subscription solutions include providing digital marketing services and pharmacy SaaS;
- Others include sales of chronic condition products to individual customers, providing insurance brokerage services and others.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

3 REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue from contracts with customers (continued)

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

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Type of goods or services:		
In-hospital		
Value added solution	277,101	1,439,278
Subscription solution	151,863	140,922
P2M	220,988	107,910
Out-of-hospital		
Value added solution	97,201	360,295
Subscription solution	44,425	27,647
P2M	40,244	—
Others	60,757	48,788
	892,579	2,124,840
Timing of revenue recognition:		
Point in time	870,679	2,093,961
Over time	21,900	30,879
	892,579	2,124,840

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, as for the purpose of making decisions about resources allocation and performance assessment, the Group's management reviews on the operating results of the Group as a whole, the Group has determined that it only has one operating segment during the reporting periods presented.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

4 OTHER NET (LOSS)/INCOME

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Government grants	1,835	14,953
Interest income	1,183	782
Fair value gains on financial assets measured at FVPL	1,019	2,444
Impairment loss on prepayments	(122,578)	—
(Loss)/gain on disposal of subsidiaries	(18,474)	416
Foreign exchange gain/(loss)	178	(74)
Others	(1,521)	756
	(138,358)	19,277

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Interest expenses	7,934	6,901
Interest on lease liabilities	492	695
Other financial cost	337	187
	8,763	7,783

(b) Staff costs

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	151,654	191,218
Contributions to defined contribution retirement plan (i)	7,577	9,529
Equity-settled share-based payment expenses	58,735	79,422
	217,966	280,169

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

5 LOSS BEFORE TAXATION (continued)

(b) Staff costs (continued)

Note:

- (i) Employees of the Group are required to participate in a defined contribution retirement scheme administered and operated by the local municipal governments where the subsidiaries are registered. The Group contributes funds which are calculated on certain percentages of the average employee salary as agreed by the respective local municipal governments to the scheme to fund the retirement benefits of the employees. There are no forfeited contributions for the defined contribution retirement scheme as the contributions are fully vested to the employees upon payment to the scheme.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Amortisation of intangible assets	20,966	24,570
Depreciation expenses		
— owned property, plant and equipment	7,680	17,234
— right-of-use assets	6,121	7,466
Cost of inventories	404,696	1,663,377

6 INCOME TAX

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Current tax expense		
Provision for PRC income tax for the period	66	1,110
Under-provision in respect of prior years	661	3,050
Deferred tax expense		
Reversal of temporary differences	(1,146)	(2,331)
	(419)	1,829

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

6 INCOME TAX (continued)

Notes:

- (i) The subsidiaries of the Group established in the Mainland China (excluding Hong Kong) are subject to PRC Corporate Income Tax rate of 25%, except for the following subsidiaries:

According to the PRC income tax law and its relevant regulations, entities that qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% (for taxable income less than RMB3,000,000). Certain subsidiaries of the Group were qualified as small and low profit enterprise and entitled preferential income tax rate for the six months ended June 30, 2025 and 2024.

Hangzhou Kangsheng Health Management Consultant Co., Ltd. ("**Kangsheng**"), Polifarma (Nanjing) Co., Ltd. ("**Polifarma**") and Jiangsu Chengsheng Gene Precision Medical Technology Co., Ltd ("**Jiangsu Chengsheng**") obtained the qualification as a high-tech enterprise. Kangsheng was entitled to a preferential income tax rate of 15% from 2024 to 2027, Polifarma and Jiangsu Chengsheng were entitled to a preferential income tax rate of 15% from 2023 to 2026.

- (ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Company and the Group's BVI subsidiaries are not subject to income tax in those jurisdictions.
- (iii) The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong profit tax at 16.5% of the estimated assessable profit. No provision for Hong Kong Profits Tax has been made, as the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax during the reporting periods.
- (iv) Effective from January 1, 2023, an additional 100% of qualified research and development expenses incurred by the Group is allowed to be deducted from taxable income under the PRC income tax law and its relevant regulations.

7 LOSS PER SHARE**(a) Basic loss per share**

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB549 million (six months ended June 30, 2024: RMB116 million) and the weighted average of 594,666,000 ordinary shares (six months ended June 30, 2024: 572,911,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

The share awards and convertible bonds were excluded from the calculation of diluted loss per share because their effect would have been anti-dilutive. The diluted loss per share is the same as the basic loss per share.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended June 30, 2025, the Group entered into a number of lease agreements mainly for use of offices, warehouses and retail stores and therefore recognized the additions to right-of-use assets of RMB4 million (six months ended June 30, 2024: RMB1 million).

(b) Acquisitions and disposal of owned assets

During the six months ended June 30, 2025, the Group acquired items of electronic equipment and machinery, office equipment, motor vehicles and leasehold improvement with a cost of RMB3 million (six months ended June 30, 2024: RMB48 million). Machinery and electronic equipment, office equipment and motor vehicles with a net book value of RMB734,464 were disposed of during the six months ended June 30, 2025 (six months ended June 30, 2024: RMB2,242,559), resulting in a gain on disposal of RMB61,936 (six months ended June 30, 2024: a loss of RMB144,462). As of June 30, 2025, approximately RMB33.1 million (December 31, 2024: RMB19.4 million) of plant and buildings, production equipment and machinery, office equipment was pledged as security for bank and other loans which are payable less than one year and over one year.

9 OTHER NON-CURRENT ASSETS

The other non-current assets mainly represent prepayments for the amounts already paid to acquire the intangible assets as at June 30, 2025 and December 31, 2024.

10 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Non-current		
Unlisted equity instrument (note (i))	40,246	40,372
Current		
Financial products issued by financial institutions		
— Wealth management products (note (ii))	46,027	47,093
— Fund management products (note (iii))	22,937	175,261
	68,964	222,354

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

10 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

(continued)

Notes:

- (i) In November 2023, the Group acquired 20% equity interest in Wuhu Jingxin Digital Creative Industry Investment Fund ("Wuhu Jingxin"), for the consideration of RMB40 million. The directors consider the investment is for financing purpose and designated as a financial asset at fair value through profit or loss.

The fair value of the unlisted equity instrument is determined by asset-based approach. Its fair values are within level 3 of the fair value hierarchy.

- (ii) The Group invested in the wealth management products from a trust management company registered in Hong Kong. As of June 30, 2025, the investment objectives were mainly to invest in cash and cash equivalents, government bonds and related financial instruments and other money market instruments.

- (iii) The investments represented the Group's investment in certain fund portfolios issued by certain fund companies registered in Cayman Islands or British Virgin Islands. As of June 30, 2025, the investment objectives of these funds were mainly to invest in cash and cash equivalents, government bonds, notes, monetary fund, structured deposits and other money market instruments.

The financial products have expected annual rates of return ranging from 1.05% to 5.0% (2024: 1.05% to 5.45%). Considering the contractual cash flows do not qualify for solely payments of principal and interest due to the variable returns, the investments have been accounted for as financial assets measured at fair value through profit or loss. The analysis on the fair value measurement of the above financial assets is disclosed in note 19.

11 INVENTORIES

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Finished goods	176,023	169,386

The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	404,696	1,663,377
Write down of inventories	112,241	680

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

12 TRADE AND BILLS RECEIVABLES

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Trade receivables	665,913	728,269
Less: Loss allowance	(189,296)	(44,771)
	476,617	683,498
Bills receivables	29,767	44,079
	506,384	727,577

(a) Ageing analyses

As of June 30, 2025 and 2024, the ageing analysis of trade and bills receivable, based on the date revenue is recognized and net of loss allowance, of the Group are as follows:

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Within 3 months	286,367	486,031
4 to 6 months	115,627	175,150
7 to 12 months	80,040	38,814
Over 12 months	24,350	27,582
	506,384	727,577

All the trade and bills receivables are expected to be recovered within one year.

(b) Impairment of trade receivables

Movement in the loss allowance account in respect of trade receivables during each reporting period is as follows:

	At June 30, 2025 RMB'000	At June 30, 2024 RMB'000
Balance at January 1	44,771	35,053
Impairment losses recognized	144,525	8,579
Write-off	—	(1,084)
At the end of the period	189,296	42,548

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Prepayments for inventories and services	102,353	119,854
Deposits	114,344	120,078
Amounts due from third parties (note (i))	28,389	37,028
Purchase rebate with suppliers	16,843	9,721
Value-added tax recoverable	26,647	16,365
Amounts due from staffs (note (i))	16,414	9,268
Prepayment for repurchase of the Company's shares	2,323	2,385
Amounts due from non-controlling interest of the Group (note (i))	3,750	3,750
Consideration receivable for disposal of subsidiaries	47,666	—
Amounts due from disposed subsidiaries	12,450	—
Others	13,033	9,323
	384,212	327,772
Less: loss allowance (note (ii))	(64,582)	(25,727)
	319,630	302,045

Notes:

All of the prepayments, deposits and other receivables are expected to be recovered and recognized as expenses within one year.

- (i) Amounts due from third parties, staffs and non-controlling interest of the Group were non-trade, unsecured and repayable within one year or on demand.
- (ii) The Group determines the expected credit losses for other receivables by assessment of probability of default, loss given default and exposure at default. During the six months ended June 30, 2025, in view of the nature of these balances and historical settlement record, the Group recognized impairment loss of RMB13.6 million on the other receivables and deposits (June 30, 2024: RMB4.6 million) and recognized impairment loss of RMB25.3 million on the prepayments (June 30, 2024: nil). As at June 30, 2025, the loss allowance balance represents the loss allowance for the other receivables and deposits of RMB27.8 million (December 31, 2024: RMB80.9 million) and for prepayments of RMB36.8 million (December 31, 2024: RMB31.7 million).

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

14 CASH AND CASH EQUIVALENTS

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Cash at bank and on hand	376,802	316,115
Less: Time deposits with initial term over three months	1,000	5,000
Less: restricted bank deposits	472	6,313
Cash and cash equivalents	375,330	304,802

The restricted bank deposits mainly used for bank loan deposits as of June 30, 2025 and December 31, 2024.

15 DISPOSAL GROUP HELD FOR SALE

During 2024, pursuant to a resolution passed by the Company's Board of Directors, the Group has committed to a plan to dispose partial equity interests in Jiangsu Xinwange Medical Technology Co., Ltd. ("**Jiangsu Xinwange**"), Lianyungang Zhenghe Scientific Instrument Co., Ltd. ("**Lianyungang Zhenghe**"), Jiangsu Chengsheng Gene Precision Medical Technology Co., Ltd ("**Jiangsu Chengsheng**"), Jiangsu Jiutai Medical Co., Ltd. ("**Jiangsu Jiutai**") and all equity interests in Zhejiang Qilian Medicine Co., Ltd. ("**Zhejiang Qilian**") (collectively, the "**Target Companies**"), pursuant to which the Group will loss controls over these subsidiaries upon completion of the disposals. The disposals have been approved by the shareholders of the Target Companies and the key terms of the sale and purchase agreements have been agreed in principle between the Group and the relevant purchasers during 2024. The directors of the Company considered the disposals to be completed by 2025. Accordingly, the corresponding assets and liabilities associated with the Target Companies have been reclassified as held for sale and are presented separately in the consolidated statement of financial position as at December 31, 2024. The sale and purchase agreements were finalized and signed on March 30, 2025 (the "**Original Agreements**").

In the first half of 2025, the Group has disposed all equity interests in Zhejiang Qilian to the purchaser. In view of the deteriorated business performance and future business outlook, the relevant purchasers for the other entities, Jiangsu Xinwange, Jiangsu Chengsheng and Jiangsu Jiutai etc. (collectively, the "**Disposal Entities**"), failed to perform their obligations under the relevant Original Agreements. Since then, the Group have negotiated with the purchasers and taken actions to urge them to fulfil their relevant obligations under the Original Agreements. Meanwhile, the Group has also approached certain other investors with whom the Group has negotiated and agreed in principle the key terms on sale of the Disposal Entities as at June 30, 2025. The directors of the Company considered that the Disposal Entities are available for immediate sale under its current condition and the disposals were still expected to be completed highly probable by 2025. As a result, the corresponding assets and liabilities associated with the Disposal Entities continued to be presented separately as held for sale in the consolidated statement of financial position as at June 30, 2025.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

15 DISPOSAL GROUP HELD FOR SALE (continued)

Details of assets and liabilities classified as held for sale as at June 30, 2025 and December 31, 2024 are as follows:

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Property, plant and equipment	—	24,851
Intangible assets	—	6,481
Inventories	7,968	191,749
Trade and bills receivables	6,423	137,211
Prepayments, deposits and other receivables	50,887	193,469
Cash and cash equivalents	26,412	5,401
Assets held for sale	91,690	559,162
Trade payables	(18,772)	(53,582)
Other payables and accrued expenses	(36,889)	(20,353)
Contract liabilities	(2)	(2)
Bank and other loans	(29,490)	(40,000)
Lease Liabilities	(6,060)	(7,014)
Deferred tax liabilities	(477)	(5,418)
Liabilities held for sale	(91,690)	(126,369)

The Disposal Entities are primarily engaged in the sale of in vitro diagnostic products, which are subject to the impact of the national centralized procurement using a volume-based purchase (the “VBP”) policy. Under the implementation of the VBP policy, in particular the 5th batch of consumables VBP, the prices of in vitro diagnostic products have been significantly reduced for the Disposal Entities since April 2025. As a result, these entities has ceased all substantive business operations by now.

In accordance with IFRS 5, the disposal group is measured at the lower of carrying amount and fair value less costs to sell. Prior to this measurement, the assets excluded from the measurement requirements of IFRS 5 are measured in accordance with applicable IFRS Accounting Standards. During the six months ended June 30, 2025, impairment losses of RMB37.0 million for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been recognised, and expected credit loss of RMB23.6 million for the trade and other receivables, impairment losses of RMB97.3 million and RMB114.3 million for the prepayments and inventories have been recognized, respectively. The fair value for the disposal group was measured by reference to its agreed dispose prices in principle.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

16 TRADE PAYABLES

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Payables for inventories and services	125,532	173,832

All of the trade payables are expected to be settled within one year or are repayable on demand.

The aging analyses of trade payables, based on the transaction date, are as follows:

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Within 1 year	115,755	165,762
More than 1 year	9,777	8,070
	125,532	173,832

17 OTHER PAYABLES AND ACCRUED EXPENSES

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Salary and welfare payables	54,543	69,866
Payables for flexible staffs and other service providers	211,281	175,580
VAT payable and other tax payables	14,600	19,926
Payables for acquiring of subsidiaries, non-controlling interest and exclusive rights	672	2,917
Investment deposits received from investors	64,970	44,970
Refund liabilities	36,948	35,594
Amounts due to third parties and staffs	12,943	17,437
Amounts due to non-controlling interest of the Group	50	50
Deposits and others	62,900	57,155
	458,907	423,495

All of the other payables and accrued expenses are expected to be settled or recognized as income within one year or are repayable on demand.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

18 CAPITAL, RESERVES AND DIVIDENDS**(a) Dividends**

No dividends have been paid or declared by the Company for the six months ended June 30, 2025 and 2024.

(b) Share capital**(i) Authorized share capital**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on August 24, 2015.

As of June 30, 2025 and December 31, 2024, the authorized share capital of the Company was USD100,000 divided into 1,000,000,000 ordinary shares of a nominal or par value of US\$0.0001 each.

(ii) Issued share capital

	Number of shares	Share capital RMB'000
Ordinary shares issued and fully paid		
At January 1, 2024, December 31, 2024 and January 1, 2025	587,038,219	391
Issuance of ordinary shares	58,680,611	42
At June 30, 2025	645,718,830	433

(iii) Shares repurchased for share award scheme

During the six months ended June 30, 2025, the Group did not purchase ordinary shares of the Company on the Stock Exchange. During the six months ended June 30, 2024, Prime Forest Assets Limited purchased a total of 2,282,700 ordinary shares of the Company on the Stock Exchange at a consideration of RMB12.7 million for the settlement of Post-IPO share award scheme.

(c) Nature and purpose of reserves**(i) Treasury share reserve**

The treasury share reserve represents the shares held by employee share trust, Prime Forest Assets Limited or The Prime Forest Trust (replaced Prime Forest as the share award scheme trust from 2025) ("**Prime Forest**"), controlled by the Company for the equity settled share-based payment plan. As the Company has power to govern the relevant activities of Prime Forest and can derive benefits from the contributions of the eligible employees who are awarded with the shares under the equity settled share-based payment plan, the directors of the Company consider that it is appropriate to regard Prime Forest as a branch of the Company.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

18 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) Nature and purpose of reserves (continued)

(ii) Capital reserve

The capital reserve comprises: a) the capital contribution from the equity holders of the Group's subsidiaries; b) the excess of the total proceeds received from the Company share issuance over the total par value of shares issued; c) the reserve resulted from transactions with the Group's non-controlling interests and d) amounts in relation to the initial recognition of the redemption liabilities.

(iii) Share-based payments reserve

The share-based payments reserve represents the portion of the grant date fair value of share option and the difference between the granted price and the fair value of the restricted share units or award shares granted to the directors, employees and consultants of the Group.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations of the Company and certain subsidiaries within the Group.

(d) Equity-settled share-based payment

The Group granted share-based awards to qualified directors, employees and consultants pursuant to the 2015 Global Share Plan which was adopted in August 2015, or the Post-IPO share award scheme which was adopted on June 10, 2022 (collectively, the **"Original Share Plan"**). The qualified participants of the share-based awards are required to satisfy certain vesting service for the entitlement. The restricted share units (**"RSUs"**) or award shares (collectively, the **"Equity Instruments"**) granted are generally vested on the date of the grant, or over a four-year period, with one-fourth of the Equity Instruments vesting on each anniversary of the date of the grant, or over two years period, with one-second of the Equity Instruments vesting on each anniversary of the date of the grant, subject to the grantees continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date.

On January 2, 2025, the general meeting of the Company approved to adopt a new share scheme (the **"2025 Share Scheme"**) to replace the Original Share Plan. On January 21, 2025, the Board of the Company resolved to grant award shares under 2025 Share Scheme to replace the outstanding Equity Instruments under the Original Share Plan. There were no modification of terms or conditions when converted to the 2025 Share Scheme, which had increased the fair value of the Equity Instruments, and such arrangement was accounted for as the continuance of the Original Share Plan. Accordingly, there were no financial impact as a result of such replacement.

The grant date fair value of the share-based payment was determined based on the difference between the closing market price of the Company's shares that are publicly traded on the Stock Exchange at the grant date and the price of the RSUs payable by the grantee.

During the six months ended June 30, 2025, 28,856,518 award shares were granted to employees under the Original Share Plan (2024: 8,801,042 Equity Instruments), and 53,429,361 award shares were granted to replace the outstanding Equity Instruments of the Original Share Plan and 5,251,250 award shares were granted to employees of the Group under the 2025 Share Scheme. 30,826,666 award shares were vested and delivered to the grantees during the six months ended June 30, 2025 (2024: 21,640,467 Equity Instruments).

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**(i) Financial assets and liabilities measured at fair value*****Fair value hierarchy***

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at June 30, 2025			
	Fair value measurements as at June 30, 2025 categorised into			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Recurring fair value measurements				
Financial assets:				
Unlisted equity instrument	40,246	—	—	40,246
Wealth management products	46,027	—	—	46,027
Fund management products	22,937	—	—	22,937
Financial liabilities				
Convertible bonds	35,258	—	—	35,258

	Fair value at December 31, 2024			
	Fair value measurements as at December 31, 2024 categorised into			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Recurring fair value measurements				
Financial assets:				
Unlisted equity instrument	40,372	—	—	40,372
Wealth management products	47,093	—	—	47,093
Fund management products	175,261	—	—	175,261

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

During the six months ended June 30, 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements

(aa) Financial assets and liabilities at FVPL

The Group has a team headed by the finance manager performing valuation for the equity instrument, financial products issued by financial institutions and convertible bonds which are categorized into Level 3 of the fair value hierarchy. The team reports directly to the head of finance department. A valuation analysis of changes in fair value measurement is prepared by the team periodically and is reviewed and approved by the head of finance department.

Below is a summary of significant unobservable inputs to the valuation of these financial assets at June 30, 2025 and December 31, 2024.

	Valuation techniques	Significant unobservable inputs
Unlisted equity instrument (Note)	Asset-based approach (2024: market approach)	Discount for lack of marketability (2024: latest round of financing)
Financial products issued by financial institutions	Discounted cash flow method	Expected return rate
Convertible bonds	Binomial tree model	Expected volatility

Note: The Group acquired the unlisted equity interest in November 2023 and thus determine the fair value of the unlisted equity instrument by reference to the latest round of financing of the investee.

The unlisted equity instrument is an investment in Wuhu Jingxin. If the discount for lack of marketability of the Group's unlisted equity instrument had been 5% higher/lower, loss before income tax for the six months ended June 30, 2025 would have been approximately RMB185,000 higher/lower. If the fair value of the Group's unlisted equity instrument had been 10% higher/lower, loss before income tax for the six months ended June 30, 2024 would have been approximately RMB4,000,000 lower/higher.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**(i) Financial assets and liabilities measured at fair value** (continued)**Information about Level 3 fair value measurements** (continued)**(aa) Financial assets and liabilities at FVPL** (continued)

The financial products issued by financial institutions were investment in wealth management products and investment in fund management products that usually held from several days up to one year. The increase of estimated weighted average expected return rates will lead to the higher fair value of the financial products. If the estimated weighted expected average return rates had increased/decreased by 0.5% with all other variables held constant, the Group's loss before income tax for the six months ended June 30, 2025, would have been approximately RMB767,179 and RMB767,179 lower/higher respectively (2024: RMB741,650 and RMB741,650 respectively).

The convertible bonds were issued by the Company in March 2025 with an aggregate principal amount of USD4.5 million. The fair value measurement is positively correlated to the expected volatility. If the expected volatility had increased/decreased by 5% with all other variables held constant, the Group's loss before income tax for the six months ended June 30, 2025, would have been approximately RMB348,000 and RMB61,000 higher/lower respectively.

(ii) Fair value of financial assets and liabilities carried at other than fair value

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

20 Disposal of subsidiaries

During the six months ended June 30, 2025, the Group disposed all its equity interests in certain subsidiaries, Zhejiang Qilian, Yinbang Insurance Brokerage Co., Ltd., Jiangsu Xinwange Gongmao Co., Ltd. etc., at a consideration of approximately RMB33,516,000, RMB26,750,000 and nil, respectively, and resulting losses on disposal of nil, RMB1,970,000 and RMB16,504,000, respectively.

21 Commitments

Commitments outstanding at the reporting period end not provided for in the interim financial report.

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Contracted for acquisition of an exclusive right to manufacture and distribute a medicine in China	55,350	183,262

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi, unless otherwise stated)

22 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transaction with related parties

During the periods, the Group has entered into the following material related party transactions:

	Six months ended June 30	
	2025 RMB'000	2024 RMB'000
Sales of goods to a subsidiary of a non-controlling shareholder of the Group	—	5,820
Advance to a non-controlling shareholder of the Group	—	126
Proceeds from repayment of advances to non-controlling interest of the Group	—	2,005
Repayment of advances from non-controlling interest of the Group	—	1,000
Advance from key management personnel	15,961	—
Repayment to advance from key management personnel	20,955	—
Advance to key management personnel	10,738	1,000
Proceeds from repayment of advances to key management personnel	—	1,027

(b) Balances with related parties

The outstanding balances of the Group arising from the above transactions are as follows:

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Non-trade in nature:		
Amounts due from key management personnel	11,933	1,195
Amounts due to key management personnel	7,292	12,284
Amounts due from non-controlling interest of the Group	—	3,750
Amounts due to non-controlling interest of the Group	50	50

23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on August 27, 2025, the Group entered into termination agreements with the relevant purchasers to terminate the original sale and purchase agreements dated March 30, 2025 relating to certain subsidiaries, Jiangsu Xinwange, Jiangsu Chengsheng and Jiangsu Jiutai etc. On the same day, August 27, 2025, the Group also entered into new sale and purchase agreements with certain purchasers for the sale of a subsidiary, Guangxi Zhiyun Kangjian Medical Technology Co., Ltd. (“**Guangxi Zhiyun**”), including certain subsidiaries of Guangxi Zhiyun, Jiangsu Xinwange, Jiangsu Chengsheng and Jiangsu Jiutai etc. No adjustment has been made in this interim financial report in respect of these transactions.

Definitions

“2025 Share Scheme”	the share scheme approved and adopted by our Company on January 2, 2025
“91health Hangzhou”	91health Hangzhou Limited* (杭州智雲匯醫科技有限公司), a wholly foreign owned enterprise established in the PRC on December 30, 2020 and a wholly-owned subsidiary of our Company
“Announcement”	the announcement of the Company dated March 30, 2025 in relation to, among other things, the discloseable transactions regarding the Xinwange Medical Share Transfer Agreement and the Wandu Biotech Share Transfer Agreement
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Chengdu Zhiyun Internet Hospital”	Chengdu Zhiyun Internet Hospital Co., Ltd.* (成都智雲互聯網醫院有限公司), a company incorporated in the PRC on June 18, 2021 and a subsidiary of our Company
“China” or “PRC”	the People’s Republic of China and for the purposes of this interim report only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the Company”	ClouDr Group Limited (formerly known as 91health Group Limited), an exempted company with limited liability incorporated in the Cayman Islands on August 24, 2015
“Consolidated Affiliated Entity(ies)”	collectively, Hangzhou Kangming and its subsidiaries, Chengdu Zhiyun Internet Hospital and Tianjin Zhiyun, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Contractual Arrangements
“Contractual Arrangement(s)”	the series of contractual arrangements entered into between, among others, 91health Hangzhou, Hangzhou Kangming and its subsidiaries, and the Registered Shareholders, as detailed in the section headed “Contractual arrangements” in the Prospectus
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of our Company

“Global Offering”	the Hong Kong Public Offering and the International Offering as defined and described in the Prospectus
“Group”, “we” or “us”	the Company, its subsidiaries, and the Consolidated Affiliated Entities (the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements) from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Hangzhou Kangming”	Hangzhou Kangming Information Technology Co., Ltd.* (杭州康明信息技术有限公司), a company established in the PRC with limited liability on December 11, 2020 and a Consolidated Affiliated Entity
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
“Latest Practicable Date”	September 25, 2025, being the latest practicable date for ascertaining certain information in this interim report before its publication
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Mr. Kuang”	Mr. Kuang Ming (匡明), our founder, executive Director, chairman and chief executive officer
“Post-IPO Share Award Scheme”	the post-IPO share award scheme approved and adopted by our Company on June 10, 2022
“Pre-IPO Equity Incentive Scheme”	the pre-IPO equity incentive scheme approved and adopted by our Company on August 24, 2015

Definitions

“Prospectus”	the prospectus of the Company dated June 23, 2022
“Registered Shareholders”	the registered shareholders of Hangzhou Kangming from time to time; the current registered shareholders are identified in the section headed “Contractual Arrangements” of the Prospectus
“Reporting Period”	the six months ended June 30, 2025
“RMB”	Renminbi, the lawful currency of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the share capital of our Company, currently with a par value of US\$0.00001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	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
“Tianjin Zhiyun”	Tianjin Zhiyun Comprehensive Clinic Co., Ltd.* (天津智雲綜合門診有限公司), a company established in the PRC with limited liability on March 26, 2021, and a Consolidated Affiliated Entity
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD” or “US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

* For identification purposes only

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this interim report are translations from their Chinese names and are for identification purposes only.