



160 Health International Limited
健康 160 国际有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2656

2025
Annual Report

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COMPANY PROFILE

160 Health International Limited is an exempted company incorporated under the laws of the Cayman Islands with limited liability on January 31, 2022, and was listed on the Main Board of the Stock Exchange on September 17, 2025.

We are an experienced pharmaceutical and healthcare product seller and a leading digital healthcare integrated service provider in China. We provide customers with a wide selection of pharmaceutical and healthcare products, as well as comprehensive digital healthcare and wellness solutions. We offer a wide assortment of high-quality pharmaceutical and healthcare products to address a spectrum of customer needs. In addition, through our online healthcare and wellness service platform, *Healthcare 160 Platform*, we also provide digital healthcare and wellness solutions, empowering each platform participant, primarily including business customers, medical and healthcare institutions, medical professionals, individual users, and third-party merchants, throughout the healthcare value chain and driving the digital transformation of China's healthcare and wellness industry.

Leveraging a robust supply chain system and an extensive supply network, we have established close partnerships with pharmaceutical companies, distributors and various suppliers. Through continuous procurement and integration of a wide range of pharmaceutical and healthcare products, we have built a comprehensive product matrix spanning pharmaceuticals, medical devices and daily healthcare products. Utilizing the advantages of our integrated online and offline channels, we accurately respond to the specific needs of our business customers while providing continuous and stable health support to individual users, safeguarding the synergistic operation of the Group's healthcare ecosystem.

In providing digital healthcare and wellness solutions, we have developed *Healthcare 160 Platform*, a service platform that integrates healthcare and wellness services through online and offline channels, effectively connecting medical and healthcare institutions, medical professionals, and individual users. Our platform provides a diverse array of healthcare and wellness services, encompassing both essential medical care and consumer healthcare services. We employ an effective monetization strategy for our digital healthcare and wellness solutions to generate revenue from various platform participants, thereby constituting an important revenue stream for us.

Our technology-driven and closed-loop healthcare service ecosystem integrates and benefits platform participants across various dimensions. Business customers procure pharmaceutical and healthcare products from us, assured by our commitment to timely delivery, complemented by responsive after-sales support. For medical and healthcare institutions, we provide tailored solutions to digitize their operations, improve their operating efficiency and enhance their brand visibility. Medical professionals benefit from our established online practice platform, supporting online healthcare services, patient management, and personal brand promotion. Individual users have easy access to online healthcare services as well as pharmaceutical and healthcare products through our online healthcare and wellness service portal. Our wide-ranging product and service offerings span the full spectrum of consultation services, providing both essential medical care and consumer healthcare services to meet diverse needs of individual users. In addition to our products and services for key platform participants, we also operate an online marketplace for third-party merchants.

COMPANY PROFILE

Each business line within our ecosystem complements and synergizes with the others, creating a mutually reinforcing network. In the realm of our digital healthcare and wellness solutions, online marketing solutions, together with digital hospital solutions, play a pivotal role in augmenting the platform's medical resources, which in turn bolster the medical resources for online healthcare services. The growth of our online healthcare services also paves the way for cross-selling opportunities for sale of pharmaceutical and healthcare products, creating a self-contained healthcare service ecosystem within our platform. Meanwhile, we have continuously strengthened our supply chain and distribution capability, which have not only enhanced our bargaining power in procurement, but also provided strong support for the diversification of the overall revenue sources, thereby enabling a more stable and efficient operation of the ecosystem.

Our origins in Shenzhen have laid a solid foundation for our success in this region and its surrounding areas. We have firmly established a notable leadership position within Shenzhen's digital healthcare integrated service industry, as demonstrated by our robust relationships with local medical and healthcare institutions and professionals. Building upon such success, we have created a digital healthcare and wellness service platform that provides individual users with a wide range of reliable online healthcare services at any time and from anywhere, surpassing the limitations of time and location commonly associated with offline healthcare services.

We consider the medical resources available on our platform to be the cornerstone of our business. To diversify these resources, we collaborate with well-regarded general and specialty medical and healthcare institutions, as well as highly skilled medical professionals. Additionally, we strive to expand our coverage of local medical resources to enhance our localized services. To reinforce our medical resources, we have established 11 city stations in key regions such as Shenzhen, Beijing, Shanghai, and Guangzhou, and one regional office in Anji County, Huzhou City, Zhejiang Province. Our geographical footprints in these regions afford customers seamless access to our broad array of product and service offerings and contribute to a thorough healthcare experience for them. The enhanced user recognition in turn attracts new local medical resources to our platform.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. LUO Ningzheng (*Chairman of the Board and Chief Executive Officer*)

Mr. JI Cuilin

Mr. HUANG Lang

Mr. WANG Lifa

Non-executive Directors

Mr. LIU Haibin (*Appointed on March 2, 2026*)

Ms. SUN Meng

Mr. ZHANG Ruxie (*Resigned on March 2, 2026*)

Independent Non-executive Directors

Mr. WANG Huan (*Appointed on December 12, 2025*)

Dr. XU Weiguo

Dr. FAN Ming

Mr. ZOU Jun (*Resigned on December 12, 2025*)

AUDIT COMMITTEE

Mr. WANG Huan (*Chairman*)

(*Appointed on December 12, 2025*)

Mr. LIU Haibin (*Appointed on March 2, 2026*)

Dr. XU Weiguo

Mr. ZOU Jun (*Resigned on December 12, 2025*)

Mr. ZHANG Ruxie (*Resigned on March 2, 2026*)

REMUNERATION COMMITTEE

Dr. XU Weiguo (*Chairman*)

Mr. LUO Ningzheng

Mr. WANG Huan (*Appointed on December 12, 2025*)

Mr. ZOU Jun (*Resigned on December 12, 2025*)

NOMINATION COMMITTEE

Mr. LUO Ningzheng (*Chairman*)

Ms. SUN Meng (*Appointed on September 29, 2025*)

Dr. FAN Ming

Dr. XU Weiguo

Mr. WANG Huan (*Appointed on December 12, 2025*)

Mr. ZOU Jun (*Appointed on September 29, 2025 and resigned on December 12, 2025*)

AUTHORIZED REPRESENTATIVES

Mr. LUO Ningzheng

Ms. YU Wing Sze

JOINT COMPANY SECRETARIES

Mr. TANG Shihua

Ms. YU Wing Sze

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Tian Yuan Law Firm LLP

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Central, Hong Kong

CORPORATE INFORMATION

INDEPENDENT AUDITOR

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Certified Public Accountants
Public Interest Entity Auditor
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COMPLIANCE ADVISOR

Shenwan Hongyuan Capital (H.K.) Limited
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Harneys Fiduciary (Cayman) Limited
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103 South Church Street
P.O. Box 10240
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Hong Kong

PRINCIPAL BANKS

Industrial Bank Co., Ltd., Shenzhen Futian
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Shenzhen, PRC

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Sub-branch
Block 10, Mingjia Fuju
Yiyuan Road West, Nanshan District
Shenzhen, PRC

COMPANY'S WEBSITE

www.91160.com

FINANCIAL HIGHLIGHTS

	2025	Year ended December 31,		
		2024	2023	2022
(RMB'000)				
Revenue	651,868	620,682	628,606	525,646
Gross profit	170,158	160,187	137,327	118,287
Operating loss	(74,444)	(104,626)	(99,520)	(79,184)
Loss for the year	(74,533)	(108,246)	(106,199)	(120,065)
Adjusted net profit/(loss) (non-IFRS measure) ⁽¹⁾	4,061	(31,474)	(35,693)	(81,945)

Assets, Liabilities and Equity

	2025	As at December 31,		
		2024	2023	2022
(RMB'000)				
Assets				
Total non-current assets	34,344	24,191	30,384	22,781
Total current assets	725,583	273,582	205,784	156,142
Total assets	759,927	297,773	236,168	178,923
Liabilities				
Total non-current liabilities	9,087	15,019	23,473	27,254
Total current liabilities	516,726	371,256	253,251	544,103
Total liabilities	525,813	386,275	276,724	571,357
Equity				
Equity/(deficit) attributable to owners of the Company	239,028	(85,135)	(37,748)	(384,024)
Non-controlling interests	(4,914)	(3,367)	(2,808)	(8,410)
Total equity/(deficit)	234,114	(88,502)	(40,556)	(392,434)
Total equity/(deficit) and liabilities	759,927	297,773	236,168	178,923

FINANCIAL HIGHLIGHTS

	Year ended December 31,		Change %
	2025 (RMB'000)	2024 (RMB'000)	
Revenue by product or service type			
Sale of pharmaceutical and healthcare products	442,938	426,525	3.9
Digital healthcare and wellness solutions	208,930	194,157	7.6

Note:

- (1) We define "adjusted net profit/(loss) (non-IFRS measure)" as profit/(loss) for the year and adding back (1) share-based compensation expenses and (2) listing expenses.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I sincerely thank you all for your continued support and attention. 2025 is a crucial year for the Group to deepen its involvement in the digital medical field and achieve leapfrog development, and it also marks a significant milestone in the Group's development history. On behalf of the Board of 160 Health International Limited, I would like to present to all Shareholders the Group's annual report for the year ended December 31, 2025.

Annual Milestone: Achieving Profit after Deducting Non-recurring Items for the First Time

In 2025, the Company's development resonated with the in-depth advancement of China's "Healthy China 2030" Planning Outline. Through digital technology, we are committed to optimizing the allocation of medical resources and enhancing the efficiency of the service system, thereby closely aligning our business practices with national macro-strategies. During the Reporting Period, the Company achieved profitability after deducting non-recurring items for the first time, marking a substantive breakthrough in the sustainability and profitability of our business model and representing a significant milestone in the Company's development history.

Rapid Growth in Quality Hospital Clients: A Robust Launch and Rapid Rollout of "160AI Hospital", Strategically Positioning the Group to Capture the Momentum of the High-Quality Development of Public Hospitals

Currently, the reform of China's pharmaceutical and healthcare system continues to deepen, and the high-quality development of public hospitals has become the core focus for the industry. The reform of medical insurance payment methods has been fully implemented, further compelling medical institutions to strengthen cost control and enhance the level of operational refinement. Against this backdrop, public medical institutions nationwide have accelerated the promotion of digital and intelligent transformation and upgrading, relying on cutting-edge technologies such as the internet and artificial intelligence to optimize management processes and enhance service quality and efficiency. Meanwhile, to satisfy the multi-level and diversified health service needs of the public, public medical institutions have actively expanded consumer medical services such as health management and specialty departments, constructing a multi-dimensional and collaborative service system, which has created vast market space for providers of digital healthcare and wellness solutions.

In 2025, the rapid advancement of artificial intelligence technology was truly inspiring. We are firmly convinced that the time is ripe for the wide-scale implementation of comprehensive and in-depth digital healthcare and wellness solutions across the medical system. Leveraging two decades of extensive experience in the healthcare industry, a mature and sophisticated technology platform, and scarce, high-quality medical resources, the Group has accurately grasped industry trends and entered a golden period of rapid development. As the core vehicle for the Group's digital healthcare and wellness solutions business, in 2025, the Group fully promoted the deep integration of artificial intelligence technology with medical service scenarios and launched the "160AI Hospital" operational service solution. This solution covers AI applications throughout the entire process of pre-consultation appointments, intra-consultation diagnosis and treatment, post-consultation follow-ups and full-course health management. It directly addresses the pain points of public hospital operations and optimizes the patient's medical experience, gaining wide recognition from medical institutions.

In terms of performance, client expansion results were remarkable. For the full year of 2025, the Group entered into "160AI Hospital" operational collaboration with 82 public hospitals (including provincial and ministerial-level Class III hospitals), a year-on-year increase of over 720% compared to 2024. In particular, 52 new public hospitals joined the collaboration in the fourth quarter of 2025 alone, representing a high quarter-on-quarter increase of 420%, demonstrating extremely strong market momentum and wide acceptance of the model. The aforementioned collaboration is conducted based on the Group's innovative "160AI Hospital" operational collaboration model. As one of the Group's core products, this model has achieved large-scale market penetration and successfully entered the mainstream public medical system, establishing a solid client foundation for sustained future performance growth.

CHAIRMAN'S STATEMENT

At the same time, the Group remains committed to improving efficiency through internal and external synergies, fully integrating artificial intelligence technology into the entire chain of internal operations, covering core links such as product research and development, content production, product launch, and customer service. As a result, the Group effectively achieves cost reduction and efficiency enhancement, optimizes the expense structure, and forms a dual virtuous cycle of empowering medical institutions externally and improving operating efficiency internally.

Digital and Intelligent Pharmaceutical Supply Chain: Building an Industrial Internet Platform to Empower the Health Service Matrix

In the pharmaceutical and healthcare product sales business segment, the Group's core strategy is to build an intelligent, agile and efficient digital supply chain. Relying on its independent research and development capabilities, it comprehensively upgrades its intelligent ERP system, continues to expand its categories of pharmaceutical and healthcare products, and accurately matches the diversified and personalized needs of users. Through the optimization of the entire supply chain process and intelligent operational control, the gross profit margin of this business line has steadily improved. Meanwhile, the Group supports partner healthcare institutions in efficient client acquisition, further enriching its health service matrix, consolidating the platform's user base and breadth of scenario coverage, and achieving synergy and complementarity among business segments.

Future Outlook: AI as the Core Engine Driving Value Creation and Long-term Growth

Looking ahead, the Group will consistently adhere to its core mission of delivering healthcare services with care and lead through innovation, promoting wellness for all. We will continue to deepen a multi-party win-win industrial ecosystem, and build core competitive barriers that are difficult to replicate. In 2026, the Group plans to increase its investment in artificial intelligence technology research and development, fully promoting the deep integration of multi-agent collaboration models into scenarios of frequent occurrence and with inelastic demand, such as patient-doctor group management, evidence-based medicine-assisted decision-making, automated medical record generation, intelligent medical insurance calculation, departmental ledger management, and operation of high-value health services. Our objective is to build a more professional and intelligent "Medical Digital Staff" system, achieving a strategic upgrade of our business model from "service empowerment" to "data and operational value creation". We aim to leverage AI technology to alleviate the burden on medical staff, enhance efficiency, and improve medical quality and safety.

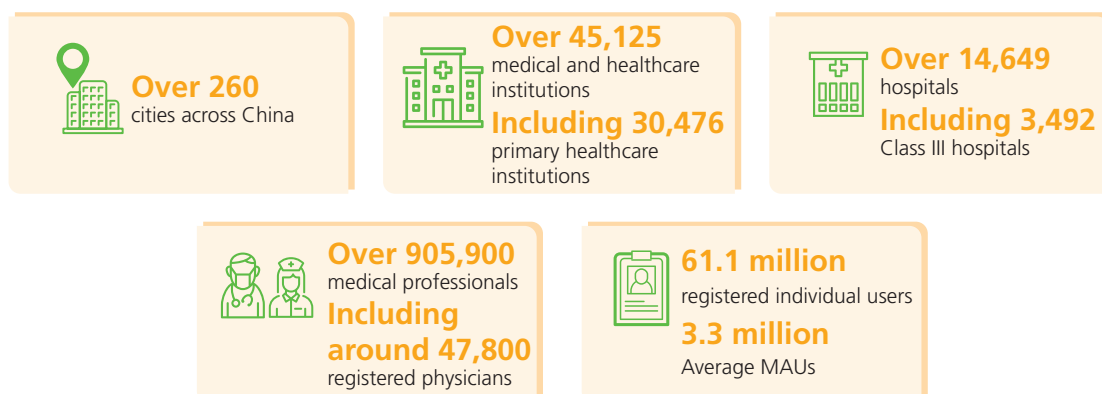
We firmly believe that as the digital healthcare and wellness solutions centering on the "160AI Hospital" continue to deepen their presence and cover more medical institutions, and as AI applications in healthcare scenarios accelerate toward large-scale implementation, the Group's financial performance and profitability will steadily improved. Looking ahead, the Group will continue to consolidate its industry-leading position, adhere to the bottom line of compliant operations, focus on long-term value creation, create long-term value for Shareholders, and contribute more to the wellness of the society.

LUO Ningzheng

*Chairman of the Board,
Executive Director and Chief Executive Officer*

March 27, 2026

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS REVIEW

We are an experienced pharmaceutical and healthcare product seller and a leading digital healthcare integrated service provider in China. We offer a wide assortment of high-quality pharmaceutical and healthcare products under the pharmaceutical sale model, to address a spectrum of customer needs. In addition, through our online healthcare and wellness service platform, *Healthcare 160 Platform*, we provide digital healthcare and wellness solutions, empowering each platform participant, primarily including business customers, medical and healthcare institutions, medical professionals, individual users, and third-party merchants, throughout the healthcare value chain and driving the digital transformation of China's healthcare and wellness industry.

Our business consists of two major segments, namely (i) sale of pharmaceutical and healthcare products and (ii) digital healthcare and wellness solutions. In particular, the sale of pharmaceutical and healthcare products represents our main revenue stream, providing a solid foundation for our overall growth. Our digital healthcare and wellness solutions serve as a strategic focus and key driver of revenue, acting as the central force behind our future growth and the enhancement of our comprehensive service capabilities. The synergy between these two segments creates a unique competitive advantage, positioning us as a pharmaceutical and healthcare product seller and a digital healthcare integrated service provider in China. During the Reporting Period, our total revenue amounted to RMB651.9 million, representing a year-on-year increase of 5.0%.

(i) Sale of Pharmaceutical and Healthcare Products

Our pharmaceutical and healthcare product sales business is an indispensable component of our closed-loop digital healthcare and wellness services. We have established a strong collaborative network with pharmaceutical companies, distributors, and various suppliers. Leveraging our robust supply chain system and extensive supply network, we procure a diverse range of high-quality pharmaceutical and healthcare products from pharmaceutical companies, distributors, and various suppliers. We have developed a diversified product matrix covering pharmaceuticals, medical devices, and daily healthcare products. Through our integrated online and offline channels, we provide business customers and individual users with high-quality, efficient, and competitively priced products and supply services. Drawing on our deep industry expertise, professional product selection capabilities, and precise market insights, we continuously optimize our product mix and supply efficiency. We are committed to enhancing supply chain stability and service capacity to meet the specific needs of business customers and ensure a reliable supply of pharmaceutical and healthcare products for individual users, thereby providing a solid foundation for the efficient operation of the Company's overall healthcare ecosystem.

During the Reporting Period, revenue from the sale of pharmaceutical and healthcare products amounted to RMB442.9 million, representing a year-on-year increase of 3.9%.

MANAGEMENT DISCUSSION AND ANALYSIS

(ii) Digital Healthcare and Wellness Solutions

Our digital healthcare and wellness solutions cover three business segments, primarily comprising (1) online marketing solutions for medical and healthcare institutions and third-party merchants; (2) digital hospital solutions for medical and healthcare institutions; and (3) online healthcare services for individual users. Additionally, we also offer certain value-added ad hoc services to our customers, such as technical services for system development, most of which are one-off in nature.

➤ Online Marketing Solutions

Collaboration with medical and healthcare institutions is central to our business. We drive the digital transformation of these institutions through our solutions, which are designed to create an open-system architecture that seamlessly integrates the Internet with medical and healthcare services, delivering a more efficient, precise, and intelligent patient experience. To enhance the operational efficiency of our platform, we have built upon our existing 160 Cloud Hospital to create 160AI Hospital through the deep integration of AI applications. We also offer platform management solutions to medical and healthcare institutions via our two proprietary back-end management software, namely Jiuyitong and 160AI Hospital. By leveraging our solutions, institutions can achieve higher efficiency while effectively monitoring their operations on our platform and enhancing their online brand visibility.

Through our platform, these institutions can leverage multi-channel, high-precision marketing strategies to drive patient growth and enhance patient engagement. Promotional methods include advertising, publishing popular science articles on medicine, and executing strategic marketing campaigns. Furthermore, our platform enables medical and healthcare institutions, especially private ones, to overcome spatial limitations and achieve broader, more effective user outreach.

While steadily advancing our existing business, we have actively pursued development opportunities within the digital healthcare integrated services industry to further expand our business scope and explore innovative business models during the Reporting Period. In 2025, we officially launched the AI Hospital holistic solution, which integrates artificial intelligence throughout the entire process from pre-diagnosis, diagnosis and post-diagnosis to health management via three intelligent tools: “AI Operational Assistant”, “AI Doctor Assistant”, and “AI Health Steward”. These tools bridge the gaps between hospitals, doctors, and patients. The 160AI Hospital holistic solution has been applied in medical scenarios such as patient stratification and labeling, auxiliary diagnosis, follow-up management, outpatient guidance, patient accompaniment, and health management, driving a comprehensive upgrade of medical services toward precision and intelligence. Using the registration services on hospital WeChat official accounts as an entry point, the “160AI Hospital” operational cooperation business model comprehensively optimizes the online medical experience for patients and strengthens hospitals’ operational management capabilities. While improving the quality of medical services, it effectively helps partner hospitals control operating costs and enhance patient satisfaction, while optimizing the revenue structure.

MANAGEMENT DISCUSSION AND ANALYSIS

➤ *Digital Hospital Solutions*

We provide digital hospital solutions to medical and healthcare institutions, including intelligent in-hospital disease prevention and management, as well as the development and upgrading of in-hospital information systems. Our solutions enable medical institutions to optimize the allocation of medical resources, improve responsiveness to patient needs, and enhance the quality of diagnosis and treatment. This results in cost reduction and efficiency enhancement across the entire spectrum of healthcare and wellness services.

We have continued to strengthen our presence in the in-hospital business sector and advance product innovation. In 2025, we officially launched the “Blue Spirit Infection Control GPT” (藍靈感控GPT), an autonomous risk management AI large model specifically designed for medical quality and safety management. Taking hospital infection prevention and control as its entry point, Blue Spirit Infection Control GPT facilitates full-cycle risk management from risk profile generation and automated intervention mechanisms to dynamic clinical supervision and feedback for optimization. By efficiently processing vast amounts of hospital data, it prevents infections at source and shifts the focus of infection control to an earlier stage. This supports the standardization and refinement of medical quality control, delivering safer and more precise medical services to patients. Furthermore, we are actively exploring the application of Blue Spirit Infection Control GPT in clinical decision support, medical data governance, and other medical scenarios, demonstrating our commitment to continuously empowering the digital and intelligent transformation of medical and healthcare institutions.

➤ *Online Healthcare Services*

We are dedicated to delivering trusted, affordable, professional, and convenient online healthcare services to individual users through collaboration with medical and healthcare institutions and medical professionals. Our comprehensive platform offers online registration, consultations, consumer healthcare packages, and pharmaceutical and healthcare products. We have integrated renowned medical and healthcare institutions across various specialties into our platform, enabling individual users to easily book appointments and consult with highly-regarded medical professionals. We continuously expand our online healthcare services, currently covering both critical medical care and consumer healthcare sectors to meet the evolving needs of our users.

➤ *Others*

To a lesser extent, we provide certain value-added ad hoc services to customers, such as technical services for system development and individual membership services. Except for individual membership services, these services are non-recurring in nature and are primarily aimed at addressing specific customer needs in conjunction with the implementation of our other solutions.

For the Reporting Period, revenue from digital healthcare and wellness solutions amounted to RMB208.9 million, representing a year-on-year growth of 7.6%. Its contribution to our total revenue increased from 31.3% in 2024 to 32.1% in 2025.

OUTLOOK

As a pharmaceutical and healthcare product seller and a leading digital healthcare and wellness service platform in China, we are committed to offering a wide range of pharmaceutical and healthcare products as well as well-rounded digital healthcare and wellness solutions in the highly competitive and rapidly growing Chinese markets. Moving forward, we plan to proactively explore and expand international business, targeting global market. At the strategic level, we consistently embrace long-termism, prioritizing sustainable growth as our core objective rather than focusing on short-term financial performance or temporary cash inflows.

MANAGEMENT DISCUSSION AND ANALYSIS

Regarding the sale of pharmaceutical and healthcare products, we will focus on building a smart and agile digital supply chain. Leveraging our in-house R&D capabilities, we plan to comprehensively upgrade our intelligent ERP system and develop an open, connected industrial Internet platform with Internet technology as its core engine. By integrating multi-dimensional data, including online system data, operational data from business customers, and industry policies, this platform will achieve two core empowerments. The first is intelligent, online procurement decision-making, enabling business customers to access the system for in-depth services such as intelligent product selection recommendations within their service circles, as well as targeted promotions for seasonal and policy-supported products. This will align procurement decisions more closely with market demand. The second is online sales services. By establishing an independent warehouse and upgrading our one-stop procurement service platform, we will create a fully integrated Internet closed-loop process from “online demand submission and intelligent supply matching to logistics tracking and offline fulfillment”, significantly enhancing procurement efficiency and service responsiveness for business customers. Furthermore, we will advance the deep integration of AI diagnosis and treatment solutions with offline medical services. We are exploring agency and large-scale promotion of AI mental health diagnosis and treatment products with proven successful applications. Leveraging the user outreach capabilities of *Healthcare 160 Platform*, we aim to accurately match patients’ needs with our partner medical and healthcare institutions. This will enable individual users to access more convenient and intelligent innovative medical services while helping our partner medical and healthcare institutions effectively acquire customers, enrich our service matrix for the pharmaceutical and healthcare product sales business, and further strengthen the Group’s user base and scenario coverage.

Regarding digital healthcare and wellness solutions, we will continue to optimize our existing business structure. We plan to further accelerate the nationwide expansion of our public hospital operational models by leveraging our mature and replicable existing models. Concurrently, we aim to further advance the implementation of AI technology in key segments and core scenarios of medical services. This approach will continuously enrich our digital healthcare and wellness service matrix, providing our partner medical institutions with more intelligent and efficient operational and diagnostic solutions, while delivering superior and more convenient service experiences to our individual registered users.

In the future, the Group plans to increase its research and development investment in artificial intelligence, focusing on scenarios of frequent occurrence and with inelastic demand in the healthcare industry. It will promote the deep application of multi-agent collaborative models in core business areas such as patient-doctor group management, evidence-based medicine-assisted decision-making, automated medical record generation, intelligent medical insurance calculation, departmental ledger management, and operation of high-value health services. Through technology implementation and scenario integration, the Group will continuously refine and improve its professional and intelligent “Medical Digital Staff” system, driving business model upgrades and allowing data and operations to replace mere service empowerment as the core driving force for value creation. Through the in-depth implementation of AI technology, medical staff will be relieved from highly repetitive, low-value tasks, allowing them to focus on high-value clinical decision-making and patient care, continuously improving the quality of medical services and medical safety.

In the long term, with continuous technological advancements and the expansion of application scenarios, the use of AI in the medical field will deepen and broaden further. It is expected to play a more significant role in primary healthcare services, chronic disease management, and preventive care, serving as a pivotal force in alleviating the uneven distribution of medical resources and improving national health levels. Building on this foundation, we will steadily advance our strategic initiatives, moving toward our vision of becoming a “world-leading internet medical and healthcare platform”. We are committed to achieving the leap from being a “comprehensive digital medical and healthcare service platform” to becoming a “medical AI intelligent ecosystem infrastructure and service provider”.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue increased by 5.0% from approximately RMB620.7 million for the year ended December 31, 2024 to approximately RMB651.9 million for the year ended December 31, 2025. This growth was primarily driven by the strong performance of both our digital healthcare and wellness solutions and sale of pharmaceutical and healthcare products.

Revenue from sale of pharmaceutical and healthcare products increased by 3.9% from approximately RMB426.5 million for the year ended December 31, 2024 to approximately RMB442.9 million for the year ended December 31, 2025, primarily due to the further strengthening cooperation with pharmaceutical companies and steady growth in our business.

Revenue from digital healthcare and wellness solutions increased by 7.6% from approximately RMB194.2 million for the year ended December 31, 2024 to approximately RMB208.9 million for the year ended December 31, 2025, primarily due to our continued promotion of the 160AI Hospital, the sustained increase in the number of paying institutions, and the rapid growth in revenue from online marketing solutions.

Cost of Sales

The Group's cost of sales increased by 4.6% from approximately RMB460.5 million for the year ended December 31, 2024 to approximately RMB481.7 million for the year ended December 31, 2025. The growth in cost of sales was generally in line with the growth in revenue. Specifically, the cost of sales for pharmaceutical and healthcare products increased by 3.7%, while the cost of sales for digital healthcare and wellness solutions increased by 14.1%. This was primarily attributable to the Group's focus on developing its digital healthcare and wellness solutions business, thereby increasing its investment in this business.

Gross Profit and Gross Profit Margin

Based on the above, our overall gross profit for the years ended December 31, 2024 and 2025 amounted to approximately RMB160.2 million and approximately RMB170.2 million, respectively, with overall gross profit margin of 25.8% and 26.1%, respectively, in the same period, reflecting relatively stable change in the overall gross profit margin. The slight change in the overall gross profit margin was attributable to changes in our product mix and the varying gross profit margin across different business lines.

The Group's gross profit margin for sale of pharmaceutical and healthcare products increased from 1.5% for the year ended December 31, 2024 to 1.6% for the year ended December 31, 2025. The overall gross profit margin for sale of pharmaceutical and healthcare products remained at a low level, primarily due to certain business operations involving large-volume transactions with business customers, where competitive pricing is critical for securing orders and represents a strategic choice made by the Company at this specific stage.

The Group's gross profit margin for digital healthcare and wellness solutions decreased from 79.3% for the year ended December 31, 2024 to 78.1% for the year ended December 31, 2025. The overall gross profit margin for digital healthcare and wellness solutions remained at a high level, though there was a slight fluctuation in the gross profit margin for digital healthcare and wellness solutions in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Marketing Expenses

The Group's selling and marketing expenses decreased by 25.4% from approximately RMB117.3 million for the year ended December 31, 2024 to approximately RMB87.5 million for the year ended December 31, 2025. This was mainly attributable to (i) a reduction in employee benefit expenses of approximately RMB32.3 million, of which share-based payment expenses decreased by approximately RMB22.6 million, whilst the streamlining of the sales team proved effective; and (ii) a decrease of approximately RMB2.1 million in depreciation of right-of-use assets, warehousing and logistics expenses, office expenses, business development and travel expenses as a result of refined expense management and strengthened cost control measures.

Administrative Expenses

The Group's administrative expenses increased by 22.2% from approximately RMB93.0 million for the year ended December 31, 2024 to approximately RMB113.6 million for the year ended December 31, 2025. This was mainly due to an increase in share-based payment expenses of approximately RMB19.8 million.

Research and Development Expenses

The Group's research and development expenses decreased by 30.8% from approximately RMB50.5 million for the year ended December 31, 2024 to approximately RMB35.0 million for the year ended December 31, 2025. This was primarily attributable to a reduction in employee benefit expenses of approximately RMB14.1 million, including a decrease of approximately RMB0.2 million in share-based payment expenses, reflecting the enhanced efficiency of the research and development team through the application of AI capabilities.

Other Income

The Group's other income decreased by 32.4% from approximately RMB3.8 million for the year ended December 31, 2024 to approximately RMB2.6 million for the year ended December 31, 2025. This was primarily attributable to (i) a decrease of approximately RMB1.0 million in government research and development grants; and (ii) a decrease of approximately RMB0.3 million in value-added tax refunds related to the software business.

Other (Losses)/Gains, Net

For the year ended December 31, 2025, the Group recorded net other loss of approximately RMB0.9 million, whereas for the year ended December 31, 2024, the Group recorded net other gain of approximately RMB0.4 million. This was primarily due to (i) the impact of exchange gains and losses, which resulted in a net loss of RMB2.1 million and a net gain of RMB0.4 million for the years ended December 31, 2025 and 2024, respectively; (ii) the early termination of a lease for an office, which resulted in a net gain of RMB0.7 million in 2025; and (iii) a gain from write-off of trade payables of RMB0.5 million in 2025.

Finance Costs, Net

The Group's net finance costs increased by 23.9% from approximately RMB2.3 million for the year ended December 31, 2024 to approximately RMB2.9 million for the year ended December 31, 2025, primarily due to the net effect of (i) an increase in bank borrowings during the full year of 2025, which led to an increase in interest expenses on bank and other borrowings of approximately RMB3.4 million; and (ii) an increase in interest income from related parties of approximately RMB1.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Income Tax Credit/(Expense)

For the years ended December 31, 2024 and 2025, we incurred income tax expense of approximately RMB1.3 million and income tax credit of RMB2.8 million, respectively, primarily due to the recognition of deferred income tax expense in 2025 based on forecast of future profits.

Loss for the Year

As a result of the foregoing, we recorded loss for the year of RMB108.2 million and RMB74.5 million for the years ended December 31, 2024 and 2025, respectively.

Adjusted Net Profit/(Loss) (Non-IFRS Measure)

To supplement our consolidated financial statements which are presented in accordance with International Financial Reporting Standards (“IFRS”), we also use adjusted net loss (as defined below) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that the presentation of this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of items such as certain non-cash, non-recurring or non-operating items. We believe that this measure provides 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 measure 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 net profit/(loss) (non-IFRS measure)” as profit/(loss) for the year and adding back (1) share-based compensation expenses and (2) listing expenses. Among the others, share-based compensation expenses are non-cash expenses arising from vesting share options to selected employees and transferring shares from our Shareholders to employees and other parties.

For the years ended December 31, 2024 and 2025, we recorded an adjusted net loss (non-IFRS measure) of approximately RMB31.5 million and an adjusted net gain (non-IFRS measure) of approximately RMB4.1 million, respectively.

The following table sets forth the reconciliations of our non-IFRS financial measure for the years ended December 31, 2024 and 2025 to the nearest measure prepared in accordance with IFRS:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Loss for the year	(74,533)	(108,246)
Add:		
Share-based compensation related items	56,974	59,983
Listing expenses	21,620	16,789
Adjusted net profit/(loss) (non-IFRS measure)	4,061	(31,474)
Adjusted net profit/(loss) margin (non-IFRS measure) (%)	0.6	(5.1)

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Capital Resource

For the year ended December 31, 2025, we funded our cash requirements principally from the cash generated from our operating activities, bank loans and net proceeds from the Global Offering. We had cash and cash equivalents of approximately RMB58.3 million and approximately RMB398.8 million as of December 31, 2024 and December 31, 2025, respectively.

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

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net cash used in operating activities	(114,438)	(56,047)
Net cash used in investing activities	(26,645)	(12,826)
Net cash generated from financing activities	481,623	69,584
Net increase in cash and cash equivalents	340,540	711
Cash and cash equivalents at the beginning of the year	58,266	57,555
Cash and cash equivalents at the end of the year	398,806	58,266

Net Cash Used in Operating Activities

For the year ended December 31, 2025, our net cash used in operating activities was RMB114.4 million, which was primarily attributable to the payment of various trade and other payables related to our business operations amounting to approximately RMB98.6 million, and an increase in inventory purchases of approximately RMB18.0 million.

Net Cash Used in Investing Activities

For the year ended December 31, 2025, our net cash used in investing activities was RMB26.7 million, which was primarily attributable to the payment of RMB14.6 million for investments in unlisted entities and an increase in restricted cash of approximately RMB11.7 million.

Net Cash Generated from Financing Activities

For the year ended December 31, 2025, our net cash generated from financing activities was RMB481.6 million, which was primarily attributable to the total proceeds from the Global Offering of our Shares of approximately RMB365.2 million and proceeds from bank borrowings of RMB251.5 million, partially offset by the repayment of principal and interest of bank borrowings of RMB106.8 million. In addition, we paid listing expenses of approximately RMB25.1 million during the Reporting Period.

Looking ahead, we believe that we will be able to satisfy our liquidity requirements by comprehensively utilizing cash generated from operating activities, external borrowings, net proceeds from the Global Offering, and other funds raised from the capital markets from time to time.

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 December 31, 2025) during the year ended December 31, 2025.

Material Acquisitions and Disposals

For the year ended December 31, 2025, the Group did not have any material acquisitions or disposals of subsidiaries, Consolidated Affiliated Entities or associates.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at December 31, 2025, the Group had no pledged assets.

Gearing Ratio

The Group monitors capital on basis of the gearing ratio, which is calculated by dividing liabilities (excluding financial instruments issued to investors) by total assets. As of December 31, 2025, the gearing ratio was 69.2%, as compared with 129.7% as of December 31, 2024. The decrease was primarily due to the increase in proceeds raised by the Group after its listing, and that the increase in total liabilities was less than the increase in assets, which collectively resulted in a decrease in the gearing ratio.

Foreign Exchange Exposure

As of December 31, 2025, the Group mainly operated in mainland China with most of the transactions settled in RMB. The functional currencies of the Company and the subsidiaries and Consolidated Affiliated Entities operating in China are RMB and HKD. The Company's 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.

Credit Risk

For the year ended December 31, 2025, the management of the Company considered that the Group was not subject to material credit risk.

Future Plans for Material Investments and Capital Assets

As of December 31, 2025, the Group had no specific future plans for material investments or capital assets.

Contingent Liabilities

As at December 31, 2025, the Group did not have any material contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this annual report, there is no subsequent event after the Reporting Period which has a material impact on the Group.

EMPLOYEES AND REMUNERATION

As of December 31, 2025, the Group had a total of 487 employees. The following table sets forth the total number of employees by function as at December 31, 2025:

Function	Number of employees	Percentage of total number of employees
Research and development	91	18.69%
Business operation	99	20.33%
Sales and marketing	116	23.82%
Customer service and technical support	74	15.20%
Management and administrative	83	17.04%
Product management	24	4.93%
Total	487	100.00%

MANAGEMENT DISCUSSION AND ANALYSIS

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 monthly to provide feedback on their performance. Compensation for our staff typically consists of base salary and a performance-based bonus. The Company has also adopted a pre-IPO equity incentive scheme. We also provide selected directors, senior management, and employees with the opportunity to participate in our Pre-IPO Share Option Scheme, aligning our interests with theirs. To enhance and maintain the knowledge and skills of our workforce, we provide regular and specialized training tailored to the needs of employees in different positions. This includes orientation programs for new hires and technical training for existing staff. In addition, we also provide external training opportunities for members of our management team. For the year ended December 31, 2025, the Group incurred total staff related cost of approximately RMB171.7 million, as compared to approximately RMB204.8 million for the year ended December 31, 2024 (including share-based payment expenses).

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. LUO Ningzheng (羅寧政), aged 53, is the founder of our Group, an executive Director, the chairman of the Board, and the chief executive officer. He was appointed as a Director on January 31, 2022 and was re-designated as our executive Director on October 20, 2023. He is primarily responsible for formulating the overall strategy, overseeing the operation and management of our Group and overseeing the financial management supported by the accounting team (including Mr. Tang Shihua), internal control and compliance of our Group.

Mr. Luo has over 25 years of industry experience. Mr. Luo has gained in-depth understanding of the industry where our Group operates and acquired rich management experience by managing our Group and developing our business. Prior to the foundation of our Group in February 2005, Mr. Luo was a teacher at Guilin Institute of Technology (桂林工學院) (currently known as Guilin University of Technology (桂林理工大學)) from July 1996 to April 1998. From December 1998 to March 2011, Mr. Luo was engaged in providing computer engineering service at Shenzhen Integrated Hospital of Traditional Chinese and Western Medicine (深圳市中西醫結合醫院), and from July 2005 to March 2011, Mr. Luo was concurrently serving as the deputy director of the healthcare information education department of Shenzhen Integrated Hospital of Traditional Chinese and Western Medicine. In February 2005, Mr. Luo established Shenzhen Ningyuan and has been serving as the chairman of the board and the general manager since then.

Mr. Luo obtained a bachelor's degree in computer engineering from National University of Defense Technology (國防科技大學) in July 1996.

Mr. JI Cuilin (冀翠琳), aged 46, is an executive Director and a vice president of our Group. Mr. Ji was appointed as an executive Director on October 20, 2023. He is primarily responsible for overseeing the business operation of our Group and participating in the decision-making of overall operations and management of our Group.

Mr. Ji has over 15 years of experience in business management. Mr. Ji has been with our Group for more than nine years, during which time he has gained industry knowledge and experience to effectively manage the business of our Group. Mr. Ji joined our Group in October 2016 as a product manager and has been a vice president since November 2020, where he has been responsible for the general management of the online business of our Group. Prior to joining our Group, Mr. Ji worked in Shenzhen Heri Fashion Limited (深圳市禾日時裝有限公司) and Shenzhen Maisui Fashion Culture Development Co., Ltd. (深圳市麥穗時尚文化發展有限公司), both specializing in clothing wholesaling, where he was primarily responsible for business branding and marketing from January 2008 to May 2008 and June 2009 to January 2012, respectively. From February 2012 to November 2014, Mr. Ji worked as the director of the strategic department and design department at Shenzhen Mogen Shitong Culture Investment Co., Ltd. (深圳市摩根世通文化投資有限公司), a company specializing in capital service, and was in charge of the strategic investment.

Mr. Ji obtained a bachelor's degree in art design from Tiangong University (天津工業大學) in July 2004.

DIRECTORS AND SENIOR MANAGEMENT

Mr. HUANG Lang (黃浪), aged 41, is an executive Director and general manager of business division of the intelligent hospital of our Group. Mr. Huang was appointed as an executive Director on October 20, 2023. He is primarily responsible for overseeing the operation and management of the intelligent medical center.

Mr. Huang has over 15 years of experience in product design and software engineering industry. Mr. Huang joined our Group in August 2012. From August 2012 to October 2022, he successively served as an engineer, manager of our research and development department, director of the customer service management division, project manager, consultant of the pre-sale solutions, manager of the B2C platform, director of product center of our platform division, director of the doctor division, and general manager of our hospital and medical division. Since October 2022, Mr. Huang has been promoted as the general manager of business division of our intelligent hospital.

Prior to joining our Group, Mr. Huang served as a hypertext preprocessor engineer at Shenzhen Nuoyasi Information Technology Co., Ltd. (深圳諾亞思信息技術股份有限公司), a logistics information platform, from December 2007 to July 2008, primarily responsible for the website and client relationship management system development. He later served as a senior engineer at Shenzhen Xinlitan Internet Technology Co., Ltd. (深圳市新力天網絡技術有限公司), an e-commerce platform, from April 2009 to March 2010. From October 2010 to June 2012, he was a director of the development department at Shenzhen Zhiji Culture Co., Ltd. (深圳市知己文化傳播有限公司), a company specializing in social game development, where he was primarily responsible for the general and human resources management of the research department, and the technological support and development of products.

Mr. Huang obtained an associate degree in computer application technology at Xiangnan University (湘南學院) in June 2007. He was certified as a software engineer in May 2007 by the Hunan Provincial Department of Personnel (湖南省人事廳).

Mr. WANG Lifa (王立法), aged 37, is an executive Director and the director of the president office of our Group. Mr. Wang was appointed as an executive Director on October 20, 2023. Mr. Wang joined our Group in March 2015 as the director of the president office. He is primarily responsible for overseeing the internal management and operation of our Group.

Mr. Wang has over 15 years of experience in sales and marketing. Mr. Wang has been with our Group for more than eight years, during which time he has gained knowledge and experience to effectively manage the business of our Group. Mr. Wang joined our Group in March 2015 as the director of the president office, where he has been responsible for overall management of the legal, public relations and presidential secretarial department. Prior to joining our Group, he was the manager of Shenzhen Shidai Yingke Internet Co., Ltd. (深圳市時代贏客網絡有限公司), a company specializing in telecommunication, where he was primarily responsible for marketing from March 2009 to October 2009. From March 2012 to February 2013, he worked at Shenzhen Yishangwang Information Technology Co., Ltd. (深圳市移商網信息技術有限公司), an e-commerce platform, where he was responsible for regional resources management and marketing. Mr. Wang then worked as a vice president of Manli Life (Shenzhen) Brand Management Co., Ltd (曼麗生活(深圳)品牌管理有限公司) from September 2014 to January 2015 and was responsible for sales management.

Mr. Wang obtained professional diploma in refrigeration and low-temperature technology from Daqing Petroleum Advanced Technical School (大慶石油高級技工學校) (currently known as Daqing Vocational College (大慶技術學院)) in June 2009. Mr. Wang then obtained a professional diploma in economic management from Southeast Forestry University (東北林業大學) in July 2017.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. LIU Haibin (劉海濱), aged 46, joined our Company in 2015 and is currently the Senior Product and Operating Director of our Company and a supervisor of Shenzhen Ningyuan Technology Co., Ltd. (深圳市寧遠科技股份有限公司), a subsidiary of our Company, and was appointed as non-executive Director on March 2, 2026. Mr. Liu obtained a bachelor's degree in geology and mineral exploration from Jilin University in July 2002. Mr. Liu has over 20 years of experience in internet product development and large-scale platform services, having served hundreds of millions of users. He served as the key product project manager at Xunlei Limited (a company listed on the NASDAQ, ticker symbol: XNET) before joining our Company.

Since joining our Company in 2015, Mr. Liu has been deeply involved in the internet medical industry for over a decade, leading the research and development of multiple core products and infrastructures, including cloud hospital, doctor-patient IM, big data platform, recommendation algorithm platform and AI products. Mr. Liu has successfully integrated and innovated the cutting-edge technology of internet, product methodology and operational system with the healthcare industry. His achievements are among the best in the industry and have earned him multiple patents.

Ms. SUN Meng (孫萌), aged 35, joined our Group as a supervisor in March 2022 and was appointed as a non-executive Director on October 20, 2023. Ms. Sun is responsible for providing strategic advice and making recommendations on financial management and business development to our Board.

Ms. Sun has over 10 years of experience in accounting and financial management. From October 2015 to February 2018, she was a senior accountant of Deloitte Touche Tohmatsu Shenzhen Branch (德勤華永會計師事務所深圳分所). Since July 2018 and September 2023, Ms. Sun has worked as a senior manager and vice president, respectively, of Co-Stone Asset Management Co., Ltd. (基石資產管理股份有限公司) where she is primarily responsible for investment projects management.

Ms. Sun obtained a bachelor's degree in business management and finance from Zhongnan University of Economics and Law (中南財經政法大學) in June 2013 and a master's degree in finance and management from University of Exeter in July 2014. She became a qualified member of The Chinese Institute of Certified Public Accountants in December 2019.

Independent Non-executive Directors

Mr. WANG Huan (王歡), aged 48, was appointed as an independent non-executive Director on December 12, 2025. He is primarily responsible for providing independent opinion and judgement to our Board.

Mr. Wang obtained a bachelor's degree in management from Zhongnan University of Economics and Law in June 2000, and is currently pursuing a master's degree in computational mathematics on a part-time basis at Renmin University of China. Mr. Wang holds a number of professional qualifications, including being a certified public accountant (CPA) in China, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants (ACCA) in the United Kingdom, and a certified internal auditor.

Mr. Wang has over 20 years of professional experience. Since 2011, he has held various professional and management roles at Deloitte China, including the partner of audit and financial advisory, managing partner of family office services in China, managing partner of the TMT Industry in South China region, lead partner of the Fujian market, and managing partner of the Xiamen Office. Mr. Wang has a solid theoretical foundation and extensive practical experience in auditing, finance, corporate strategy, and capital markets operations. As a core project leader, Mr. Wang has successfully led major projects involving initial public offerings (IPOs), financing and mergers and acquisitions, industrial planning, and business restructuring across the mainland China, Hong Kong, and U.S. markets, demonstrating exceptional integrated execution and resource integration capabilities.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang is actively involved in industry and public affairs. He currently serves as the co-secretary general of the Greater Bay Area SRDI Industry Promotion Association (粵港澳專精特新產業促進會), an advisor to the Shandong Provincial Alliance for Integration of Large, Medium and Small Enterprises (山東省大中小企業融通聯盟), and a vice president of the Hangzhou Overseas Returnee Entrepreneurship and Development Promotion Association (杭州市海外留學歸國人士創業發展促進會), having accumulated rich experience in promoting industrial collaboration and local economic development. Mr. Wang also holds social positions such as vice president of the Fujian Provincial Institute of Certified Public Accountants (福建省註冊會計師協會) and an adjunct professor at the School of Accountancy of Zhongnan University of Economics and Law, consistently dedicated to industry innovation, professional exchange, and talent cultivation.

Dr. XU Weiguo (徐衛國), aged 74, was appointed as an independent non-executive Director on September 3, 2025. He is primarily responsible for providing independent opinion and judgement to our Board.

Dr. Xu has over 43 years of theoretical and clinical experience in the clinical medicine sector and hospital management. Since October 1980, Dr. Xu has been serving in the Ruijin Hospital (瑞金醫院) and Xinhua Hospital (新華醫院) Affiliated to Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院) (formerly known as the Shanghai Second Medical University (上海第二醫科大學)) as a doctor, chief physician and doctoral advisor. From November 2003 to August 2014, Dr. Xu was the dean of Xinhua Hospital Affiliated to Shanghai Jiao Tong University School of Medicine, where he was responsible for medical management, teaching and research management. From September 2020 to March 2023, he joined Parkway Shanghai Hospital (上海百匯醫院) as the dean and was in charge of the overall hospital management and operation.

Dr. Xu was awarded the “Xian Sheng Cup — Outstanding Dean of Hospitals in China” (中國醫院“先聲杯”優秀院長) by the Chinese Hospital Association (中國醫院協會) in 2010 and the “Hua Ren Cup 2011 — Dean of Best Leadership of Hospitals in China” (“華仁杯”2011最具領導力中國醫院院長) by the China Hospital CEO Magazine (中國醫院院長雜誌社) in 2011.

Dr. Xu obtained a bachelor’s degree in clinical medicine from Harbin Medical University (哈爾濱醫科大學) in July 1980 and a master’s degree in respiratory medicine from Shanghai Second Medical University in June 1993 through part-time course. He obtained his doctoral degree in management from Tongji University (同濟大學) in November 2004 through part-time course. Dr. Xu was qualified as a chief physician by Shanghai Jiao Tong University School of Medicine in 2000.

Since March 2021, Dr. Xu has served as an independent non-executive director of Town Health International Medical Group Limited (康健國際醫療集團有限公司) (SEHK: 3886) where he served as a member of the audit committee, remuneration committee and nomination committee.

Dr. FAN Ming (范明), aged 69, was appointed as our independent non-executive Director on September 3, 2025. He is primarily responsible for providing independent opinion and judgement to our Board.

Dr. Fan has more than 28 years of experience in education and management. From July 1995 to July 2002, he served as a professor at Jiangsu University of Technology (江蘇理工大學). Further, Dr. Fan concurrently served as the vice chancellor of Jiangsu University (江蘇大學) from August 2001 to December 2001. He moved to Yangzhou University (揚州大學) to serve as a professor from January 2002 to June 2008. Since July 2008, Dr. Fan returned to Jiangsu University to serve as a professor and subsequently as a level two professor since June 2010.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Fan has served as an independent director in a number of listed companies in various sectors:

- (a) from February 2017 to February 2023, he was an independent director of Shanghai Hiuv New Materials Co., Ltd. (上海海優威新材料股份有限公司), a company listed on the Shanghai Stock Exchange (SSE: 688680);
- (b) from November 2017 to November 2023, he was an independent director of Jiangsu SOPO Corporation (江蘇索普化工股份有限公司), a company listed on the Shanghai Stock Exchange (SSE: 600746);
- (c) from April 2018 to May 2025, he was an independent director of AVIC BIAM New Materials Technology Engineering Co., Ltd. (中航百慕新材料技術工程股份有限公司), a company listed on the NEEQ (NEEQ: 430056);
- (d) from November 2019 to December 2025, he was an independent director of Touchstone International Medical Science Co., Ltd. (天臣國際醫療科技股份有限公司), a company listed on the Shanghai Stock Exchange (SSE: 688013);
- (e) since May 2021, he has served as an independent director of Jiangsu Zhengdan Chemical Industry Co., Ltd. (江蘇正丹化學工業股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 300641); and
- (f) since May 2024, he has served as an independent director of Jiangsu Jibeier Pharmaceutical Co., Ltd. (江蘇吉貝爾藥業股份有限公司), a company listed on the Shanghai Stock Exchange (SSE: 688566).

Dr. Fan obtained a bachelor's degree in agricultural machinery engineering from Zhenjiang Agricultural Machinery College (鎮江農業機械學院) (currently known as Jiangsu University) in May 1982, a master's degree in marxism from Shanghai Jiao Tong University (上海交通大學) in July 1987 and a doctoral degree in technical economic and management from Hohai University (河海大學).

SENIOR MANAGEMENT

Mr. LUO Ningzheng (羅寧政), aged 53, is the founder of our Group, an executive Director, the chairman of the Board, and the chief executive officer. See "Executive Directors" in this section above for his biographical details.

Mr. JI Cuilin (冀翠琳), aged 46, is an executive Director and a vice president of our Group. See "Executive Directors" in this section above for his biographical details.

Mr. HUANG Lang (黃浪), aged 41, is an executive Director and general manager of business division of the intelligent hospital of our Group. See "Executive Directors" in this section above for his biographical details.

Mr. WANG Lifa (王立法), aged 37, is an executive Director and the director of the president office of our Group. See "Executive Directors" in this section above for his biographical details.

Mr. LUO Yong (羅勇), aged 52, joined our Group and was appointed as the vice president of our Group and the manager of the medical affairs division of our Group in January 2022. Mr. Luo is primarily responsible for overseeing the management of our hospital services and our operations in urban area.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Luo has approximately 25 years of experience in the medical services sector. Prior to joining our Group, Mr. Luo was as an office manager from April 1998 to March 2001 and the general manager for domestic marketing from March 2001 to April 2002 at Hunan Siqi Biopharmaceutical Co., Ltd. (湖南斯奇生物製藥有限公司) (previously known as Hunan Jiuzhitang Siqi Biopharmaceutical Co., Ltd. (湖南九芝堂斯奇生物製藥有限公司)). He then served at Jiuzhitang Pharmaceutical Trading Co., Ltd. (九芝堂醫藥貿易有限公司) as the general manager of the Beijing division and governmental affairs from April 2002 to August 2006. From August 2006 to August 2010, he worked as the general manager of Beijing division of Nanchang Helioeast Pharmaceutical Co., Ltd. (南昌弘益藥業有限公司). In May 2010, he founded Beijing Nayong Technology Co., Ltd. (北京納湧科技有限公司) and has been serving as the chairman of board of directors, general manager and legal representative since then.

Mr. Luo obtained a bachelor's degree in economic management from Hunan Administration Institute (湖南行政學院) in December 2002. He was a member of the Dermatology Professional Committee of Chinese Non-government Medical Institutions Association (中國非公立醫療機構協會皮膚專業委員會) from September 2021 to September 2024.

Mr. PENG Fang (彭訪), aged 41, joined our Group in September 2013 and was appointed as the vice president of our Group in January 2017. Mr. Peng is primarily responsible for overseeing the management and operation of the hospital solution business of our Group.

Mr. Peng has approximately 15 years of experience in medical software research and development. Prior to joining our Group, Mr. Peng was a director of the digital hospital product department at Hunan Kaige Medical Information Technology Co., Ltd. (湖南凱歌醫療信息技術有限公司) from September 2010 to August 2013, where he was primarily responsible for the medical software development. Mr. Peng then joined our Group as a director of the engineering department in September 2013 and was appointed as a vice president since January 2017.

Mr. Peng obtained a bachelor's degree in software engineering from Fuzhou University (福州大學) in July 2006 and a master's degree in financial management and a doctoral degree in business administration from Brest Business School in September 2022 and April 2024, respectively, through part-time course.

Mr. TANG Shihua (唐世華), aged 49, has been serving as the secretary to the Board since August 2021. Mr. Tang is primarily responsible for overseeing the investment, capital operation of our Group and assisting Mr. Luo in overseeing the financial management of our Group.

Mr. Tang has over 25 years of experience in accounting and corporate governance affairs. Prior to joining our Group, Mr. Tang worked as a manager of accounting project at Shenzhen Tongren Accountants (深圳同人會計師事務所) from July 1999 to July 2001. He later joined Shenzhen Pengcheng Accountants Co., Ltd. (深圳市鵬城會計師事務所有限公司) as an accounting manager from July 2001 to December 2007. From December 2007 to August 2021, he served as the chairman of board of supervisors, the financial director and the vice general manager at Shenzhen Hongtao Decorations Co., Ltd. (深圳市洪濤裝飾股份有限公司) (a former listed company on SZSE: 002325).

Mr. Tang obtained a bachelor's degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in June 1999.

JOINT COMPANY SECRETARIES

Mr. TANG Shihua (唐世華) was appointed as one of the joint company secretaries of our Company on October 20, 2023. For biographical details of Mr. Tang Shihua, see "Senior Management" in this section.

Ms. YU Wing Sze (余詠詩) was appointed as one of the joint company secretaries of our Company on October 20, 2023. Ms. Yu is a manager of TMF Hong Kong Limited. She has over 10 years of working experience in company secretarial profession. She is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom. Ms. Yu received a bachelor's degree of Business Administration from the Chinese University of Hong Kong.

REPORT OF DIRECTORS

The Board is pleased to present the report and audited consolidated financial statements of the Group for the year ended December 31, 2025.

GLOBAL OFFERING

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability on January 31, 2022. The Shares were listed on the Main Board of the Stock Exchange on the Listing Date.

PRINCIPAL BUSINESS

The Group is a wholesaler of pharmaceutical and healthcare products and a leading digital healthcare integrated service provider in China. An analysis of the Group's business segments for the year ended December 31, 2025 is set out in note 5 to the consolidated financial statements.

For further details of the principal business carried out by the Group, please refer to the section headed "Business" in the Prospectus of the Company dated September 9, 2025.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated financial statements on pages 142 to 209 of this annual report.

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Company are set out in note 13 to the consolidated financial statements.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended December 31, 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, May 26, 2026 to Friday, May 29, 2026, both days inclusive, for the purpose of determining the entitlement of the Shareholders to attend the annual general meeting, during which period no transfer of Shares will be registered. In order to be eligible to attend the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Friday, May 22, 2026. The record date for the purpose of determining the entitlement of the Shareholders to attend and vote at the annual general meeting is Friday, May 29, 2026.

REPORT OF DIRECTORS

BUSINESS REVIEW

Overview and Performance for the Year

A fair review of the Group's business as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and a discussion and analysis of the Group's performance are set out in the "Chairman's Statement" on pages 8 to 9 and the "Management Discussion and Analysis" on pages 10 to 19 of this annual report. A discussion of the Group's key relationships with its key stakeholders is set out in the "Report of Directors" on pages 26 to 56 of this annual report. An analysis of the Group's performance for the year ended December 31, 2025 using key financial performance indicators is set out in the "Financial Highlights" on pages 6 to 7 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and the management of the Company are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

The following sets out a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond the control of the Group:

- The PRC digital healthcare integrated service industry is evolving and volatile, and if it develops more slowly than we expect or does not develop at all, the growth of our business will be materially and adversely affected
- We may be subject to risks associated with the "two-invoice system" and national centralized procurement using a volume-based procurement approach in the future, particularly the potential expansion of the application scope thereby
- Any disruption or malfunction of Internet infrastructure and telecommunication network could adversely affect our business and results of operations
- Our ability to drive engagement among platform participants
- Extensive and evolving regulatory requirements
- We face risks related to our leased properties
- The wide variety of payment methods that we adopt may subject us to risks related to third-party payment processing

REPORT OF DIRECTORS

- Downturn in the business performance of the medical and healthcare institutions with which we collaborate
- If the PRC Government finds that our Contractual Arrangements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or their interpretation change in the future, we could be subject to severe consequences, including the invalidation of the Contractual Arrangements and being forced to relinquish our interests in those operations
- We fail to embrace new technologies, such as AI and big data analytics, or adapt our platform to meet evolving user requirements and emerging industry standards
- We may not be able to recoup the investments we make in research and development, which in turn could adversely impact our financial condition and results of operations

However, the above is not an exhaustive list of all risks and uncertainties. Investors are advised to make their own judgement or consult their own investment advisers before investing in the Shares.

For further details of other risks and uncertainties faced by the Group, please refer to the section headed “Risk Factors” in the Prospectus.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Our business is not in a highly polluting industry, nor do we operate any manufacturing or warehousing facilities that would expose us to significant pollution, health, safety or environmental risks. Accordingly, we do not currently anticipate any material risks in these areas. Nevertheless, we attach great importance to ESG considerations and are committed to environmental protection.

In accordance with Rule 13.91 of the Listing Rules and the Environmental, Social and Governance Reporting Code set out in Appendix C2 thereto, as applicable to the financial year ended December 31, 2025, the environmental, social and governance report of the Company is set out in the “Environmental, Social and Governance Report” section of this annual report.

REPORT OF DIRECTORS

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on September 17, 2025. The net proceeds from the Global Offering received by the Company (after deducting underwriting commissions and related costs and expenses) amounted to approximately HK\$308.5 million (the “**Net Proceeds**”). The Company intends to utilize the Net Proceeds in the manner and proportions as disclosed in the Prospectus.

As at the date of this annual report, there has been no change to the proposed use and expected timeline of the Net Proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus. The table below sets out a summary of the utilization of the Net Proceeds as at December 31, 2025:

Intended use of Net Proceeds	Approximate percentage of Net Proceeds	Planned amount of Net Proceeds to be used <i>(approximately HK\$ million)</i>	Net Proceeds utilized as at December 31, 2025 <i>(approximately HK\$ million)</i>	Net Proceeds unutilized as at December 31, 2025 <i>(approximately HK\$ million)</i>	Expected timeline for full utilization of the remaining Net Proceeds ⁽¹⁾
Further broaden medical resource coverage and boost traffic to our platform	40%	123.4	3.0	120.4	By December 31, 2030
Strengthen our research and development capabilities	30%	92.4	2.1	90.3	By December 31, 2030
Diversify our product and service offerings and explore value-added services	10%	30.9	0.3	30.6	By December 31, 2030
Selectively pursue strategic cooperation and acquisitions	10%	30.9	16.0	14.9	By December 31, 2030
Working capital and general corporate purpose	10%	30.9	0.0	30.9	By December 31, 2030
Total⁽²⁾	100%	308.5	21.4	287.1	

Notes:

- (1) The expected timeline for the full utilization of the remaining Net Proceeds as set out in the table above is based on the best estimate of the Group with respect to future market conditions, which may be subject to change depending on the development of current and future market conditions.
- (2) Due to rounding, the total figures may not be equal to the sum of the individual amounts.

As at December 31, 2025, the remaining Net Proceeds of approximately HK\$287.1 million were deposited in licensed commercial bank(s).

REPORT OF DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2025, the transaction amounts from the Group's five largest customers in aggregate accounted for approximately 50.1% of the total revenue of the Group, of which the transaction amounts from the single largest customer of the Group accounted for approximately 17.4% of the total revenue of the Group.

Major Suppliers

The Group maintains a broad customer base. However, owing to the nature of the pharmaceutical and healthcare products distribution business, the Group's major suppliers are predominantly pharmaceutical companies and distributors. For the year ended December 31, 2025, the aggregate purchases from the five largest suppliers of the Group accounted for approximately 62.8% of the Group's total costs, of which the transaction amounts from the single largest supplier of the Group accounted for approximately 19.6% of the total costs of the Group.

During the Reporting Period, none of the Directors, their close associates, or any Shareholder (which to the knowledge of the Directors owned more than 5% of the number of issued Shares of the Company) had any interest in any of the Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended December 31, 2025 are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2025 and details of the Shares issued for the year ended December 31, 2025 are set out in note 26 to the consolidated financial statements.

DONATIONS

No donations were made by the Group during the Reporting Period.

DEBENTURES AND CONVERTIBLE BONDS ISSUED

No debentures or convertible bonds were issued by the Company for the year ended December 31, 2025.

RESERVES

Details of movements in the reserves of the Company and the Group for the year ended December 31, 2025 are set out in note 27 to the consolidated financial statements contained in this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company had no retained profit available for distribution to its Shareholders. For details, see note 27 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

Details of the bank loans and other borrowings of the Company and the Group as at December 31, 2025 are set out in note 29 to the consolidated financial statements.

REPORT OF DIRECTORS

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

TAX RELIEFS AND EXEMPTIONS

The Directors are not aware of any tax reliefs or exemptions available to the Shareholders by virtue of their holding of the listed securities of the Company.

DIRECTORS

From the Listing Date and up to the date of this annual report, the Directors were as follows:

Executive Directors:

Mr. Luo Ningzheng (*Chairman of the Board and Chief Executive Officer*)

Mr. Ji Cuilin

Mr. Huang Lang

Mr. Wang Lifa

Non-executive Directors:

Mr. Liu Haibin (*Appointed on March 2, 2026*)

Ms. Sun Meng

Mr. Zhang Ruxie (*Resigned on March 2, 2026*)

Independent Non-executive Directors:

Mr. Wang Huan (*Appointed on December 12, 2025*)

Dr. Xu Weiguo

Dr. Fan Ming

Mr. Zou Jun (*Resigned on December 12, 2025*)

Pursuant to article 15.1 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years.

Pursuant to article 15.5 of the Articles of Association, the Board may at any time appoint any person as a Director either to fill a casual vacancy or as an addition to the Board, subject to any maximum number or conditions determined by the Shareholders at a general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after such appointment, and shall then be eligible for re-election at that meeting.

Accordingly, Mr. Luo Ningzheng, Mr. Ji Cuilin, Mr. Huang Lang, Mr. Wang Lifa, Mr. Liu Haibin, Ms. Sun Meng, Mr. Wang Huan, Dr. Xu Weiguo and Dr. Fan Ming will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the meeting.

Details of the Directors proposed to be re-elected at the forthcoming annual general meeting are set out in the circular to the Shareholders, which will be published electronically on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

REPORT OF DIRECTORS

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out in the section headed “Directors and Senior Management” on pages 20 to 25 of this annual report.

CHANGES IN DIRECTORS’ INFORMATION

Changes in Directors’ information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are as follows:

- (1) Dr. Fan Ming, an independent non-executive Director, ceased to serve as an independent director of AVIC BIAM New Materials Technology Engineering Co., Ltd. (a company listed on the NEEQ, stock code: 430056) with effect from May 2025, and ceased to serve as an independent director of Touchstone International Medical Science Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 688013) with effect from December 2025.
- (2) Ms. Sun Meng, a non-executive Director, was appointed as a member of the Nomination Committee with effect from September 29, 2025.
- (3) Mr. Zou Jun was appointed as a member of the Nomination Committee with effect from September 29, 2025 and resigned as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee due to other personal commitments, with effect from December 12, 2025.
- (4) Mr. Wang Huan was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee, with effect from December 12, 2025.
- (5) Mr. Zhang Ruxie resigned as a non-executive Director and a member of the Audit Committee due to other personal commitments, with effect from March 2, 2026.
- (6) Mr. Liu Haibin was appointed as a non-executive Director and a member of the Audit Committee, with effect from March 2, 2026.

Save as disclosed in this annual report, there has been no change in the Directors’ information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the last interim report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors were independent from the date of their respective appointments up to December 31, 2025 and remains so as at the date of this report.

DIRECTORS’ SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of Mr. Luo Ningzheng, Mr. Ji Cuilin, Mr. Huang Lang and Mr. Wang Lifa, all being executive Directors, entered into a service contract with the Company on September 3, 2025. Each service contract is for an initial term of three years commencing from the Listing Date or until the third annual general meeting held after the Listing Date, whichever is earlier, unless terminated by either party giving not less than one-month prior written notice. The service contracts are renewable in accordance with the Memorandum and Articles of Association and the applicable laws, rules and regulations.

REPORT OF DIRECTORS

Each of Mr. Zhang Ruxie (*resigned on March 2, 2026*), Ms. Sun Meng, Dr. Xu Weiguo, Dr. Fan Ming and Mr. Zou Jun (*resigned on December 12, 2025*), all being non-executive Directors or independent non-executive Directors, entered into a letter of appointment with the Company on September 3, 2025. Each letter of appointment is for an initial term of three years commencing from the Listing Date or until the third annual general meeting held after the Listing Date, whichever is earlier, unless terminated by either party giving not less than one month's prior written notice. The letters of appointment are renewable in accordance with the Memorandum and Articles of Association and the applicable laws, rules and regulations.

Mr. Wang Huan, an independent non-executive Director, entered into a letter of appointment with the Company on December 12, 2025. The letter of appointment is for an initial term of three years commencing from December 12, 2025 or until the third annual general meeting held after the date of appointment, whichever is earlier, unless terminated by either party giving not less than one month's prior written notice. The letter of appointment is renewable in accordance with the Memorandum and Articles of Association and the applicable laws, rules and regulations.

Mr. Liu Haibin, a non-executive Director, entered into a letter of appointment with the Company on March 2, 2026. The letter of appointment is for an initial term of three years commencing from March 2, 2026 or until the third annual general meeting held after the date of appointment, whichever is earlier, unless terminated by either party giving not less than one month's prior written notice. The letter of appointment is renewable in accordance with the Memorandum and Articles of Association and the applicable laws, rules and regulations.

None of the Directors proposed for re-election at the annual general meeting has a service contract or letter of appointment with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors or entities connected with the Directors is or was materially interested, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries or fellow subsidiaries was a party from the Listing Date up to the date of this report.

CONTRACT WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance (whether for the provision of services to the Group or otherwise) between the Company or any of its subsidiaries and a Controlling Shareholder or any of its subsidiaries, subsisted from the Listing Date up to the date of this report.

MANAGEMENT CONTRACTS

No contract concerning the supervision and management of the whole or any substantial part of the business of the Company was entered into or existed from the Listing Date up to the date of this annual report.

REPORT OF DIRECTORS

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2025, the Group had a total of 487 employees (December 31, 2024: 592), all of whom were based in China. For the year ended December 31, 2025, the total staff costs of the Group amounted to approximately RMB171.7 million (December 31, 2024: RMB204.8 million), which comprised basic salaries, performance-based bonuses, incentives, pension costs, other social security costs, housing benefits and other employee benefits, as well as share-based compensation. The Group keeps a close eye on business development needs, continuously optimizes its incentive system, and implements competitive remuneration policies. To enhance and maintain the knowledge and skills of our workforce, we provide regular and specialized training tailored to the needs of employees in different positions. This includes orientation programs for new hires and technical training for existing staff. In addition, we also provide external training opportunities for members of our management team.

The Remuneration Committee is responsible for reviewing the remuneration policy and remuneration structure for the Directors and senior management of the Group with reference to the operating results of the Group, individual performance of the Directors and senior management and comparable market practices.

Details of the remuneration of the Directors and the five highest paid individuals of the Group for the year ended December 31, 2025 are set out in note 37 and note 11 to the consolidated financial statements.

RETIREMENT AND EMPLOYEE BENEFIT SCHEMES

The employees of the subsidiaries of the Group operating in Mainland China are required to participate in the central pension scheme operated by the local municipal governments. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. Under the rules of the central pension scheme, the contributions are charged to profit or loss as and when they become payable.

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the defined contribution retirement plan.

Details of the retirement and employee benefit schemes of the Group are set out in note 40.13 to the consolidated financial statements.

REPORT OF DIRECTORS

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

As at December 31, 2025, the interests and/or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

1. Interests in the Shares of the Company

Name of Director/chief executive	Nature of interest	Number of Shares interested	Approximate percentage of interest in the Company ⁽²⁾
Mr. Luo Ningzheng ⁽³⁾⁽⁴⁾ ("Mr. Luo")	Interest in a controlled corporation	102,912,905(L)	30.59%
	Interest of a party to an agreement regarding interests in the Company	11,726,665(L)	3.49%
Mr. Ji Cuilin ⁽⁵⁾	Beneficial owner	3,115,000(L)	0.93%
Mr. Huang Lang ⁽⁶⁾	Beneficial owner	3,115,000(L)	0.93%
Mr. Wang Lifa ⁽⁷⁾	Beneficial owner	550,000(L)	0.16%
Mr. Zhang Ruxie ⁽⁸⁾	Interest in a controlled corporation	3,139,490(L)	0.93%

REPORT OF DIRECTORS

Notes:

- (1) (L) denotes a long position
- (2) As at December 31, 2025, there were 336,452,810 Shares in issue.
- (3) Luo Holdings Limited is wholly-owned by LNZ Management Limited, which is in turn wholly-owned by Mr. LUO. Therefore, Mr. Luo is deemed to be interested in the Shares directly held by Luo Holdings Limited.
- (4) Pursuant to a voting right entrustment deed dated August 7, 2024 and entered into between Mr. Luo and Ming Holdings Limited (the “**Voting Deed**”), Mr. Luo controls approximately 3.49% of the voting rights at general meeting of the Company, being the voting rights attached to all Shares directly held by Ming Holdings Limited. For details, see the section headed “History, Reorganization and Corporate Structure — Voting Deed” in the Prospectus.
- (5) Mr. Ji Cuilin has interests in 3,115,000 underlying shares. As at December 31, 2025, the underlying shares represent the total number of shares that may be allotted and issued as new shares or transferred as existing shares by the trustee upon the full exercise of all outstanding options granted under the Pre-IPO Share Option Scheme.
- (6) Mr. Huang Lang has interests in 3,115,000 underlying shares. As at December 31, 2025, the underlying shares represent the total number of shares that may be allotted and issued as new shares or transferred as existing shares by the trustee upon the full exercise of all outstanding options granted under the Pre-IPO Share Option Scheme.
- (7) Mr. Wang Lifa has interests in 550,000 underlying shares. As at December 31, 2025, the underlying shares represent the total number of shares that may be allotted and issued as new shares or transferred as existing shares by the trustee upon the full exercise of all outstanding options granted under the Pre-IPO Share Option Scheme.
- (8) QF Morris Limited is wholly-owned by Mr. Zhang Ruxie. Therefore, Mr. Zhang Ruxie is deemed to be interested in the Shares directly held by QF Morris Limited.

2. Interests in our Associated Corporations

Name of Director/ chief executive	Nature of interest	Name of associated corporation	Amount of registered capital held	Approximate percentage of shareholding
Mr. Luo	Beneficial interest	Shenzhen Ningyuan ⁽¹⁾	RMB17,354,901.15(L)	29.20%
	Interest in a controlled corporation	Shenzhen Ningyuan ⁽¹⁾	RMB6,050,441.57(L)	10.18%
	Interest in a controlled corporation	Weikang Zhiyuan ⁽¹⁾	RMB100,000,200.00(L)	50.00%
	Interest in a controlled corporation	Renren Weikang ⁽¹⁾	RMB1,000,000.00(L)	10.00%
Mr. Zhang Ruxie	Beneficial interest	Shenzhen Ningyuan ⁽¹⁾	RMB77,264.97(L)	0.13%

Notes:

- (1) (L) denotes a long position
- (2) Shenzhen Ningyuan, Weikang Zhiyuan and Renren Weikang are subsidiaries of the Company by virtue of the Contractual Arrangements.

REPORT OF DIRECTORS

Save as disclosed above and to the best knowledge of the Directors through reasonable enquiry, as at December 31, 2025, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein.

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

As at December 31, 2025, to the best knowledge of the Directors through reasonable enquiry, the persons (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of shareholder	Nature of interest	Number of Shares interested	Approximate percentage of shareholding ⁽²⁾
Mr. Luo ⁽³⁾⁽⁴⁾	Interest in a controlled corporation	102,912,905 (L)	30.59%
	Interest of a party to an agreement regarding interests in the Company	11,726,665 (L)	3.49%
LNZ Holdings Limited ⁽³⁾	Interest in a controlled corporation	102,912,905 (L)	30.59%
Luo Holdings Limited	Beneficial interest	102,912,905 (L)	30.59%
Fu Zhekuan ⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽¹⁰⁾	Interest in controlled corporations/Interest of spouse	51,701,065 (L)	15.37%
Lin Fangli ⁽⁹⁾⁽¹⁰⁾	Interest in controlled corporations/Interest of spouse	51,701,065 (L)	15.37%
Qifu Private Equity Fund Management Co., Ltd. (啟賦私募基金管理有限公司) ⁽⁷⁾	Interest in controlled corporations	43,688,810 (L)	12.99%
Zhang Wei ⁽¹¹⁾	Interest in controlled corporations	19,661,640 (L)	5.84%
QF CY ⁽⁷⁾	Beneficial interest	17,899,010 (L)	5.32%

Notes:

- (1) (L) denotes a long position
- (2) As at December 31, 2025, there were 336,452,810 Shares in issue.
- (3) Luo Holdings Limited is wholly-owned by LNZ Management Limited, which is in turn wholly-owned by Mr. Luo. Therefore, each of Mr. Luo and LNZ Management Limited is deemed to be interested in the Shares directly held by Luo Holdings Limited.

REPORT OF DIRECTORS

- (4) Pursuant to the Voting Deed, Mr. Luo controls approximately 3.49% of the voting rights at general meetings of the Company, being the voting rights attached to all Shares directly held by Ming Holdings Limited. For details, see the section headed “History, Reorganization and Corporate Structure — Voting Deed” in the Prospectus.
- (5) Fu Zhekuan is deemed to be interested in the Shares directly held by QF FZK Limited, QF CY 160 Limited (“**QF CY**”), QF ZSCY 160 Limited (“**QF ZSCY**”), QF HL 160 Limited (“**QF HL**”), QF JR 160 Limited (“**QF JR**”), QF HT 160 Limited (“**QF HT**”), QF CXHL 160 Limited (“**QF CXHL**”), YINKANG Limited (“**YINKANG**”) and LFL Limited.
- (6) QF FZK Limited is wholly-owned by Fu Zhekuan. Therefore, Fu Zhekuan is deemed to be interested in the Shares directly held by QF FZK Limited.
- (7) QF CY, QF ZSCY, QF HL, QF JR, QF HT and QF CXHL are wholly-owned by Shenzhen Fuling Corporate Management Consultation Partnership (Limited Partnership) (深圳市賦凌企業管理諮詢合夥企業(有限合夥)) (“**Shenzhen Fuling**”), Qifu Zhongsheng, Qifu Hulian, Qifu Jiarong, Qifu Hongtai and Qifu Honglian, respectively. The general partner of Shenzhen Fuling, Qifu Zhongsheng, Qifu Hulian, Qifu Jiarong, Qifu Hongtai and Qifu Honglian is Qifu Private Equity Fund Management Co., Ltd. (啟賦私募基金管理有限公司) (“**Qifu Fund**”), in which Fu Zhekuan is interested in more than one-third of the interests. Therefore, Fu Zhekuan is deemed to be interested in the Shares directly held by QF CY, QF ZSCY, QF HL, QF JR, QF HT and QF CXHL.
- (8) YINKANG is a limited company established under the laws of BVI and wholly-owned by Zhongshan Fuying Investment Partnership (Limited Partnership) (中山市賦盈投資合夥企業(有限合夥)). The general partner of Zhongshan Fuying Investment Partnership (Limited Partnership) (中山市賦盈投資合夥企業(有限合夥)) is Shenzhen Qianhai Dongfang Yinshi Asset Management Co., Ltd. (深圳前海東方銀石資產管理有限公司), which is ultimately controlled by Qifu Fund. Therefore, Fu Zhekuan is deemed to be interested in the Shares directly held by YINKANG.
- (9) LFL Limited is wholly-owned by Lin Fangli. Therefore, Lin Fangli is deemed to be interested in the Shares directly held by LFL Limited.
- (10) Lin Fangli is the spouse of Fu Zhekuan. As such, Fu Zhekuan is deemed to be interested in the Shares directly held by LFL Limited, and Lin Fangli is deemed to be interested in the Shares in which Fu Zhekuan is interested by virtue of the SFO.
- (11) The general partner of Guangzhou Linggang is Urumqi Phoenix Jishi Equity Investment Management Limited Partnership Corporation (烏魯木齊鳳凰基石股權投資管理有限合夥企業), which is in turn indirectly controlled by CoStone Capital. Further, the general partner of Wuhu Linghang is Beijing Xianfeng Jishi Equity Investment Management Partnership Corporation (Limited Partnership) (北京先鋒基石股權投資管理合夥企業(有限合夥)), which is also in turn indirectly controlled by CoStone Capital. Since CoStone Capital is ultimately controlled by Zhang Wei, Zhang Wei is therefore deemed to be interested in the Shares directly held by Guangzhou Linggang and Wuhu Linghang.

Save as disclosed above and to the best knowledge of the Directors through reasonable enquiry, as at December 31, 2025, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

PRE-IPO SHARE OPTION SCHEME

On August 31, 2023, the then Shareholders approved and adopted the Pre-IPO Share Option Scheme. The purpose of the Pre-IPO Share Option Scheme is to promote the success of the Company and the interests of its Shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain senior management, employees, directors and other eligible persons of the Group and to further link the interests of option recipients with those of the Shareholders generally. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Option Scheme does not involve the grant of options by us to subscribe for Shares after the Listing.

Participants

Options may be granted only to those persons that the Board determines to be eligible persons (the “**Eligible Persons**”), meaning (a) the grantees who were granted under the 2016 Share Incentive Scheme, (b) a member of the senior management or employee of the Group, (c) any member of the Board, (d) any director of subsidiaries of the Company or (e) any individual consultant or advisor who renders or has rendered bona fide services (other than services in connection with the offering or sale of securities of the Group, as applicable, in a capital raising transaction or as a market maker or promoter of that entity’s securities) to the Group.

Maximum Number of Shares

The total number of new Shares and existing Shares that may be allotted and issued by the Company or transferred from the trustee upon the exercise of all Options under the Pre-IPO Share Option Scheme must each not exceed 14,487,990 Shares and 16,696,595 Shares (the “**Scheme Limit**”), respectively, representing 4.31% and 4.96% of the total issued Shares (excluding the Treasury Shares) as at the date of this annual report.

For the Reporting Period, the total number of Shares available for issue upon the exercise of the Options granted under the Pre-IPO Share Option Scheme was 3,320,070, representing approximately 1.09% of the weighted average number of the total issued Shares (excluding the Treasury Shares of the Company) for the Reporting Period.

Exercise Price for Shares

The Board will determine the exercise price per Share of the Shares covered by each Option at the time of grant of the Option. In no case will such purchase price be less than the nominal value of the Shares.

The Option(s) must be exercised, if at all, within ten (10) years from the date on which they become exercisable, failing which they will lapse.

REPORT OF DIRECTORS

During the Reporting Period (before the Listing), the Company granted Options under the Pre-IPO Share Option Scheme on July 17, 2025 to a total of 14 employees to subscribe for an aggregate of 3,427,645 Shares. As at January 1, 2025 and December 31, 2025, the number of Options available for grant under the Pre-IPO Share Option Scheme was 3,427,645 Shares and 0 Share, respectively. The details of the movements of the Options granted under the Pre-IPO Share Option Scheme during the Reporting Period are set out below:

Name of the grantee	Position held within the Company/ relationship with the Company	Date of grant	No. of Shares involved in the Options outstanding as at January 1, 2025	Options granted during the Reporting Period	Options exercised during the Reporting Period	Options cancelled during the Reporting Period	Options lapsed during the Reporting Period	No. of Shares involved in the Options outstanding as at December 31, 2025	Exercise price (US\$ per Share) ⁽¹³⁾	Vesting period and exercise period ⁽¹⁾
Directors and senior management										
New Shares										
Ji Cuilin	Executive Director and vice president	September 1, 2023	2,336,250	-	-	-	-	2,336,250	0.000002	3 years ⁽²⁾
Huang Lang	Executive Director and general manager of business division of intelligent hospital	September 1, 2023	1,312,500	-	-	-	-	1,312,500	0.000002	3 years ⁽²⁾
Wang Lifa	Executive Director and director of the president office	September 1, 2023	261,180	-	-	-	-	261,180	0.000002	2 years ⁽³⁾
Luo Yong	Vice president and manager of the medical affairs division	September 1, 2023	412,500	-	-	-	-	412,500	0.000002	3 years ⁽²⁾
Peng Fang	Vice president	September 1, 2023	1,961,250	-	-	-	-	1,961,250	0.000002	3 years ⁽²⁾
Luo Ningli	Deputy director of the president office	September 1, 2023	1,520,630	-	-	-	-	1,520,630	0.000002	3 years ⁽²⁾
Liang Yuguang	Deputy general manager	September 1, 2023	72,715	-	-	-	-	72,715	0.000002	3 years ⁽²⁾
Zhu Guanghua	Purchasing director	September 1, 2023	11,690	-	-	-	-	11,690	0.000002	3 years ⁽²⁾
Huang Caijun	General Manager	September 1, 2023	4,680	-	-	-	-	4,680	0.000002	3 years ⁽²⁾
Existing Shares										
Ji Cuilin	Executive Director and vice president	September 1, 2023	778,750	-	-	-	-	778,750	0.000002	N/A ⁽⁴⁾
Huang Lang	Executive Director and general manager of business division of intelligent hospital	September 1, 2023	1,802,500	-	-	-	-	1,802,500	0.000002	N/A ⁽⁴⁾
Wang Lifa	Executive Director and director of the president office	September 1, 2023	288,820	-	-	-	-	288,820	0.000002	3 years ⁽⁵⁾
Luo Yong	Vice president and manager of the medical affairs division	September 1, 2023	137,500	-	-	-	-	137,500	0.000002	N/A ⁽⁴⁾
Peng Fang	Vice president	September 1, 2023	653,750	-	-	-	-	653,750	0.000002	N/A ⁽⁴⁾
Tang Shihua	Board secretary and joint company secretary	September 1, 2023	3,117,890	-	-	-	-	3,117,890	0.000002	N/A ⁽⁴⁾
Luo Ningli	Deputy director of the president office	September 1, 2023	1,594,370	-	-	-	-	1,594,370	0.000002	N/A ⁽⁴⁾
Liang Yuguang	Deputy general manager	September 1, 2023	24,235	-	-	-	-	24,235	0.000002	N/A ⁽⁴⁾
Zhu Guanghua	Purchasing director	September 1, 2023	3,895	-	-	-	-	3,895	0.000002	N/A ⁽⁴⁾
Huang Caijun	General Manager	September 1, 2023	1,555	-	-	-	-	1,555	0.000002	N/A ⁽⁴⁾
Others										
New Shares										
Cai Ximei	Director of human resources	September 1, 2023 & July 17, 2025	487,500	2,175,070	-	-	-	2,662,570	0.000002	2 years ⁽⁶⁾
Other employees	-	September 1, 2023 & July 17, 2025	2,787,025	1,145,000	-	-	-	3,932,025	0.000002	3 years or 2 years ⁽⁷⁾
Existing Shares										
Cai Ximei	Director of human resources	September 1, 2023 & July 17, 2025	162,500	107,575	-	-	-	270,075	0.000002	2 years ⁽⁸⁾
Other employees	-	September 1, 2023	8,023,255	-	-	-	-	8,023,255	0.000002	N/A ⁽⁴⁾

REPORT OF DIRECTORS

Notes:

- (1) The Options will be exercisable for ten years upon vesting.
- (2) The relevant Options will be evenly vested in three years on January 1, 2025, January 1, 2026 and January 1, 2027.
- (3) The relevant Options will be vested in two years on January 1, 2026 and January 1, 2027.
- (4) The relevant Options were vested on the Listing Date.
- (5) The relevant Options will be vested in three years on January 1, 2024, January 1, 2025 and January 1, 2026.
- (6) The relevant Options will be vested in two years on January 1, 2025 and January 1, 2026.
- (7) Among which, 3,044,525 Options will be vested in three years on January 1, 2025, January 1, 2026 and January 1, 2027 and 887,500 Options will be vested in two years on January 1, 2025 and January 1, 2026.
- (8) The relevant Options will be vested in two years on January 1, 2024 and January 1, 2025.
- (9) No consideration was paid by the grantees for the Options granted under the Pre-IPO Share Option Scheme.
- (10) All the Options were granted prior to the Listing Date, therefore the closing price of the Shares immediately preceding the date of grant of the Options is not applicable.
- (11) The vesting of the Options shall be subject to the assessment of the annual performance of the grantees, and such assessment is based on the evaluation of the grantee's individual performance. Upon each vesting date, the portion of Options that vests shall be determined based on the assessment of the grantee's annual performance, and the unvested portion shall lapse.
- (12) Details of the valuation of the Options (including the accounting standards and policies adopted for the Pre-IPO Share Option Scheme) during the Reporting Period are set out in note 28 to the consolidated financial statements and note 28 in the Prospectus dated September 9, 2025.
- (13) The exercise price is US\$0.000002 after the Share Subdivision.
- (14) For the Options vested prior to the Listing Date, the weighted average closing price is not applicable.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time from the Listing Date to December 31, 2025 were there rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or minor children, or were there any such rights exercised by the Directors; or was the Company, or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other corporation.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "Pre-IPO Share Option Scheme" in this annual report, for the year ended December 31, 2025, neither the Company nor any of its subsidiaries had entered into or had any equity-linked agreement as of December 31, 2025.

REPORT OF DIRECTORS

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

From the Listing Date up to December 31, 2025, the Company did not hold any Treasury Shares.

From the Listing Date up to December 31, 2025, neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities had purchased, sold, or redeemed any of the Company's listed securities (including the sale of any Treasury Shares).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed in this annual report, each of the Directors confirms that as of December 31, 2025, he/she did not have any interest in a business which competes or likely to compete, directly or indirectly, with the Company's business and requires disclosure under Rule 8.10 of the Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period and up to the date of this annual report, the Group has conducted the following transactions which constitute non-exempt continuing connected transactions under the Listing Rules, and are required to be disclosed in accordance with Chapter 14A of the Listing Rules.

Non-Exempt Continuing Connected Transactions

During the Reporting Period, the Company complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Contractual Arrangements

In light of the restrictions under current PRC laws and regulations, which the investment in certain areas of the industries in which we currently operate and may operate are subject to, and in order to control our Consolidated Affiliated Entities to prevent leakages of equity and values to the relevant Registered Shareholders of our Consolidated Affiliated Entities, except for our Group, and to obtain the maximum economic benefits from our Consolidated Affiliated Entities, on August 11, 2023 and October 20, 2023, we, through the WFOE, entered into the Contractual Arrangements with the Consolidated Affiliated Entities and their respective registered shareholders (the "**Registered Shareholders**"). The Contractual Arrangements enable us to (i) receive substantially all of the economic benefits from our Consolidated Affiliated Entities in consideration for the services provided by the WFOE to the Consolidated Affiliated Entities; (ii) exercise effective control over our Consolidated Affiliated Entities; and (iii) hold an exclusive option to purchase all or part of the equity interests in the Onshore Holdcos and the Operating Subsidiaries when and to the extent permitted by PRC laws and regulations. For further particulars on the Registered Shareholders and the flow of economic benefits from the Consolidated Affiliated Entities to the Group under the Contractual Arrangements, please see the section headed "Contractual Arrangements — Our Contractual Arrangements" in the Prospectus.

Details of Consolidated Affiliated Entities

Foreign investment activities in the PRC are mainly governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (the “**Negative List**”) and the Foreign Investment Catalog, which were promulgated and are amended from time to time jointly by the MOFCOM and the NDRC. The Negative List and the Foreign Investment Catalog divide industries into four categories in terms of foreign investment, namely, “encouraged,” “restricted,” “prohibited” and “permitted” (the last category of which includes all industries not listed under the “encouraged,” “restricted” and “prohibited” categories). A summary of our business/operations that are subject to foreign investment restrictions in accordance with the Negative List, the Foreign Investment Catalog and other applicable PRC laws are set out below (the “**Relevant Businesses**”):

Categories	Relevant Businesses
<p>“Restricted”</p> <p>Medical institution</p>	<p>Renren Weikang’s subsidiary, Chengdu Renren Weikang, is principally engaged in the provision of online medical services (provision of online prescription renewal services under the retail model for sale of pharmaceutical and healthcare products) and holds a valid Practicing License for Medical Institutions (醫療機構執業許可證) (including qualifications for Internet hospital).</p> <p>Pursuant to the Interim Administrative Measures on Sino-foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》), foreign investors are allowed to partner with Chinese medical entities to establish a medical institution in China by means of equity joint venture or cooperative joint venture, in which the equity percentage or interest of the Chinese partner shall not be less than 30%. Furthermore, medical institutions established in Sichuan Province are subject to less stringent foreign investment restrictions pursuant to the Regulations for Sino-foreign Joint Venture and Cooperative Medical Institutions of Sichuan Province (《四川省中外合資合作醫療機構管理辦法》), where the equity percentage or interest of the Chinese partner in a Sino-foreign medical institution established in Sichuan Province shall not be less than 10%.</p> <p>As advised by the relevant competent authorities, foreign investors are not allowed to hold, either directly or indirectly, more than 90% equity interest in a medical institution in Sichuan Province.</p>

REPORT OF DIRECTORS

Categories

Relevant Businesses

“Restricted”

Value-added telecommunication service business

Weikang Zhiyuan is principally engaged in the management and operation of our online platforms (including the Healthcare 160 app, Healthcare 160 official website, WeChat Official Accounts, and WeChat Mini Program), which (a) involve online healthcare services, (b) will later involve the pharmacy marketplace services and (c) online advertising solutions. The provisions of (a) online healthcare service, (b) pharmacy marketplace services under online marketing solutions and (c) online advertising solutions under online marketing solutions fall within the scope of “value-added telecommunication services” under the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》), specifically the Internet information services (互聯網信息服務) and online data processing and transaction processing (在線數據處理與交易處理), respectively. Therefore, Weikang Zhiyuan, being a foreign invested enterprise where we, as the foreign investor, hold 50% equity interest, is required to hold, and (a) has obtained a value-added telecommunication business operating license (《增值電信業務經營許可證》) specifically for the provision of Internet information services (the “**ICP License**”), and (b) is in the process of preparing to apply for a value-added telecommunication business operating license specifically for the online data processing and transaction processing (the “**EDI License**”).

According to the applicable PRC laws, foreign investors are not allowed to hold more than 50% equity interest in an enterprise holding an ICP License. However, there is no foreign investment restriction on an enterprise holding an EDI License.

Categories

Relevant Businesses

We believe that our online medical and healthcare consultation services and pharmacy marketplace services are fundamental components of our online platforms, and the requisite ICP License and EDI License have to be obtained by Weikang Zhiyuan, being the operator of the online platforms. In addition, pursuant to applicable PRC laws and regulations, telecommunication enterprises are prohibited from leasing, transferring or selling their licenses to other entities in any form. Therefore, in order for Weikang Zhiyuan to operate our online platforms in compliance with applicable PRC laws and regulations, it must hold both the ICP License and EDI License instead of separating the two businesses under a separate entity from Weikang Zhiyuan.

The relevant competent authority had confirmed that (i) foreign investors are prohibited from holding more than 50% of the equity interest in an enterprise holding an ICP License, but there is no foreign investment restriction on an enterprise holding an EDI License; and (ii) in case of any enterprise holding both ICP License and EDI License, such enterprise shall comply with the strictest foreign investment restriction requirement and will not be granted a value-added telecommunication business operating license through any wholly-foreign owned enterprise.

REPORT OF DIRECTORS

In addition, our Company operated certain businesses through the Contractual Arrangements which are not subject to foreign investment restriction under the applicable PRC laws and regulations through Shenzhen Ningyuan and its subsidiary. Notwithstanding the above, we are of the view that the Contractual Arrangements in respect of the Unrestricted Business (as defined below) are narrowly tailored. A summary of the Unrestricted Business and the reasons for adoption of Contractual Arrangements for the Unrestricted Business are set out below.

Name of Entities	Business/operation
Shenzhen Ningyuan and its subsidiary	<p data-bbox="798 605 1447 950">Shenzhen Ningyuan and its subsidiary (the “Project Entities”) have been currently engaged by 204 public sector customers, who are public hospitals or state-owned enterprises (the “Public Project Customers”), for the sales and maintenance of the Blue Dragonfly Infectious Disease Real-time Monitoring System and the Blue Dragonfly Hospital Infection Real-time Surveillance System, and the provision of our Hospital Full-Process System service (the “Unrestricted Business”). The Unrestricted Business is not subject to any foreign investment restriction or prohibition under the applicable PRC laws and regulations.</p> <p data-bbox="798 989 1447 1366">However, the Unrestricted Business is included in the Contractual Arrangements because, as requested and confirmed by the Public Project Customers, according to their internal procedures, (i) the Unrestricted Business must be provided to them by PRC domestic companies without foreign investment and Shenzhen Ningyuan is considered as a PRC domestic company based on the shareholding structure publicly available for inspection; and (ii) no changes can be made to the Unrestricted Business service providers before the expiration of the agreed terms of service and engagement conditions, which will all expire by December 31, 2026.</p> <p data-bbox="798 1405 1447 1685">To the best of knowledge of our Directors, (i) the aforementioned engagement condition is widely common across public sector engagements; and (ii) due to the aforementioned internal requirements of the Public Project Customers, it is impractical for Shenzhen Ningyuan and its subsidiary to transfer the Unrestricted Business service contracts currently in effect with the Public Project Customers to other entities out of the Contractual Arrangements.</p>

REPORT OF DIRECTORS

Name of Entities

Business/operation

We believe the costs of removing the Unrestricted Business from the Contractual Arrangements outweigh the benefits thereof. The transfer of the Unrestricted Business service contracts might lead to (i) the early termination of all the Unrestricted Business service contracts, resulting in the loss of all revenue generated from the Public Project Customers and potential costs on claims for breach of service contracts, and (ii) the loss of all the Public Project Customers, together with the established strategic partnership, which may negatively affect the Company's business reputation and public image. As such, the transfer of Unrestricted Business service contracts will interrupt, and be detrimental to, our business operations.

In addition, retaining such Unrestricted Business in our Group would continuously bring value to our Group by maintaining our strategic partnership with and bringing us more opportunities from the Public Project Customers. Our collaboration with the Public Project Customers is part of our efforts in expanding our medical resource coverage and user base. By partnering with them, we can tap into their broad patient base, therefore generating significant user traffic and attracting a diverse range of individual users to our platform. Leveraging on the large user base, we can attract more medical and healthcare institutions and professionals to collaborate with us. For details, see the section headed "Business — Our Collaboration with Medical and Healthcare Institutions" of the Prospectus.

Our Company will continue to implement adequate safeguards and internal review procedures to (i) undertake new projects with new or existing Public Project Customers on terms that will enable our Group to provide the Unrestricted Business through the WFOE and/or its subsidiaries unless there are engagement condition(s) imposed by the Public Project Customers; (ii) ensure that the Unrestricted Business that may be provided to new or existing Public Project Customers by entities within the Contractual Arrangements will remain immaterial to our Group in terms of revenue contribution, which in any event will not exceed 5% of the annual revenue of our Group on an ongoing basis; and (iii) ensure that the assets contribution of Shenzhen Ningyuan will not exceed 5% of the total assets of our Group on an ongoing basis.

REPORT OF DIRECTORS

Reasons for the use of Contractual Arrangements

As foreign investment in certain areas of the industries in which we currently operate is subject to restrictions under the relevant PRC laws and regulations and practical difficulties, we do not directly own or wholly own equity interests in our Consolidated Affiliated Entities, as the case may be. In line with common practice and in order to conduct the Relevant Businesses in the PRC, our Company, through Zhejiang Renren'ai, entered into the Contractual Arrangements with Weikang Zhiyuan, Renren Weikang and Shenzhen Ningyuan and their respective Registered Shareholders, pursuant to which our Company has acquired effective control over the Relevant Businesses through the Consolidated Affiliated Entities, and become entitled to substantially all the economic benefits derived from the Consolidated Affiliated Entities.

In light of the foregoing reasons and taking into account the non-transferability nature of the Unrestricted Business, the material adverse impact on our business operations from transferring the Unrestricted Business out of the Contractual Arrangements and the immateriality (in terms of revenue and assets contribution) of the Unrestricted Business conducted by the Project Entities, as well as the undertaking mentioned above, the Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our Consolidated Affiliated Entities, have been narrowly tailored to achieve our business purpose and minimize the potential for conflict with relevant PRC laws and regulations.

Further, our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between Zhejiang Renren'ai, our Consolidated Affiliated Entities and the Registered Shareholders; (ii) by entering into the Exclusive Business Cooperation Agreements (as defined below) with the WFOE, which is our subsidiary incorporated in the PRC, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation; and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

Summary of the material terms of the Contractual Arrangements

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

(1) Exclusive Business Cooperation Agreements

Pursuant to the exclusive business cooperation agreements dated August 11, 2023 and October 20, 2023 between each of the Onshore Holdcos and the WFOE (collectively, the "**Exclusive Business Cooperation Agreements**"), our Onshore Holdcos agreed to engage the WFOE as the exclusive provider to the Consolidated Affiliated Entities of the following consultancy and relevant services in exchange for an annual or quarterly service fee:

- technical support and professional training services;
- assistance in consultancy, collection and research of relevant technology and market information (excluding market research business that foreign-invested enterprises are prohibited from conducting under PRC laws and regulations);
- business and management consultation services;
- marketing and promotional services;
- customer order management and customer services;
- the use of any relevant intellectual properties legally owned by the WFOE; and
- other services as negotiated and specified between the Onshore Holdcos and the WFOE from time to time, based on the actual business requirements of the Consolidated Affiliated Entities and the service capacity of the WFOE, to the extent permitted by PRC laws and regulations.

REPORT OF DIRECTORS

In consideration of the services provided by the WFOE, the Onshore Holdcos shall pay the service fees to the WFOE annually or quarterly (as requested by the WFOE), which shall be equivalent to the annually or quarterly consolidated distributable profit after taxation to which the Onshore Holdcos are entitled, consisting of approximately 50%, 10% and 97.72% of the total consolidated profit of Weikang Zhiyuan, Renren Weikang and Shenzhen Ningyuan, respectively, after deducting any accumulated losses from the preceding fiscal year(s), and any costs, expenses, tax and other statutory contributions in relation to the respective fiscal year(s).

During the respective term of the Exclusive Business Cooperation Agreements, without the WFOE's prior written consent, with respect to the services provided under the Exclusive Business Cooperation Agreements, the Consolidated Affiliated Entities shall not directly or indirectly accept the same or any similar services to be provided by any third party and shall not establish cooperation relationship similar to that formed by the Exclusive Business Cooperation Agreements with any third party.

The Exclusive Business Cooperation Agreements also provide that the WFOE has the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by the Consolidated Affiliated Entities during the performance of the Exclusive Business Cooperation Agreements.

Under the Exclusive Business Cooperation Agreements, (i) director or senior management of the Onshore Holdcos shall not be changed, dismissed or replaced without the prior written consent of the WFOE; and (ii) our Consolidated Affiliated Entities shall allow the WFOE to inspect their accounts and provide other information including relevant records and data.

The Exclusive Business Cooperation Agreements shall remain effective unless terminated by the WFOE with a 30-day prior written notice.

(2) *Exclusive Option Agreements*

Pursuant to (i) the exclusive option agreements dated August 11, 2023 and October 20, 2023 among the WFOE, each of the Onshore Holdcos and their respective Registered Shareholders, and (ii) the exclusive option agreements dated May 20, 2024 among the WFOE, Chengdu Renren Weikang, Blue Dragonfly Internet (the "**Operating Subsidiaries**") and their respective shareholders (the "**Operating Subsidiaries Shareholders**") (collectively, the "**Exclusive Option Agreements**"), the Registered Shareholders and the Operating Subsidiaries Shareholders irrevocably granted the WFOE an exclusive right to acquire or designate one or more persons to acquire, to the extent permitted under any applicable PRC laws, from the Registered Shareholders and the Operating Subsidiaries Shareholders any or all of their equity interests then held in the Onshore Holdcos and the Operating Subsidiaries, in whole or in part at any time, for the minimum amount of consideration permitted by applicable PRC laws.

The WFOE has the sole discretion to decide when to exercise the option, and whether to exercise the option in part or in full. The key factor for us to decide whether to exercise the option is whether the applicable foreign investment restrictions in relation to the Relevant Businesses will be removed in the future, the likelihood of which we were not in a position to know or comment on as of the date of this report. Where such foreign investment restrictions have been relaxed and there exist clear procedures and guidance for our Group to directly hold the maximum permitted interests in the Consolidated Affiliated Entities, our Group shall have the right to unwind or modify (as the case may be) the Contractual Arrangements such that our Company (or our subsidiary(ies) of which we hold equity interests) will directly hold the maximum percentage of ownership interests permissible in the Consolidated Affiliated Entities, under relevant PRC laws and regulations, through foreign investment entities.

REPORT OF DIRECTORS

To prevent the flow of the assets and value of the Consolidated Affiliated Entities to their respective shareholders, pursuant to the Exclusive Option Agreements, without the prior written consent of the WFOE, the Registered Shareholders and the Operating Subsidiaries Shareholders shall not sell, transfer, pledge or dispose of in other manner the legal and beneficial interests in the Onshore Holdcos and the Operating Subsidiaries, or allow the encumbrance thereon of any security interest. Further, the Registered Shareholders and the Operating Subsidiaries Shareholders may not receive any profit distribution or dividend from the Onshore Holdcos and the Operating Subsidiaries without prior written consent from the WFOE.

If the WFOE exercises the option under the Exclusive Option Agreements to acquire the equity interests in the Onshore Holdcos and the Operating Subsidiaries, all or any part of the equity interests in the Onshore Holdcos and the Operating Subsidiaries acquired would be transferred to the WFOE and the benefits of equity ownership would flow to the WFOE and its shareholders. The Registered Shareholders and the Operating Subsidiaries Shareholders have also undertaken that, subject to the relevant laws and regulations, they will return to the WFOE any consideration they receive in the event that the WFOE exercises such option to acquire the equity interests in the Onshore Holdcos and the Operating Subsidiaries.

(3) *Equity Pledge Agreements*

Pursuant to (i) the equity pledge agreements dated August 11, 2023 and October 20, 2023 entered into among the WFOE, each of the Onshore Holdcos and their respective Registered Shareholders, and (ii) the equity pledge agreements dated May 20, 2024 among the WFOE, the Operating Subsidiaries and the Operating Subsidiaries Shareholders (collectively, the “**Equity Pledge Agreements**”), the Registered Shareholders and the Operating Subsidiaries Shareholders agreed to pledge all of their respective equity interests in the Onshore Holdcos and the Operating Subsidiaries that they legally own to the WFOE as security interest to guarantee the performance of their contractual obligations under the relevant Contractual Arrangements.

Under the Equity Pledge Agreements, among other things, the Registered Shareholders and the Operating Subsidiaries Shareholders have agreed that, without prior written consent of the WFOE, they will not transfer or dispose of the pledged equity interests or create or allow any third party to create any encumbrance on the pledged equity interests that would prejudice the WFOE’s interest. The pledge in respect of Onshore Holdcos and the Operating Subsidiaries took effect upon the completion of the change of registration with the relevant administration for industry and commerce and shall remain valid until after all the contractual obligations of the Registered Shareholders, Onshore Holdcos, Operating Subsidiaries and Operating Subsidiaries Shareholders under the relevant Contractual Arrangements have been fully performed and all the losses to be paid by the Registered Shareholders, Onshore Holdcos, Operating Subsidiaries and Operating Subsidiaries Shareholders arising from their defaults under the relevant Contractual Arrangements have been fully paid.

The equity pledges under the Equity Pledge Agreements have been duly registered with the relevant PRC authority pursuant to the relevant PRC laws.

REPORT OF DIRECTORS

(4) *Entrustment Agreements*

Pursuant to the shareholders' rights entrustment agreements dated August 11, 2023 and October 20, 2023 among the WFOE, each of the Onshore Holdcos and their respective Registered Shareholders (collectively, the "**Entrustment Agreements**"), the Registered Shareholders have irrevocably appointed the WFOE or the person designated by the WFOE (including but not limited to the Directors, their successors and liquidators but excluding those who are non-independent or who may give rise to conflicts of interest) as their agent and attorney to act on their behalf on all matters concerning the Onshore Holdcos and to exercise all of their rights as Registered Shareholders of the Onshore Holdcos, including but not limited to:

- the right to propose to convene and attend shareholders' meetings;
- the right to exercise voting rights on all matters that require discussion and resolution at shareholders' meeting, approve and sign resolutions on behalf of the relevant Registered Shareholders;
- the right to submit any required documents to the relevant authorities; and
- the right to exercise all shareholders' rights under applicable PRC laws and the articles of association of the Onshore Holdcos.

(5) *Spouse Undertakings*

The spouse of each of the individual Registered Shareholders has signed a spousal undertaking letter (collectively, the "**Spouse Undertakings**"), pursuant to which the signed spouses unconditionally and irrevocably undertake their respective spouses' performance under the Contractual Arrangements.

The signed spouses further undertake, among other things, that (i) any equity interests held by their respective spouse as a Registered Shareholder in the Onshore Holdcos do not fall within the scope of their communal properties; (ii) any necessary measures taken or obligations performed by his/her spouse to procure the execution of the Contractual Arrangements do not require his/her authorization or consent; and (iii) each of them will take any necessary measures to procure the execution of the Contractual Arrangements.

(6) *Confirmation from the individual Registered Shareholders*

Each of the individual Registered Shareholders has confirmed to the effect that (i) his/her interests do not fall within the scope of communal properties, and his/her spouse does not have the right to claim any interests in the Onshore Holdcos (together with any other interests therein) or exert influence on the day-to-day management and voting matters of the Onshore Holdcos; and (ii) in the event of his/her death, disappearance, incapacity, divorce, marriage or any other event which causes his/her inability to exercise his/her rights as a shareholder of the Onshore Holdcos, his/her successors (including his/her spouse) will not take any actions that would affect his/her obligations under the Contractual Arrangements.

REPORT OF DIRECTORS

(7) Confirmation from the institutional Registered Shareholders

Each of the institutional Registered Shareholders has confirmed to the effect that in the event of bankruptcy, liquidation or any other circumstances that may prevent institutional Registered Shareholders from exercising their rights as shareholders of the relevant Onshore Holdcos, they will procure their successors not to take any action that would affect the institutional Registered Shareholders' obligations under the Contractual Arrangements, nor will they take any actions that would conflict with the arrangements under the Contractual Arrangements.

Further, save and except for (i) Shenzhen Toposcend, Chongqing Southern Fund and Shenzhen Yuanzhi, which are ultimately controlled by Shenzhen Municipal SASAC, and (ii) Qingdao Chengyu, which is ultimately owned by Qingdao Shinan District Finance Bureau (青島市市南區財政局), each of the ultimate beneficial owners of the institutional Registered Shareholders and their spouses has signed an undertaking pursuant to which each of the ultimate beneficial owners of the institutional Registered Shareholders and their spouses has undertaken that he or she will ensure his or her performance under the Contractual Arrangements. We have been advised that the fact that the ultimate beneficial owners of Shenzhen Toposcend, Chongqing Southern Fund, Shenzhen Yuanzhi and Qingdao Chengyu do not execute such undertaking will not affect the legality, enforceability and performance of the Contractual Arrangements given that (i) Shenzhen Toposcend, Chongqing Southern Fund, Shenzhen Yuanzhi and Qingdao Chengyu have confirmed that each of them has obtained necessary internal authorizations to enter into the Contractual Arrangement, and (ii) each of the institutional Registered Shareholders, instead of their respective ultimate beneficial owner, is the signatory to the Contractual Arrangements and therefore, the institutional Registered Shareholders are contractually obliged to perform their duties and obligations under the Contractual Arrangements.

Other aspects of the Contractual Arrangements

(1) Dispute resolution

Each of the agreements under the Contractual Arrangements contains a dispute resolution clause, pursuant to which, (i) in the event of any dispute arising under or in connection with the Contractual Arrangements, the parties thereto shall negotiate to settle the dispute; and (ii) in the event of the parties failing to reach an agreement within 30 days after the relevant dispute arises, the relevant dispute shall be submitted to the Shenzhen Court of International Arbitration in accordance with the then effective arbitration rules. The arbitration award shall be final and binding on all parties. Any party shall have the right to apply to courts with competent jurisdiction for the enforcement of arbitration awards after the relevant arbitration award comes into effect.

The dispute resolution clause also provides that (i) the tribunal may award remedies over the shares or assets of the Consolidated Affiliated Entities or injunctive relief (e.g., for the conduct of business or to restrict the transfer of assets), or order the winding-up of the Consolidated Affiliated Entities; and (ii) the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company) and other courts with jurisdiction shall also have the right to grant interim remedies or enforce an arbitral award or interim remedies against the shares or properties of the Consolidated Affiliated Entities.

However, the tribunal normally would not grant such injunctive relief or order the winding up of the Consolidated Affiliated Entities pursuant to the current PRC laws. In addition, interim remedies or enforcement orders granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable under the current PRC laws.

As a result of the above, if the Consolidated Affiliated Entities or their Registered Shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over the Consolidated Affiliated Entities and conduct our business could be materially and adversely affected.

(2) *Succession*

The Contractual Arrangements are binding on the successors of the Registered Shareholders. Under the succession laws of the PRC, the statutory successors include one's spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents and any breach by such successors would be a breach of the Contractual Arrangements. In case of a breach, the WFOE can enforce its rights against the successors. Pursuant to the Exclusive Business Cooperation Agreements, the Exclusive Option Agreements, the Equity Pledge Agreements and the Entrustment Agreements, in the event of death, loss of capacity, marriage or divorce or other circumstances which would affect the exercise of equity interests in the Consolidated Affiliated Entities, the successors (including the spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents of the Registered Shareholders), assignees or other persons or entities who obtain the equity interests in the Consolidated Affiliated Entities as a result of any of the above events shall inherit or assume the rights and obligations under the relevant contracts, as if the successor was a signing party to such Contractual Arrangements.

(3) *Arrangements to address potential conflicts of interest*

To ensure our effective control over the Consolidated Affiliated Entities, we have implemented measures to protect against the potential conflicts of interest between our Company and the Registered Shareholders. Pursuant to the Exclusive Option Agreements, the WFOE has the right to require the Registered Shareholders and the Operating Subsidiaries Shareholders to transfer any or all of their equity interests in the Onshore Holdcos and the Operating Subsidiaries to the WFOE or its designated third party. Under the Entrustment Agreements, each of the Registered Shareholders has appointed the persons designated by the WFOE (excluding non-independent persons or persons who may give rise to conflicts of interests) as their attorney-in-fact to exercise its rights in respect of its equity interests in the Onshore Holdcos. Furthermore, under the Spouse Undertakings, spouses of the individual Registered Shareholders undertook that (i) any equity interests of their spouses in the Onshore Holdcos do not fall within the scope of their communal properties and he or she will not claim any individual Registered Shareholders' equity interests and corresponding assets in the Onshore Holdcos; (ii) he or she will sign all necessary documents and take all necessary acts to ensure the proper performance of the Contractual Arrangements; (iii) any rights attached to the shares of the Onshore Holdcos (including but not limited to inheritance rights, income rights, disposal rights, voting rights, share transfer rights, share pledge rights, etc.) is not inheritable property of the individual Registered Shareholders and their spouses; and (iv) in the event that he or she obtains any equity interests in the Onshore Holdcos from his or her spouse, he or she shall comply with the obligations of his or her spouse as a shareholder of the Onshore Holdcos under the Contractual Arrangements.

Based on the foregoing, our Directors are of the view that the measures we have adopted are sufficient to mitigate the risks associated with potential conflicts of interest between our Group and the Registered Shareholders and that these measures are sufficient to protect our Group's interest in the Consolidated Affiliated Entities.

(4) *Loss sharing*

Under the relevant PRC laws and regulations, neither our Company nor the WFOE is legally required to share the losses of, or provide financial support to, the Consolidated Affiliated Entities. Further, the Consolidated Affiliated Entities are limited liability companies and shall be solely liable for their own debts and losses with assets and properties owned by them. The WFOE intends to continuously provide to or assist the Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that our Group conducts its business operations in the PRC through the Consolidated Affiliated Entities, which hold the requisite PRC operational licenses and approvals, and that their financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Group's business, financial position and results of operations would be adversely affected if the Consolidated Affiliated Entities suffer losses.

REPORT OF DIRECTORS

However, as provided in the Exclusive Option Agreements, without the prior written consent of the WFOE, the Consolidated Affiliated Entities shall not, among others things, (i) sell, transfer, pledge or dispose of in any manner any of its assets; (ii) create, succeed to, guarantee or permit any liability except (a) liabilities arising from the normal course of business, but not arising from loans; and (b) liabilities disclosed to the WFOE and approved by the WFOE in writing; (iii) provide loans or credit to any person; (iv) enter into any consolidation or merger with any third party, or invest in any third party; and (v) increase or reduce its registered capital, or alter the structure of the registered capital in any other way.

Therefore, due to the relevant restrictive provisions in the agreements under the Contractual Arrangements, the potential adverse effect on the WFOE and our Company in the event of any loss suffered from the Consolidated Affiliated Entities can be limited to a certain extent.

(5) *Liquidation*

Pursuant to the Entrustment Agreements, upon the liquidation or winding up of the Consolidated Affiliated Entities, the WFOE is entitled to recommend, and the Onshore Holdcos shall appoint such recommended persons, to become members of the liquidation committee of the Consolidated Affiliated Entities. In addition, pursuant to the Exclusive Option Agreements, in the event of liquidation or winding up, all of the remaining assets of the Consolidated Affiliated Entities shall be transferred to the WFOE or its designated person after such liquidation or winding up pursuant to PRC laws.

(6) *Insurance*

There are certain risks involved in our operations, in particular, those relating to our corporate structure and the Contractual Arrangements. A detailed discussion of material risks relating to our Contractual Arrangements is set forth in the section headed “Risk Factors — Risks Relating to Our Contractual Arrangements” in the Prospectus. We have determined that the costs of insurance for the risks associated with business liability or disruption and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Accordingly, as of December 31, 2025, our Company did not purchase any insurance to cover the risks relating to the Contractual Arrangements.

For details of the material terms of the Contractual Arrangements, see the section headed “Contractual Arrangements” in the Prospectus.

Risks Relating to the Contractual Arrangements

For details of risks relating to the Contractual Arrangements, see the section headed “Risk Factors — Risks Relating to Our Contractual Arrangements” in the Prospectus.

Material Change in the Contractual Arrangements

For the year ended December 31, 2025, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted.

Termination of the Contractual Arrangements

For the year ended December 31, 2025, none of the Contractual Arrangements had been terminated as none of the restrictions that led to the adoption of the contracts under the Contractual Arrangements have been removed.

Revenue and Assets under the Contractual Arrangements

The Group derived substantially all of its total revenue and net assets from the Consolidated Affiliated Entities subject to the Contractual Arrangements. For the year ended December 31, 2025 and as of December 31, 2025, the total revenue and net assets from the Consolidated Affiliated Entities subject to the Contractual Arrangements were approximately RMB202.7 million and RMB123.4 million, respectively.

REPORT OF DIRECTORS

Waiver from the Stock Exchange

The Stock Exchange has granted the Company a waiver from strict compliance with the connected transaction requirements under Chapter 14A of the Listing Rules in respect of the Contractual Arrangements. For details, see the section headed “Connected Transactions” in the Prospectus.

CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, for the year ended December 31, 2025, the independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that the Contractual Arrangements and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Group on normal commercial terms or better, and that the terms of the Contractual Arrangements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Our Directors (including independent non-executive Directors) are also of the view that with respect to the terms of the relevant agreements underlying the Contractual Arrangements, which are of a duration longer than three years, it is a justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure that (i) the financial and operational policies of our Consolidated Affiliated Entities can be effectively controlled by our Company indirectly; (ii) our Company can indirectly obtain the economic benefits derived from our Consolidated Affiliated Entities; and (iii) any possible leakages of assets and values of our Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

Our Directors (including the independent non-executive Directors) are also of the view that during the Reporting Period, (i) the transactions carried out have been entered into in accordance with the relevant provisions of the Contractual Arrangements; (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of their equity interests which were not otherwise subsequently assigned or transferred to our Group; and (iii) no new contracts were entered into, renewed or reproduced between our Group and our Consolidated Affiliated Entities.

The Board has reviewed the overall performance of and compliance with the Contractual Arrangements for the year ended December 31, 2025.

CONFIRMATION FROM THE COMPANY'S INDEPENDENT AUDITOR

The auditors of the Group have carried out procedures on the transactions conducted pursuant to the Contractual Arrangements in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditors’ Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants, and have issued a letter to the Directors stating that (a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board of the Company; (b) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (c) with respect to the disclosed continuing connected transactions with the Consolidated Affiliated Entities under the Contractual Arrangements, nothing has come to their attention that causes them to believe that the Consolidated Affiliated Entities have made dividends or other distributions to their equity holders which would not have been otherwise transferred or assigned to the Group.

Save as disclosed in this annual report, during the Reporting Period, there is no related party transaction set out in note 36 to the consolidated financial statements which constitutes connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules, and the Company did not have any other connected transactions or continuing connected transactions which are required to be disclosed pursuant to the provisions concerning disclosure of connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the connected transactions and continuing connected transactions.

REPORT OF DIRECTORS

MATERIAL LITIGATION

During the Reporting Period, the Company was not involved in any material litigation or arbitration. So far as the Directors are aware, there is no material litigation or claim pending or threatened against the Company.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association, the Company shall indemnify out of the assets of the Company, each Director, auditor or other officer of the Company against all losses or liabilities incurred or sustained in defending any civil or criminal proceedings in which judgement is given in favour of such Director, auditor or other officer of the Company, or in which such Director, auditor or other officer is acquitted. During the year ended December 31, 2025, the Company has arranged appropriate directors' liability insurance for the Directors.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, saved as disclosed in this annual report, the Company did not have any material acquisitions or disposals of subsidiaries, Consolidated Affiliated Entities or associates.

SUBSEQUENT EVENTS

Save as disclosed in this annual report, there have been no significant subsequent events after the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**"), together with the senior management of the Group, has reviewed the Group's accounting principles and practice, as well as the audited consolidated financial statements for the year ended December 31, 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high corporate governance standards. Information regarding the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 56 to 75 of this annual report.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge, information and belief of the Directors, the Company maintained an adequate public float as required by the Stock Exchange and the Listing Rules at all times during the Reporting Period and throughout the period up to date of this annual report.

AUDITOR

The Shares were listed on the Main Board of the Stock Exchange on September 17, 2025, and the auditors of the Company remain unchanged since the Listing Date. The consolidated financial statements of the Group for the year ended December 31, 2025 were audited by PricewaterhouseCoopers.

By order of the Board
160 Health International Limited
LUO Ningzheng
*Chairman of the Board, Executive Director and
Chief Executive Officer*

Hong Kong, March 27, 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the reporting year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Shares were listed on the Main Board of the Stock Exchange on September 17, 2025, and the CG Code as set out in Appendix C1 to the Listing Rules was not applicable to the Company prior to the Listing Date. Save as disclosed in this annual report, the Company has complied with all applicable code provisions and adopted most of the recommended best practices contained in the CG Code from the Listing Date up to the date of this annual report.

THE BOARD

Corporate Culture and Value

A healthy corporate culture across the Group is integral to attaining its vision and strategies. It is the Board's responsibility to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

1. *Integrity and code of conduct*

The Group strives to maintain high standards of business ethics and corporate governance across all activities and operations. The Directors, management and staff of the Company are required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and included in various policies such as the employee handbook (including therein the Group's code of conduct), the anti-corruption policy and the whistleblowing policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. *Commitment*

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity and sustainability foster a sense of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in business development and management is to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring the Group's business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board Committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The responsibilities delegated by the Board to the Board Committees are set forth in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

CORPORATE GOVERNANCE REPORT

Board Composition

As at December 31, 2025 and the date of this annual report, the Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors as follows:

Executive Directors:

Mr. Luo Ningzheng⁽¹⁾ (*Chairman of the Board and Chief Executive Officer*)

Mr. Ji Cuilin⁽¹⁾

Mr. Huang Lang⁽¹⁾

Mr. Wang Lifa⁽¹⁾

Non-executive Directors:

Mr. Liu Haibin⁽³⁾ (*appointed on March 2, 2026*)

Ms. Sun Meng⁽¹⁾

Mr. Zhang Ruxie⁽¹⁾ (*resigned on March 2, 2026*)

Independent Non-executive Directors:

Mr. Wang Huan⁽²⁾ (*appointed on December 12, 2025*)

Dr. Xu Weiguo⁽¹⁾

Dr. Fan Ming⁽¹⁾

Mr. Zou Jun⁽¹⁾ (*resigned on December 12, 2025*)

Notes:

1. Mr. Luo Ningzheng, Mr. Ji Cuilin, Mr. Huang Lang, Mr. Wang Lifa, Mr. Zhang Ruxie, Ms. Sun Meng, Mr. Zou Jun, Dr. Xu Weiguo and Dr. Fan Ming obtained legal advice referred to in Rule 3.09D of the Listing Rules in October 2023, and they acknowledged and understood the requirements applicable to a listed issuer under the Listing Rules and their obligations as directors of a listed issuer, as well as the consequences of making false declarations or providing false information to the Stock Exchange.
2. Mr. Wang Huan obtained legal advice referred to in Rule 3.09D of the Listing Rules on December 12, 2025, and he acknowledged and understood the requirements applicable to a listed issuer under the Listing Rules and his obligations as a director of a listed issuer, as well as the consequences of making false declarations or providing false information to the Stock Exchange.
3. Mr. Liu Haibin obtained legal advice referred to in Rule 3.09D of the Listing Rules on March 2, 2026, and he acknowledged and understood the requirements applicable to a listed issuer under the Listing Rules and his obligations as a director of a listed issuer, as well as the consequences of making false declarations or providing false information to the Stock Exchange.

The biographies of the Directors are set out in the section headed "Directors and Senior Management" in this annual report.

During the period from the Listing Date to December 31, 2025, the Board has complied with the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors, at least one of whom must possess appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with the requirement under Rule 3.10A of the Listing Rules regarding the appointment of independent non-executive Directors representing at least one-third of the members of the Board.

CORPORATE GOVERNANCE REPORT

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material/relevant relationship) with any other Director or chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

Independent Non-executive Directors

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Group's strategies, performance and control, as well as ensure that the interests of all Shareholders are considered. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any Shares.

The Company plans to adopt a board independence assessment mechanism (the "**Board Independence Assessment Mechanism**") by June 30, 2026. The Board Independence Assessment Mechanism aims to ensure that the Board has strong independent elements, so that the Board can effectively make independent judgments and better protect the interests of the Shareholders.

In order to ensure that independent views and opinions of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board will assess the independence of the independent non-executive Directors annually. Relevant factors considered include the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

In addition, according to the Board Independence Assessment Mechanism, the Directors are allowed to seek independent professional advice when performing their duties and are encouraged to independently contact and consult the senior management of the Company.

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent throughout the period from the Listing Date up to December 31, 2025 in accordance with the criteria set out in Rule 3.13 of the Listing Rules. During the Reporting Period, the Company has not yet conducted a performance appraisal of the Board, and the Company plans to complete a formal appraisal of the Board's performance by December 31, 2026.

The independent non-executive Directors have carried out annual review, and confirmed that they did not identify any conflict of interests between the Group and its controlling Shareholders and/or Directors for the year ended December 31, 2025.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “**Board Diversity Policy**”) in order to enhance the effectiveness of the Board and to maintain high standards of corporate governance. The Board Diversity Policy sets out the approach to achieve and maintain an appropriate balance of board diversity, which is conducive to the growth of our business. The selection of Board candidates will be based on a range of diversity considerations, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, with a view to achieving board diversity. Appointment decisions will be made on the merits and contribution that the selected candidates are expected to bring to the Board, having regard to the Board Diversity Policy.

Under the current composition of the Board, the Board has achieved gender balance and a wide age distribution, ranging from 37 to 74 years old. The Directors possess a balanced mix of knowledge and skills, including corporate governance, business management, product design and software engineering, sales and marketing, accounting and financial management, and education and healthcare services. They hold a variety of professional degrees, including computer engineering and applications, business administration, economics and clinical medicine. Taking into account our existing business model and specific needs, as well as the diverse backgrounds of the Directors, we consider that the composition of the Board is in line with our Board Diversity Policy.

The Nomination Committee has been delegated by the Board to be responsible for compliance with the relevant code provisions under the CG Code in relation to board diversity. The Nomination Committee will monitor and review the implementation of the Board Diversity Policy from time to time and at least annually to ensure its continued effectiveness.

The Nomination Committee and the Board have reviewed the membership, structure and composition of the Board, and are of the view that the structure of the Board is reasonable and that the experience and skills of the Directors across various aspects and areas enable the Company to maintain a high level of operations.

Measurable Objectives

The selection of candidates will be based on a range of diversity criteria, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be made on the merits of the candidates and the contribution they are expected to bring to the Board.

We have also taken and will continue to take measures to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management levels. In particular, Ms. Sun Meng serves as a female non-executive Director.

CORPORATE GOVERNANCE REPORT

WORKFORCE DIVERSITY POLICY

The Company plans to adopt an employee employment and diversity policy (the “**Workforce Diversity Policy**”) to foster a diverse, equitable and inclusive workplace environment and to promote talent development and corporate innovation. The Workforce Diversity Policy sets out the commitment of the Group to embedding diversity principles across recruitment, promotion, training and remuneration, and to achieving a diverse and complementary workforce composition across multiple dimensions, including gender, age, ethnicity, educational background, professional experience, skills and ways of thinking, while adhering to national laws and core socialist values. Although the Workforce Diversity Policy has not been duly submitted to the Board for consideration and approval, the Group actively practices diversity principles in its day-to-day management, and in particular has made progress in age and gender diversity. For the year ended December 31, 2025, the age of our employees ranged widely from 21 to 62 years old. The proportion of employees aged 41 or above increased from 11.3% in 2024 to 15.0% in 2025, and the proportion of female employees increased from 40.9% in 2024 to 42.1% in 2025. We are committed to providing more development opportunities and leadership training for employees of different age groups as well as female employees, and to promoting gender balance at all levels. Looking ahead, we will further refine our diversity management mechanisms and plan to submit the policy to the Board for consideration and approval in 2026 to systematically implement the relevant objectives.

Measurable Objectives

We will continuously monitor and enhance the level of diversity in our workforce based on a range of indicators, including gender, age, educational background and professional skills. In particular, at the senior management and key technical personnel levels, we will set and track specific targets such as gender ratios to ensure that diversity principles are embedded throughout the entire talent management process.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with the necessary induction training and materials to ensure a proper understanding of the operations and business of the Company and the responsibilities of the Director under the relevant statutes, laws, rules and regulations. The Company also arranges seminars for the Directors on a regular basis to provide them with updates on the latest developments and changes to the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the performance, position and prospects of the Company to enable the Board as a whole and each Director to discharge their duties.

The Company encourages the Directors to participate in appropriate continuous professional development seminars and programmes to develop and update their knowledge and skills, thereby ensuring that they continue to make informed and relevant contributions to the Board. The Company has also engaged external legal advisers to provide training to the Directors on updates to the Listing Rules and the latest developments in the relevant rules and regulations.

CORPORATE GOVERNANCE REPORT

Based on the records provided by the Directors, a summary of the training received by the Directors during the Reporting Period is as follows:

Name of Director	Role of directors	Directors' duties	Corporate governance	Risk management and internal controls	Updates on Company's industry development and business trends	Total hours
Mr. Luo Ningzheng	C	C	C	C	C	8.5
Mr. Ji Cuilin	C	C	C	C	C	8.5
Mr. Huang Lang	C	C	C	C	C	8.5
Mr. Wang Lifa	C	C	C	C	C	8.5
Mr. Zhang Ruxie ⁽³⁾	C	C	C	C	C	8.5
Ms. Sun Meng	C	C	C	C	C	8.5
Mr. Wang Huan ⁽¹⁾	C	C	C	C	C	8.5
Dr. Xu Weiguo	C	C	C	C	C	8.5
Dr. Fan Ming	C	C	C	C	C	8.5
Mr. Zou Jun ⁽²⁾	–	–	–	–	–	–

Notes:

1. Mr. Wang Huan was appointed as an independent non-executive Director on December 12, 2025.
2. Mr. Zou Jun resigned as an independent non-executive Director on December 12, 2025.
3. Mr. Zhang Ruxie resigned as a non-executive Director on March 2, 2026.
4. As the Shares were listed on the Main Board of the Stock Exchange on September 17, 2025, each of the Directors has not yet completed the relevant training hours required under Rule 3.09H of the Listing Rules during the Reporting Period.

Remarks:

- A: Internal training, such as attending Company's seminars and/or meetings and/or forums and/or briefings, and training relating to the business of the Company.
- B: External training, such as attending training provided by law firms and/or training courses provided by other professional organizations.
- C: Self-study, such as reading materials on a wide range of topics, including corporate governance, directors' duties, the Listing Rules and other relevant legislation.
- D: Any other forms of training, such as delivering speeches at seminars and/or meetings and/or forums, or participating in industry events as a panellist.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Mr. Luo Ningzheng is currently serving as the chairman of the Board as well as the chief executive officer of the Company. As Mr. Luo is the founder of the Group and has been managing the Group's business and overall strategic planning since its establishment, the Directors consider that vesting the roles of chairman and chief executive officer in Mr. Luo is beneficial to the business prospects and management of the Group by ensuring consistent leadership within the Group. Taking into account all the corporate governance measures that we are going to implement upon Listing, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Accordingly, the Company had not segregated the roles of its chairman and chief executive officer. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer at an appropriate time if necessary, taking into account the circumstances of the Group as a whole. Saved as disclosed above, as of the date of this report and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Directors are not aware of any deviation from provisions in the CG Code as set out in Appendix C1 to the Listing Rules.

Code provision C.2.7 of the CG Code requires the chairman to hold a meeting with the independent non-executive Directors at least once a year without the presence of other Directors. During the Reporting Period, the Chairman held a meeting with the independent non-executive Directors to understand their concerns and discuss relevant issues.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of Mr. Luo Ningzheng, Mr. Ji Cuilin, Mr. Huang Lang and Mr. Wang Lifa, all being executive Directors, entered into a service contract with the Company on September 3, 2025. Each service contract is for an initial term of three years commencing from the Listing Date or until the third annual general meeting held after the Listing Date, whichever is earlier, unless terminated by either party giving not less than one-month prior written notice. The service contracts are renewable in accordance with the Memorandum and Articles of Association and the applicable laws, rules and regulations.

Each of Mr. Zhang Ruxie (*resigned on March 2, 2026*), Ms. Sun Meng, Dr. Xu Weiguo, Dr. Fan Ming and Mr. Zou Jun (*resigned on December 12, 2025*), all being non-executive Directors or independent non-executive Directors, entered into a letter of appointment with the Company on September 3, 2025. Each letter of appointment is for an initial term of three years commencing from the Listing Date or until the third annual general meeting held after the Listing Date, whichever is earlier, unless terminated by either party giving not less than one month's prior written notice. The letters of appointment are renewable in accordance with the Memorandum and Articles of Association and the applicable laws, rules and regulations.

Mr. Wang Huan, an independent non-executive Director, entered into a letter of appointment with the Company on December 12, 2025. The letter of appointment is for an initial term of three years commencing from December 12, 2025 or until the third annual general meeting held after the date of appointment, whichever is earlier, unless terminated by either party giving not less than one month's prior written notice. The letter of appointment is renewable in accordance with the Memorandum and Articles of Association and the applicable laws, rules and regulations.

CORPORATE GOVERNANCE REPORT

Mr. Liu Haibin, a non-executive Director, entered into a letter of appointment with the Company on March 2, 2026. The letter of appointment is for an initial term of three years commencing from March 2, 2026 or until the third annual general meeting held after the date of appointment, whichever is earlier, unless terminated by either party giving not less than one month's prior written notice. The letter of appointment is renewable in accordance with the Memorandum and Articles of Association and the applicable laws, rules and regulations.

None of the Directors proposed for re-election at the annual general meeting has a service contract or letter of appointment with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Pursuant to article 15.1 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years.

Pursuant to article 15.5 of the Articles of Association, the Board may at any time appoint any person as a Director either to fill a casual vacancy or as an addition to the Board, subject to any maximum number or rules determined by the shareholders at a general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after such appointment, and shall then be eligible for re-election at that meeting.

Accordingly, Mr. Luo Ningzheng, Mr. Ji Cuilin, Mr. Huang Lang, Mr. Wang Lifa, Mr. Liu Haibin, Ms. Sun Meng, Mr. Wang Huan, Dr. Xu Weiguo and Dr. Fan Ming will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the meeting.

The procedures and process for the appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the composition of the Board and making recommendations to the Board on the appointment, re-election and succession planning of Directors.

BOARD MEETINGS AND GENERAL MEETINGS

The Company has adopted the practice of holding Board meetings regularly, with at least four Board meetings held each year at approximately quarterly intervals. At least 14 days' notice is given to all Directors for convening regular Board meetings, so that all Directors are given the opportunity to attend regular meetings and discuss matters on the agenda.

For other Board and Board Committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying Board papers are sent to the Directors or Board Committee members at least 3 days before the relevant meetings to ensure that they have sufficient time to review the documents and are adequately prepared for the meetings. Where Directors or Board Committee members are unable to attend a meeting, they will be informed of the matters to be discussed and given the opportunity to make their views known to the chairman prior to the meeting. Minutes are kept by the company secretary of the Company, and copies are circulated to all Directors for their reference and records.

CORPORATE GOVERNANCE REPORT

Minutes of Board meetings and Board Committee meetings record in sufficient detail the matters considered and decisions reached by the Board and the Board Committees, including any questions raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to all Directors within a reasonable time after the meeting for their review and comments. Minutes of Board meetings are available for inspection by all Directors.

During the period from the Listing Date up to December 31, 2025, two Board meetings were held and no general meeting was held. The attendance of each Director at the Board meetings is set out as follows:

Director	Number of Board meetings attended/eligible to attend
Mr. Luo Ningzheng	2/2
Mr. Ji Cuilin	2/2
Mr. Huang Lang	2/2
Mr. Wang Lifa	2/2
Mr. Zhang Ruxie (<i>resigned on March 2, 2026</i>)	2/2
Ms. Sun Meng	2/2
Mr. Wang Huan (<i>appointed on December 12, 2025</i>)	1/1
Dr. Xu Weiguo	2/2
Dr. Fan Ming	2/2
Mr. Zou Jun (<i>resigned on December 12, 2025</i>)	1/1

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct for securities transactions by its Directors. Having made specific enquiry of all Directors, they confirmed that they had complied with the required standard set out in the Model Code during the period from the Listing Date up to December 31, 2025.

DELEGATION BY THE BOARD

The Board reserves decision-making authority on all significant matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve a conflict of interest), financial information, appointment of Directors and other major financial and operational matters. The Directors may seek independent professional advice in the performance of their duties at the expense of the Company. They are also encouraged to make independent enquiries of the senior management of the Company.

The day-to-day management, administration and operations of the Group are delegated to the senior management. The Board reviews the delegated functions and responsibilities on a regular basis. Prior approval from the Board is required before the management enters into any material transaction.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS

The Board has confirmed that corporate governance is a collective responsibility of the Directors, and their corporate governance functions include:

- (a) developing and reviewing the corporate governance policies and practices of the Company, making recommendations to the Board and reporting to the Board on related matters;
- (b) reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- (c) reviewing and monitoring the policies and practices of the Company on compliance with legal and regulatory requirements;
- (d) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and
- (e) reviewing the compliance of the Company with the CG Code and the disclosures in the Corporate Governance Report.

BOARD COMMITTEES

Audit Committee

The Audit Committee currently comprises three members, including two independent non-executive Directors, namely Mr. Wang Huan (chairman) and Dr. Xu Weiguo, and one non-executive Director, namely Mr. Liu Haibin.

The principal duties of the Audit Committee include the following:

- (a) primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and dealing with any questions relating to the resignation or dismissal of the external auditor;
- (b) reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with the applicable standards; the Audit Committee shall discuss with the auditor the nature and scope of the audit and the reporting obligations before the audit commences;
- (c) reviewing the financial information of the Company, including organising and leading the annual audit of the Company, supervising the integrity, and ensuring the truthfulness, accuracy and completeness of the financial statements and the annual reports and accounts, interim reports and (if prepared for publication) quarterly reports of the Company during the audit process, reviewing the significant financial reporting judgements contained therein, and reporting the same to the Board; and
- (d) overseeing the financial reporting system, risk management and internal control systems of the Company.

CORPORATE GOVERNANCE REPORT

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The Audit Committee held two meetings during the period from the Listing Date up to December 31, 2025 to discuss and consider the following:

- review of the interim results of the Company for the six months ended June 30, 2025; and
- consideration of matters relating to the financial controls, risk management and internal controls of the Group for 2025.

The attendance of each member of the Audit Committee is set out as follows:

Director	Number of Audit Committee meetings attended/eligible to attend
Mr. Wang Huan (<i>chairman</i>) (<i>appointed on December 12, 2025</i>)	1/1
Mr. Zhang Ruxie (<i>resigned on March 2, 2026</i>)	2/2
Dr. Xu Weiguo	2/2
Mr. Zou Jun (<i>resigned on December 12, 2025</i>)	1/1

Nomination Committee

The Nomination Committee currently comprises five members, including one executive Director, namely Mr. Luo Ningzheng (chairman), one non-executive Director, namely Ms. Sun Meng, and three independent non-executive Directors, namely Mr. Wang Huan, Dr. Xu Weiguo and Dr. Fan Ming.

The principal duties of the Nomination Committee include the following:

- (a) reviewing the structure, size and composition of the Board (including the skills, knowledge and experience) on a regular basis and at least annually, assisting the Board in the preparation of a board skills matrix, and making recommendations on any proposed changes to the Board to complement the corporate strategy of the Company;
- (b) identifying suitable candidates qualified to become Directors on a wide basis, and selecting and nominating such candidates for directorship and senior management positions or making recommendations to the Board in this regard;
- (c) assessing the independence of the independent non-executive Directors to determine their eligibility;
- (d) making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the Chairman and Chief Executive Officer;
- (e) establishing and formulating the criteria and procedures for identifying and evaluating the qualifications of candidates for directorships and senior management positions, and conducting preliminary assessments of the qualifications of such candidates and making recommendations to the Board, including but not limited to assessing the balance of skills, knowledge and experience of the Board, and based on the results of such assessment, preparing a description of the role and capabilities required for individual appointments;

CORPORATE GOVERNANCE REPORT

- (f) reviewing the Board Diversity Policy and the progress made towards achieving the objectives of the policy and its implementation;
- (g) reviewing on an ongoing basis the needs of the leadership (including executive and non-executive members) to ensure that the organisation maintains effective market competitiveness;
- (h) keeping abreast of and maintaining a comprehensive understanding of the strategic issues and business developments affecting the Company and the markets in which it operates;
- (i) ensuring that non-executive Directors and independent non-executive Directors receive a formal letter of appointment upon their appointment to the Board, setting out the expectations of the Board in respect of their time commitment, service on committees and participation in activities beyond Board meetings;
- (j) reviewing and assessing the soundness of the corporate governance code of the Company and making recommendations for amendments to the Board for approval;
- (k) assisting the Company in conducting regular assessments of the performance of the Board;
- (l) taking any actions to enable the Nomination Committee to discharge the powers and functions conferred on it by the Board; and
- (m) complying with any requirements, directions and regulations as may be prescribed by the Board from time to time, or as set out in the constitutional documents of the Company, or as required by law.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

As the Company was listed on September 17, 2025, no meeting of the Nomination Committee was held during the period from the Listing Date up to December 31, 2025.

DIRECTOR NOMINATION POLICY

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) in accordance with the CG Code for the selection and recommendation of candidates for directorship.

The Director Nomination Policy sets out the selection criteria and procedures for the nomination and appointment of Directors, as well as succession planning considerations for the Board, with a view to ensuring that the balance of skills, experience and diversity of perspectives on the Board meets the requirements of the business of the Company.

Selection Criteria

The Nomination Committee will evaluate, select and recommend candidates for directorship to the Board based on appropriate criteria, with due regard to the benefits of board diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), whether the candidate has sufficient time to effectively discharge his or her duties, the candidate’s service on other listed and non-listed companies (which should be limited to a reasonable number), qualifications (including achievements and experience in the relevant industries in which the Company’s business is involved), independence, reputation for integrity, the potential contribution the candidate may bring to the Board, and commitment to enhancing and maximising shareholder value.

CORPORATE GOVERNANCE REPORT

Nomination Procedures

The Nomination Committee will make recommendations to the Board on the appointment of Directors in accordance with the following procedures and process:

- (a) consulting such sources as it considers appropriate to identify or select suitable candidates, such as referrals from existing Directors, advertisements, recommendations from independent agencies and suggestions from Shareholders, with due regard to the selection criteria;
- (b) evaluating the suitability of candidates using such procedures as it considers appropriate, such as interviews, background checks, presentations and third-party references;
- (c) following consideration of candidates suitable for directorship, the Nomination Committee will convene a meeting and/or pass written resolutions (as it considers appropriate) to approve the recommendation for appointment to the Board;
- (d) providing advice to the Board in respect of the proposed appointment; and
- (e) the Board shall have the final authority to determine the selection of nominees.

In respect of the re-election of Directors at a general meeting, the Nomination Committee shall review the overall contribution and service of the retiring Director to the Company, including attendance at Board meetings, Board Committee meetings and general meetings (as applicable), as well as the level of participation and performance of such Director on the Board. The Nomination Committee shall request the nominee to submit updated biographical details and a written consent to stand for re-election as a Director, and shall review and determine whether the retiring Director continues to meet the selection criteria for Directors. The Nomination Committee will then make recommendations to the Board on the re-election of Directors.

The Nomination Committee shall also monitor and review the implementation of the Director Nomination Policy from time to time and will report to the Board on an annual basis.

Remuneration Committee

The Remuneration Committee currently comprises three members, including one executive Director, namely Mr. Luo Ningzheng, and two independent non-executive Directors, namely Dr. Xu Weiguo (chairman) and Mr. Wang Huan.

The principal duties of the Remuneration Committee include the following:

- (a) reviewing the remuneration management system and policies of the Company, making recommendations to the Board on the remuneration policy and structure for all Directors and senior management, and on establishing a formal and transparent procedure for developing remuneration policy;
- (b) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives set by the Board;
- (c) recommending to the Board the remuneration packages of individual executive Directors and senior management of the Company, which should include benefits in kind, pension rights and compensation payments (including compensation for loss or termination of office or appointment);

CORPORATE GOVERNANCE REPORT

- (d) making recommendations to the Board on the remuneration of non-executive Directors of the Company;
- (e) considering the remuneration paid by comparable companies, the time commitment and responsibilities involved, and the employment conditions of other positions within the Company and its subsidiaries;
- (f) formulating the evaluation criteria for Directors and members of senior management, conducting evaluations and submitting evaluation reports to the Board;
- (g) reviewing and approving compensation payable to executive Directors and senior management of the Company in connection with their loss or termination of office or appointment, to ensure that such compensation is consistent with the contractual terms, and where it is not consistent with the contractual terms, that such compensation is fair and reasonable and not excessive;
- (h) reviewing and approving compensation arrangements relating to the dismissal or removal of a Director for misconduct, to ensure that such arrangements are consistent with the contractual terms, and where they are not consistent with the contractual terms, that such compensation is reasonable and appropriate;
- (i) ensuring that no Director or any of his or her associates is involved in deciding his or her own remuneration;
- (j) where the service contracts of Directors or proposed Directors of the Company or its subsidiaries require the approval of the Shareholders of the Company pursuant to Rule 13.68 of the Listing Rules, the Remuneration Committee (or an independent board committee) shall form a view on the relevant service contracts and advise the shareholders (excluding any shareholder who is a Director and has a material interest in the relevant service contract, and his or her associates) as to whether the terms are fair and reasonable, whether the relevant service contracts are in the interests of the Company and its shareholders as a whole, and how to vote;
- (k) reviewing and/or approving matters relating to share schemes as contemplated under Chapter 17 of the Listing Rules; and
- (l) considering all other matters referred to the Remuneration Committee by the Board.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

As the Company was listed on September 17, 2025, no meeting of the Remuneration Committee was held during the period from the Listing Date up to December 31, 2025.

REMUNERATION POLICY FOR DIRECTORS

The remuneration policy for Directors principally comprises a fixed component (in the form of basic salary) and a variable component (including discretionary bonuses and other incentives), taking into account other factors such as their experience, level of responsibilities, individual performance, the profitability of the Group and general market conditions.

The Remuneration Committee will hold at least one meeting annually to discuss remuneration-related matters (including the remuneration of Directors and senior management) and to review the remuneration policy of the Group. The Remuneration Committee will make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors and the five highest paid individuals for the year ended December 31, 2025 are set out in notes 37 and 11 to the consolidated financial statements. Pursuant to code provision E.1.5 of the CG Code, details of the remuneration of the members of senior management (other than Directors) (whose particulars are set out in the section headed "Directors and Senior Management" in this annual report) by band for the year ended December 31, 2025 are as follows:

Remuneration band	Number of individuals
Nil to RMB1,000,000	1
RMB1,000,001 to RMB2,000,000	1
RMB2,000,001 to RMB3,000,000	0
RMB3,000,001 to RMB4,000,000	0
Over RMB4,000,000	1

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group for the year ended December 31, 2025 which give a true and fair view of the affairs of the Company and the Group and of the results and cash flows of the Group.

The management of the Company has provided the necessary explanations and information to the Board to enable the Board to make an informed assessment of the consolidated financial statements of the Group submitted to the Board for approval. The Company provides all members of the Board with monthly updates on the performance, position and prospects of the Group.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.

The statement of the auditors regarding their reporting responsibilities in respect of the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 135 to 139 of this annual report.

AUDITOR'S REMUNERATION

The fees for audit services provided to the Group by the auditor for the year ended December 31, 2025 are as follows:

Type of services	Amount (RMB'000)
Audit services	
— Annual audit services	2,600
Total	2,600

CORPORATE GOVERNANCE REPORT

GOVERNANCE POLICIES

To uphold high standards of business integrity, honesty and transparency in all its business dealings, the Group has established anti-corruption and whistleblowing policies, which are conducive to building a healthy corporate culture and sound corporate governance practices.

Anti-Corruption Policy

The Company has adopted an anti-corruption policy (the “**Anti-Corruption Policy**”) which prohibits employees of the Group from engaging in corrupt and bribery practices, to ensure their compliance with applicable laws and regulations. The Anti-Corruption Policy is aimed at upholding high standards of integrity and probity, professional ethics and honesty, ensuring that the Group operates in an environment of honesty, fairness and justice, acts in the best interests of the shareholders, and ensures that employees conduct their activities in an appropriate manner in compliance with applicable laws and regulations.

The Anti-Corruption Policy forms an integral part of the corporate governance framework of the Group, and covers: (i) maintaining a high level of commitment to ethical and anti-corruption business practices, high standards of integrity and zero tolerance for corruption; (ii) the scope of the policy, including the activities that constitute misconduct and the persons to whom the policy applies; (iii) policy statements on business corruption and key integrity and conduct requirements for personnel; (iv) measures for the prevention and monitoring of corrupt and bribery practices; and (v) investigation procedures and disciplinary measures for corruption incidents. The Board and its Audit Committee oversee the design and implementation of the Anti-Corruption Policy, with the audit and supervision department serving as the standing department responsible for the anti-corruption work of the Group, primarily responsible for receiving reports, conducting investigations and reporting to the Board and its Audit Committee.

The Anti-Corruption Policy is reviewed and updated on a regular basis to ensure compliance with applicable laws and regulations and industry best practices.

Whistleblowing Policy

The Company has adopted a whistleblowing policy (the “**Whistleblowing Policy**”) which aims to (i) foster a culture of compliance, ethical conduct and good corporate governance across the Group; (ii) promote the importance of ethical conduct; and (iii) encourage employees and persons dealing with the Group to raise concerns in a confidential and anonymous manner about any misconduct, illegal or unethical conduct in relation to any matters of the Group.

The nature, status and outcome of complaints received under the Whistleblowing Policy will be reported to the audit and supervision department of the Group for preliminary investigation. Any possible misconduct will be discussed with the Directors, and the Audit Committee or the Board (as the case may be) will determine whether further investigation is necessary. No incidents of fraud or misconduct that had a material impact on the financial statements or overall operations of the Group for the year ended December 31, 2025 were identified. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems of the Group and reviews their effectiveness on an annual basis. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board and senior management of the Company are responsible for identifying and analyzing risks associated with our operations. They develop measures to mitigate these risks and assess and report on their effectiveness. To assist the Board in providing an independent assessment of our financial reporting process, internal control, and risk management systems, we have established an Audit Committee. The primary responsibilities of the Audit Committee include overseeing the audit process, evaluating the effectiveness of our financial reporting, internal control, and risk management systems, and fulfilling other duties and responsibilities assigned by the Board.

CORPORATE GOVERNANCE REPORT

To enhance our corporate governance, we have implemented and will continue to adopt a series of internal control measures and policies aimed at providing reasonable assurance in achieving objectives such as effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. The key highlights of our internal control framework are as follows:

- We have strengthened our existing internal control framework by implementing an internal control manual and policies covering various areas including corporate governance, risk management, operations, and legal matters;
- Our Directors have received training on the continuing obligations, duties, and responsibilities of directors of publicly listed companies under the relevant laws of Hong Kong, conducted by our legal advisor;
- Each of our Directors understands their fiduciary duties, which require them to act in the best interests of our Company and avoid conflicts of interest. If there is a potential conflict of interest arising from any transaction between our Company and Directors or their associates, the interested Director will abstain from voting and will not be counted in the quorum at the relevant Board meeting;
- We have established various policies to ensure compliance with the Listing Rules, including those related to risk management and information disclosure;
- We have engaged external legal advisors to provide guidance on compliance requirements of the Listing Rules and to ensure adherence to relevant regulatory requirements and applicable laws, as necessary;
- Regular audits and inspections will be conducted to assess and monitor the implementation of our internal control manual and policies by the relevant departments and companies within our Group;
- Internal training programs will be provided to employees to ensure their understanding and adherence to internal control and corporate governance procedures;
- We have implemented anti-corruption and anti-bribery compliance policies, which are included in our manual. We have also established a whistleblowing program that encourages employees to report instances of bribery directly to the finance department; and
- We will continue to update our policies as necessary to ensure ongoing compliance with applicable laws and regulations.

By implementing these measures, we strive to enhance our corporate governance, strengthen internal controls, and ensure compliance across our organization.

The Company understands its obligations under the Securities and Futures Ordinance and the Listing Rules, as well as the overriding principle that inside information shall be announced as soon as the Company becomes aware of inside information and/or becomes the subject of a decision, unless it falls within any of the “safe harbours” as prescribed under the Securities and Futures Ordinance. The Company has established an inside information management system which clearly sets out the internal reporting obligations and reporting procedures of insiders, as well as the information disclosure responsibilities of relevant personnel, and the Company will arrange self-inspections in a timely manner in accordance with the requirements of the relevant regulatory authorities. The Company monitors potential inside information on a real-time basis, and the Company will engage professional advisers to determine whether such information constitutes inside information where practicable. Where the disclosure threshold is met, the Company will arrange for disclosure as soon as possible and, prior to disclosure, will strictly limit access to such information and monitor share price movements until the disclosure of inside information is completed. Where the disclosure threshold is not met, the Company will maintain strict confidentiality.

CORPORATE GOVERNANCE REPORT

The key features of the risk management and internal control systems are to safeguard assets, ensure proper maintenance of accounting records and provision of reliable financial reporting, and to ensure compliance with the relevant laws and regulations.

The Company reviews its risk management and internal control systems on an annual basis. The Board has reviewed the effectiveness of the risk management and internal control systems of the Group for the year ended December 31, 2025 to ensure that the management of the Company maintains and operates sound systems in accordance with the agreed procedures and standards, and addresses significant internal control deficiencies. The review covers all material controls, including financial, operational and compliance controls, as well as risk management functions. In particular, the Board considers that the resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions of the Company, as well as those relating to the Company's ESG performance and reporting, are adequate. The review was conducted through discussions with the management of the Company and its external auditor, and assessed by the Audit Committee.

The Board is of the view that the existing risk management and internal control measures are effective and adequate to cover the existing business of the Group, and will continue to be refined in line with the business development of the Group. The risks referred to herein include but are not limited to material risks relating to ESG.

COMPANY SECRETARIES

Mr. Tang Shihua was appointed as a joint company secretary of the Company on October 20, 2023. To maintain good corporate governance and ensure compliance with the Listing Rules and applicable laws of Hong Kong, the Company has also engaged Ms. Yu Wing Sze of TMF Hong Kong Limited, a company secretarial services provider, as another joint company secretary to assist Mr. Tang Shihua in the discharge of his duties as a company secretary of the Company. Mr. Tang is the primary contact person of Ms. Yu Wing Sze at the Company.

Pursuant to Rule 3.29 of the Listing Rules, Mr. Tang Shihua and Ms. Yu Wing Sze have each undertaken not less than 15 hours of relevant professional training during the Reporting Period.

DIVIDEND POLICY

The Company does not have a formal dividend policy or a fixed dividend payout ratio. Under Cayman Islands laws, the Company is permitted to pay dividends from either profit or share premium account or as otherwise allowed by Cayman Islands laws, provided that in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. As advised by our legal advisors as to Cayman Islands laws, subject to the aforementioned condition, there are no restrictions under Cayman Islands laws preventing the Company from declaring and paying dividends despite our accumulated losses. The Board has complete discretion regarding the distribution of dividends, subject to the requirements of Cayman Islands laws. Furthermore, the Shareholders may declare a dividend by ordinary resolution, but no dividend can exceed the amount recommended by the Board. According to PRC laws, dividends can only be paid out of the profit for the year as determined by PRC accounting principles. In addition, foreign-invested enterprises in the PRC are required to allocate at least 10% of their after-tax profits, if any, to statutory reserves, which cannot be distributed as cash dividends. When dividends are approved by the Shareholders or Directors, as appropriate, the distribution to the Shareholders is recognized as a liability in the respective year.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential to enhancing investor relations and strengthening the understanding of the business, performance and strategies of the Group. The Company also recognizes the importance of timely and non-selective disclosure of information, which enables Shareholders and investors to make informed investment decisions.

CORPORATE GOVERNANCE REPORT

The annual general meeting provides an opportunity for Shareholders to communicate directly with the Directors. The chairman and the chairmen of the Board Committees will attend the annual general meeting to answer questions from Shareholders. The auditor will also attend the annual general meeting to answer questions regarding the conduct of the audit, the preparation and content of the auditor's report, accounting policies and the independence of the auditor.

To promote effective communication, the Company has adopted a Shareholders' Communication Policy with the aim of establishing a two-way relationship and communication between the Company and its Shareholders. The Company maintains its website at www.91160.com to publish the latest information on the business operations and development of the Company, financial information, corporate governance practices and other information for public access.

The Company has established the following channels of communication with Shareholders:

- (i) corporate communications such as annual reports, interim reports and circulars are available on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.91160.com;
- (ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website;
- (iv) annual general meetings and extraordinary general meetings provide a platform for Shareholders to express their views and exchange opinions with the Directors and senior management; and
- (v) the Company's Hong Kong share registrar provides services to Shareholders in respect of share registration, dividend distribution and related matters.

The Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy. The Board is of the view that the Shareholders' Communication Policy of the Company has facilitated adequate communication with Shareholders, and considers the policy to be effective and adequate.

SHAREHOLDERS' RIGHTS

To safeguard the interests and rights of Shareholders, a separate resolution will be proposed at general meetings in respect of each matter, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by way of poll in accordance with the Listing Rules, and the poll results will be published on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

CONVENING OF GENERAL MEETINGS AND PUTTING FORWARD PROPOSALS

Pursuant to article 9.3 of the Articles of Association, the Board may convene an extraordinary general meeting whenever it thinks fit. One or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the voting rights on a one vote per share basis in the issued share capital of the Company may also request the convening of an extraordinary general meeting and/or the addition of resolutions to the agenda of a general meeting. Such request shall be made in writing to the Board or the secretary for the purpose of requiring the Board to convene an extraordinary general meeting for the transaction of any business specified in the requisition. The meeting shall be held within two months after the deposit of the requisition. If the Board fails to arrange to convene the meeting within 21 days of the date of the deposit of the requisition, the requisitionist(s) may convene the meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to duly convene the meeting shall be reimbursed to the requisitionist(s) by the Company.

CORPORATE GOVERNANCE REPORT

Shareholders may put forward proposals for convening an extraordinary general meeting and propose resolutions at such meeting for consideration by the Shareholders of the Company in accordance with article 9.3 of the Articles of Association. The requirements and procedures under article 9.3 of the Articles of Association are set out above.

With regard to the nomination of persons to stand for election as Directors by Shareholders, the relevant procedures are available on the Company's website.

ENQUIRIES TO THE BOARD

Shareholders wishing to make any enquiries to the Board may send in written form to the Company. The Company will not normally deal with verbal or anonymous enquiries.

CONTACT DETAILS

Shareholders may submit the above motions or enquiries via the following:

Address : 9/F, 11/F, Building 2, Yongxin Times Square, 4078 Dongbin Road, Nanshan Street, Nanshan District, Shenzhen, PRC

Email: dmb@91160.com

For the avoidance of doubt, Shareholders must submit the original copy(ies) of signed written request, notice, declaration or enquiry (as the case may be) to the above address, accompanied by his/her/its full name, contact details and identity for it to be valid. Shareholder information may be disclosed as required by law.

AMENDMENTS TO THE CONSTITUTIONAL DOCUMENTS

The Company approved and adopted the second amended and restated Memorandum and Articles of Association by written resolution of Shareholders on September 3, 2025, effective on the Listing Date. The latest version is available for access on the websites of the Company and the Stock Exchange.

Saved as disclosed above, no changes have been made to the aforesaid second amended and restated Memorandum and Articles of Association from the Listing Date to the date of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



A PROMISE OF HEALTH: BEGINNING A NEW CHAPTER

ABOUT THIS REPORT

160 Health International Limited (“**160 Health**” or the “**Company**”) and its subsidiaries (the “**Group**” or “**we**”) are pleased to present our first Environmental, Social and Governance Report (the “**ESG Report**” or “**this Report**”). This Report highlights the Group’s ESG initiatives and achievements over the year, addresses stakeholder expectations regarding the Group’s ESG information disclosure, and enhances stakeholders’ understanding of the Group.

REPORTING SCOPE

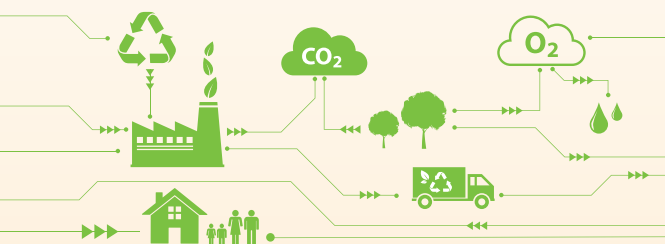
This ESG Report is an annual disclosure report, covering the period from January 1, 2025 to December 31, 2025 (the “**Year**” or the “**Reporting Period**”). The Group is a pharmaceutical and healthcare product seller and a leading digital healthcare integrated service provider in China, primarily providing customers with a wide selection of pharmaceutical and healthcare products, as well as comprehensive digital healthcare and wellness solutions. This ESG Report covers the Group’s 11 city stations in Chinese Mainland and one regional office premises in Anji County, Huzhou City, Zhejiang Province.

BASIS OF REPORTING

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**ESG Code**”) in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). A content index of the Environmental, Social and Governance Reporting Code is included in the appendix at the end of this Report to facilitate readers’ quick reference to the corresponding information.

REPORTING PRINCIPLES

The preparation of this Report strictly follows the “mandatory disclosure” and “comply or explain” provisions of the ESG Code and is based on the four principles of “materiality”, “quantitative”, “balance” and “consistency” set out therein, with the aim of presenting an objective and accurate ESG report and ensuring the quality of the information disclosed.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality

Throughout its business development, the Group carefully considers and responds to the demands of various stakeholders, and addresses them clearly in this Report. Based on the prioritization of ESG issues, this Report focuses on disclosing ESG-related issues that are of critical importance to stakeholders. For further details, please refer to the section headed “Materiality Assessment” of this Report.

Quantitative

The Group has disclosed quantitative environmental and social key performance indicators (the “KPIs”) in this ESG Report. It has also detailed the standards, methodologies and references used to calculate these indicators, along with the relevant conversion factors, to help stakeholders gain a comprehensive and clear understanding of the Group’s ESG performance.

Consistency

To facilitate comparative analysis of ESG reports across different years, the Group maintains consistency in reporting formats and indicator calculation methodologies to the extent reasonably practicable. In the event of any adjustments to calculation methodologies or reporting formats, the Group will clearly outline and provide detailed explanations regarding the reasons for and the impacts of such changes in the corresponding sections.

Balance

This Report strictly adheres to the core principles of impartiality and objectivity, avoiding any adverse impact on stakeholders’ decisions and judgements caused by content selection, omission of information or inappropriate presentation formats. The approach ensures the authenticity and neutrality of the information reported.

INFORMATION AND FEEDBACK

This Report was reviewed and approved by the Board of the Group on March 27, 2026. It is available in both Traditional Chinese and English. The public may download and view this Report free of charge on the website of the Stock Exchange (www.hkexnews.hk) and the official website of the Group (www.91160.com).

All information and data presented in this Report are sourced from official documents, various statistical reports and financial reports of the Group, and have been meticulously compiled, consolidated and reviewed by the relevant functional departments of the Group to ensure the authenticity and accuracy of the disclosures. Unless otherwise specified, all monetary amounts in this Report are denominated in RMB. In the event of any discrepancies, the Chinese version shall prevail.

The Group highly values the comments and suggestions from all stakeholders concerning this Report. Should you have any further enquiries or any opinions and suggestions regarding the content hereof, please feel free to contact the Group through email at dmb@91160.com.



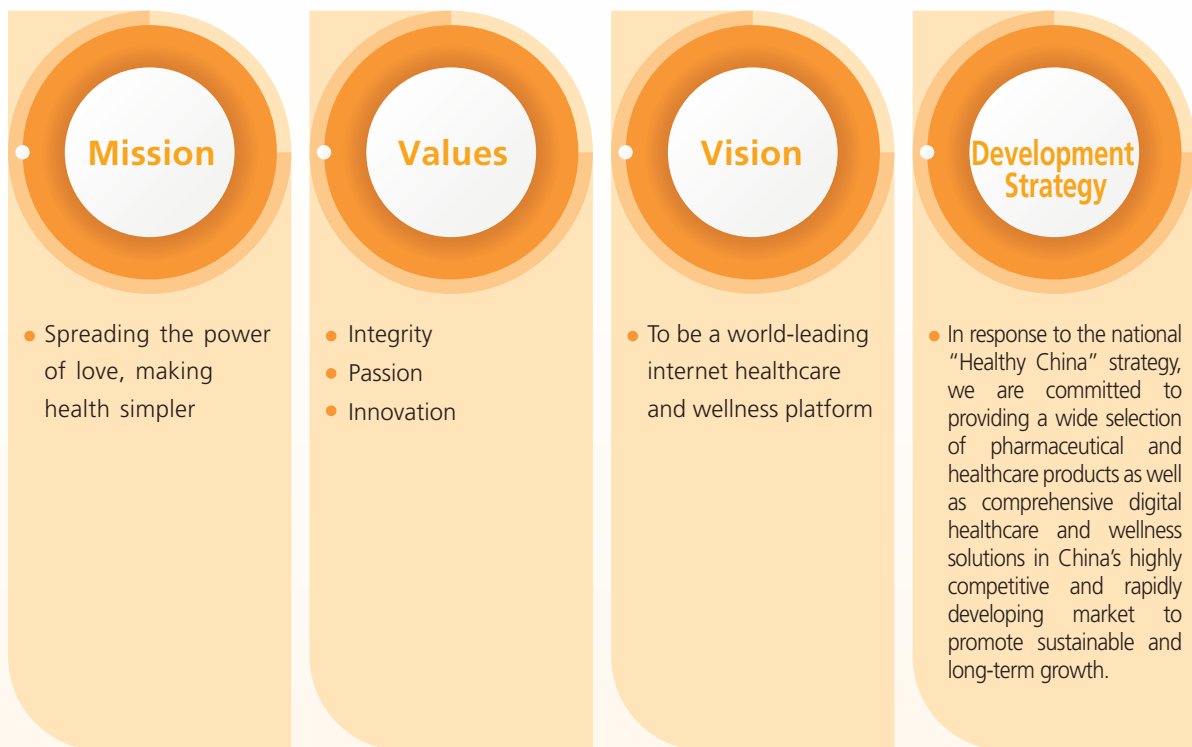
SINCERITY IN HEALTH: **DEVELOPING** OUR BUSINESS ON ORIGINAL ASPIRATION

GROUP PROFILE

Originating in Shenzhen, the Group provides digital healthcare and wellness solutions through our online healthcare and wellness service platform, Healthcare 160 Platform, empowering each of the platform participants throughout the healthcare value chain (primarily including business customers, medical and healthcare institutions, medical professionals, individual users, and third-party merchants), and driving the digital transformation of China’s healthcare and wellness industry. In addition, we provide customers with a wide selection of pharmaceutical and healthcare products, as well as comprehensive digital healthcare and wellness solutions.

The continuous development of our business is supported by four core pillars:

Core of the Group’s Culture



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PLATFORM STRENGTH AND INDUSTRY RECOGNITION

The service model of the Group has received high recognition from the National Health Commission, competent local medical administration departments and other health administrative authorities. The platform has accumulated a vast number of high-quality partners and developed a robust domestic internet+ healthcare ecosystem. Meanwhile, the platform's resource layout has continued to expand, achieving deep integration with core hospitals at all levels nationwide and providing services in over 260 cities across the country. The professional medical teams on the platform have grown steadily, assembling a large number of medical practitioners. Our user service capabilities are industry-leading, with daily service volume, number of registered users and cumulative service volume all ranking among the top in the industry. Building on this solid ecological and operational foundation, the Group's business scale achieved further leapfrog growth during the Year.

Business scale as at the end of the Year:



Over **14,649** hospitals including **3,492** Class III hospitals



Over **905,900** medical professionals including approximately **47,800** registered physicians



Over **61.1** million registered individual users
Approximately **3.3** million average monthly active users



More than **260** cities across the country
11 city stations

REVIEW OF ANNUAL ACHIEVEMENTS

Annual Performance



Anti-corruption related legal cases:
0



Staff training coverage reached
100%



0 work-related injury and fatality case



ISO 14001: 2015
Environmental Management System Certification was obtained



ISO 9001: 2015
Quality Management System Certification was obtained

CHAIRMAN'S MESSAGE

Dear valued stakeholders,

Over the past year, the Group has deepened our presence in the Chinese market and continued to offer the public a rich and diverse range of pharmaceutical and healthcare products, as well as comprehensive digital healthcare and wellness solutions. We recognize that ESG is intertwined with corporate operations and development. Integrating ESG principles into the entire business process is both an essential requirement for corporate development and a crucial strategy for us to meet stakeholder expectations. The Group has consistently advanced the implementation of ESG practices through pragmatic actions.

Robust corporate governance is the foundation of advancing our business operations and ESG practices. Grounded in transparency, integrity and compliance, the Group has established a rigorous and sound governance structure and internal control system. We strictly adhere to all applicable laws and regulations to ensure the lawful and compliant operation of our business. Simultaneously, we proactively conduct risk identification and response, continuously strengthen business ethics, and prioritize long-term development to create long-term value for shareholders and all stakeholders.

High-quality medical resources are the cornerstone of the Group's mission to provide health services and fulfill our social responsibilities. We are well aware that enhancing the quality and efficiency of medical services is inseparable from the effective operation of medical and healthcare institutions. To achieve this, we focus on providing comprehensive digital healthcare and wellness solutions for domestic healthcare institutions, helping hospitals optimize management processes and improve service capabilities through professional operational services. This approach enables more people to access high-quality healthcare and wellness services. We enhance medical experience through close collaboration with highly skilled medical professionals. We have established 11 city stations in key cities to continuously strengthen our localized service capabilities. Leveraging this comprehensive regional operational network, we remain closely attuned to the needs of medical and healthcare institutions, providing targeted support that helps them better serve patients and increases patient satisfaction with both the institutions and our platform. This, in turn, attracts high-quality medical resources to join us, creating a positive cycle of resource aggregation and service enhancement. Moving forward, we will continue to expand our medical resource coverage, optimize our service system and deepen our hospital operation services. We aim to assist more medical and healthcare institutions in achieving digital transformation and operational upgrade, enabling users in more regions to benefit from convenient, professional healthcare and wellness services.

In implementing ESG practices, the Group has concentrated on two key dimensions: environmental protection and social responsibility, to promote green operations and fulfill its commitments. Regarding environmental protection, the Group actively advances green initiatives, including the adoption of paperless offices and the establishment of targets for water and energy consumption control. We encourage our employees to cultivate awareness of energy conservation and environmental protection, minimizing the environmental impact of our business activities through concrete actions and practicing the principle of green development. On the social responsibility front, we consistently treat our employees as the most valuable asset. We are committed to fostering a safe and inclusive work environment, establishing a diverse training system with clear promotion pathways, and providing comprehensive support to help employees achieve professional growth and realize their personal value. Additionally, we actively participate in community welfare initiatives, effectively supporting local economic and social development, giving back to society through tangible actions, and deepening our mutually beneficial relationship with the community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Looking ahead, the Group will enhance its ESG practices by fully integrating the principles of green operations, employee development, community contribution and transparent governance into every aspect of its business operations. Moreover, the Group will continuously optimize and upgrade its healthcare and wellness service platform to comprehensively address the public's health needs.

Finally, on behalf of the Board, I would like to express my heartfelt gratitude to all shareholders and stakeholders for their trust and support, to all employees for their hard work and unwavering dedication, and to all our partners and people from all walks of life for their care and assistance. The development of the digital healthcare integrated service industry is closely linked to social well-being. In the future, we will continue to uphold our original aspirations and fulfill our responsibilities, looking forward to collaborating with partners from all sectors to jointly create a bright future for the digital healthcare integrated service industry.

STATEMENT OF THE BOARD

As the highest decision-making and supervisory body for ESG management, the Board of the Group holds full responsibility for all ESG and climate-related matters of the Group. To comply with the requirements of the ESG Code, the Board has developed ESG and climate management policies, strategies and reports, established a comprehensive ESG and climate risk management and internal control mechanism, and promoted the integration of ESG principles and climate actions across the Group's business operations. The Board oversees and reviews progress toward ESG and climate targets through regular meetings, identifies and manages relevant risks and opportunities, and ensures alignment with the Group's overall strategy. In addition, the Board regularly evaluates the effectiveness of stakeholder communication while carrying out ESG and climate-related management work. All relevant outcomes are subject to final review and approval by the Board to fully ensure the effectiveness of ESG and climate governance implementation.





THE FOUNDATION OF HEALTH: **GOVERNANCE** FOR STABILITY AND LONG-TERM GROWTH

SUSTAINABLE DEVELOPMENT MANAGEMENT

ESG STRATEGY

The Group considers the “eight health chapters” as the core pillars of its ESG strategy, integrating the core values of “integrity, passion and innovation” into its ESG initiatives. The Group embeds the concept of sustainable development throughout its digital medical services and fulfills its corporate mission and vision through systematic and professional ESG practices. By doing so, the Group contributes to the advancement of the “Healthy China” strategy and aims to become a world-leading internet hospital platform.

Corresponding chapter Content

Trust in Health:
Safeguarding
Your Peace of Mind

With compliance governance at our core, we have established a comprehensive corporate governance framework and risk management system. We strictly adhere to business ethics and rigorously control corruption risks, while simultaneously establishing end-to-end data security and personal privacy protection mechanisms to safeguard both corporate operations and user information, thereby strengthening the foundation of compliant operations.

Smart Health:
Innovating
for a New Era

We advance the digital healthcare industry through technological innovation by developing a hospital-wide AI product system and implementing multiple core digital healthcare projects. Simultaneously, we attach great importance to protecting research and development achievements, enhancing our intellectual property management system, and driving improvements in quality and efficiency of medical services through digitalization and intelligent technologies. This approach fosters technological development and innovation within the industry.

Uniting the Health Chain:
Growing
Together through
Collaborative Supply

We have developed a standardized and sustainable supply chain management system and established a full-lifecycle management mechanism for suppliers. By integrating the principles of green procurement and compliant operations throughout the entire procurement process, we enhance supply chain risk management and control. This approach fosters collaborative development and mutual benefits with our partners, creating a robust and symbiotic industrial ecosystem.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Corresponding chapter

Content

Quality in Health:

Crafting

Excellence and Building a Strong Reputation

Adhering to quality as our foundation, we have established a comprehensive pharmaceutical quality management system and quality control mechanism. We rigorously implement pharmaceutical quality testing and manage the recall of defective drugs, while upholding a philosophy of responsible marketing. Additionally, we have developed a standardized customer service system to build an industry reputation based on high-quality products and services.

Health for All:

Growing

Together as Partners

We adhere to a people-oriented approach by fostering a fair and inclusive workplace environment and rigorously protecting the legitimate rights and interests of our employees. We enhance our remuneration, benefits and career development systems while establishing a systematic employee training mechanism. At the same time, we emphasize employee occupational health, physical well-being and mental care to cultivate a warm and inclusive workplace ecosystem, enabling mutual growth with our employees.

Harmony in Health:

Green Protection for Sustainability

We integrate the concept of green development throughout our corporate operations, establish a robust environmental management system, and promote green operations across multiple areas, including climate response, water resource management, energy conservation, and control of the "three wastes". We set clear targets for resource conservation and emission reduction to advance environmental sustainability through concrete actions.

Compassion in Health:

Bringing Warmth to Every Home

We actively fulfill our corporate social responsibility by aligning with community development needs and establishing an effective communication bridge between the enterprise and the community. With inclusive healthcare as our core focus, we continuously expand the reach of medical services while engaging in community welfare and livelihood services. Through these practical actions, we give back to society and contribute to healthcare inclusivity.





ESG GOVERNANCE SYSTEM

The Group incorporates the concept of sustainable development into its strategic planning and daily operations, continuously enhancing its ESG governance system. We have established a three-tier ESG governance structure consisting of the “supervisory, management and execution levels”. Additionally, we have adopted a management model characterized by “top-down coordinated planning and bottom-up information flow” to ensure that all ESG initiatives are implemented in a standardized and orderly manner.

ESG GOVERNANCE STRUCTURE

Board of Directors

Coordinates the strategic direction of ESG and climate-related matters, manages relevant material risks and opportunities, monitors the effectiveness of their implementation, and deliberates on and makes decisions regarding these matters



Management

Reviews ESG and climate-related strategies, formulates specific plans and targets, develops response plans for relevant risks and opportunities, and regularly communicates with the Board to enhance the effectiveness of ESG governance



ESG Executive Team

Assesses ESG and climate-related risks and opportunities, monitors the implementation of response measures, collects data and prepares reports, continuously evaluates the effectiveness of system implementation, and regularly facilitates internal communication and coordination to ensure the smooth execution of ESG initiatives










ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

LISTENING TO OUR PARTNERS

Stakeholder Communication

The Group is well aware of the strong connection between its stakeholders and operational development, viewing their valuable feedback as a key driver for the Group to continuously enhance its ESG performance. To fully listen to and address stakeholders' expectations and requirements, the Group has established diverse communication channels to maintain active dialogue with and gather opinions from core stakeholders. During the Year, the regular communication channels between the Group and its major stakeholders, as well as the identification of and responses to their expectations and requirements, are detailed as follows:

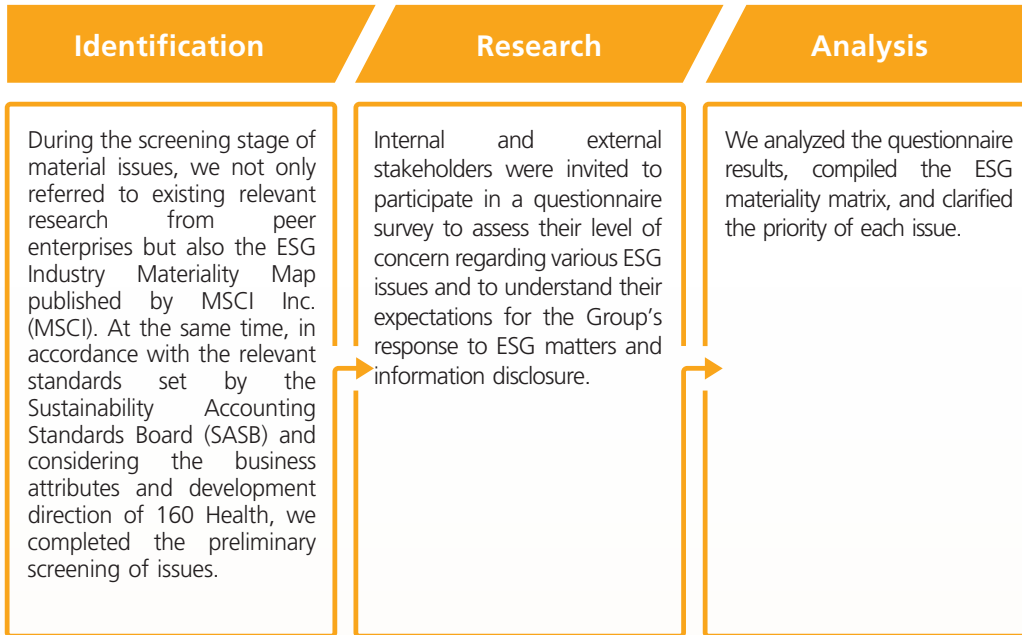
Stakeholder Group	Expectations and Requirements	Communication and Response Methods
Government and regulatory authorities 	<ul style="list-style-type: none"> Compliance with national policies, laws and regulations Promoting local economic development Tax payment in full and on time 	<ul style="list-style-type: none"> Regular meetings with regulatory authorities Inspection and supervision
Shareholders 	<ul style="list-style-type: none"> Return on investment Compliant operations Enhancing company value Information transparency and efficient communication 	<ul style="list-style-type: none"> General meetings Group announcements and circulars Email, telephone communication and company website Thematic reports
Partners 	<ul style="list-style-type: none"> Integrity in operations Fair competition Performance of contracts in accordance with the law Mutual benefit and win-win outcomes 	<ul style="list-style-type: none"> Review and assessment meetings Business communications Exchanges and seminars Negotiation and cooperation
Customers 	<ul style="list-style-type: none"> Quality products and services Health and safety Performance of contracts in accordance with the law Integrity in operations 	<ul style="list-style-type: none"> Customer service center and hotline Customer opinion surveys Customer communication meetings Social media platforms Follow-up interviews
Industry associations 	<ul style="list-style-type: none"> Industry standard setting Promoting industry development 	<ul style="list-style-type: none"> Communication with local labor departments Participation in industry forums Inspection and exchange visits
Employees 	<ul style="list-style-type: none"> Protection of rights and interests Occupational health and safety Remuneration and benefits Career development Humanistic care 	<ul style="list-style-type: none"> Employee communication meetings Company internal publications and intranet Employee suggestion box Training and workshops Employee activities Employee general meetings
Community and the public 	<ul style="list-style-type: none"> Open and transparent information 	<ul style="list-style-type: none"> Media interviews Social media platforms



MATERIALITY ASSESSMENT

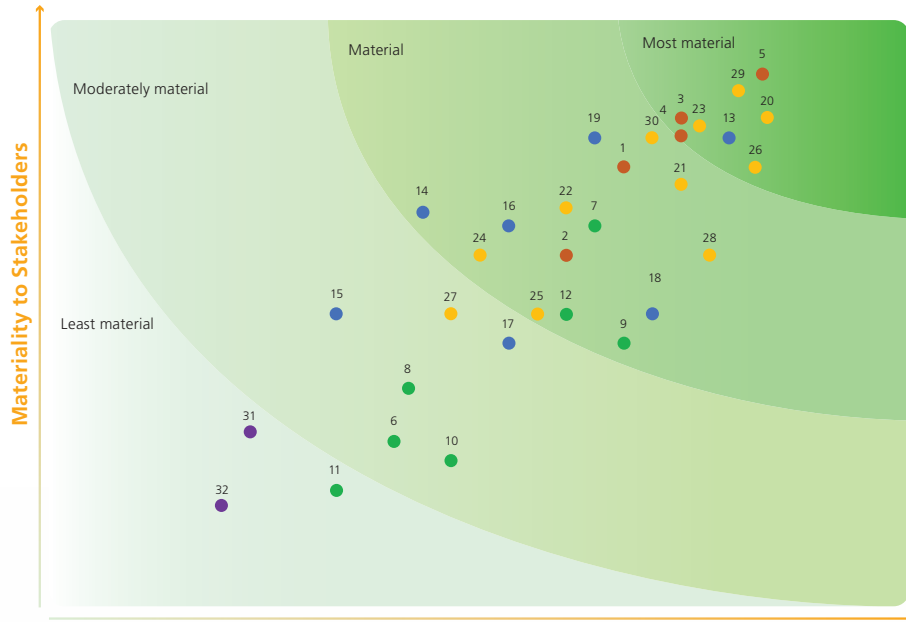
During the Year, the Group conducted an ESG materiality assessment to identify material ESG issues relevant to its operations. This assessment enables the Group to better align its corporate business objectives and development plans with the expectations and requirements of its stakeholders.

This ESG materiality assessment was conducted in three main stages:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Materiality Matrix



● Governance-related issues ● Environmental-related issues ● Social-related Issues ● Operating practices-related issues ● Community investment-related issues

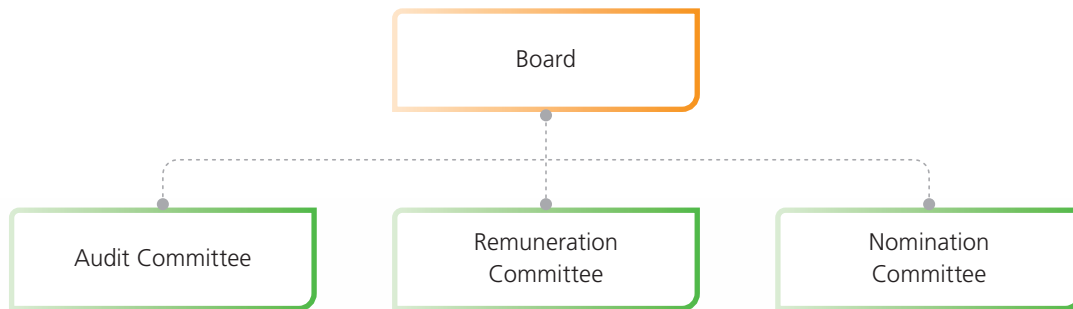
Most material		Material		Moderately material		Least material	
5	Anti-corruption and integrity management	30	Inclusive healthcare	17	Occupational health and safety	11	Use of raw materials and packaging materials
20	Operational compliance	21	Supply chain management	27	Customer health and safety	31	Charity
29	Technology development and innovation	1	ESG responsibilities	15	Working hours and rest periods	32	Promotion of community development
13	Employment compliance	19	Prevention of child labor and forced labor	8	Waste management		
23	Quality control	28	Intellectual property protection	10	Green operations		
3	Compliant operations	7	Greenhouse gas emissions	6	Exhaust gas management		
4	Corporate governance and risk management	22	Procurement practices				
26	Privacy and data security	18	Training and development				
		2	Stakeholder engagement and responsibility management				
		9	Energy consumption and resource utilization				
		16	Diversity and equal opportunity				
		12	Response to climate change				
		24	Responsible marketing and promotion				
		25	Customer service management				
		14	Remuneration and benefits				



TRUST IN HEALTH: SAFEGUARDING YOUR PEACE OF MIND

COMPLIANCE GOVERNANCE

The Group has established a compliance governance framework with clearly defined powers and responsibilities, ensuring adherence to relevant local laws and regulations while fully integrating compliance management into its business operations. This framework designates the Board as the highest governance body, supported by the Audit Committee, Remuneration Committee and Nomination Committee. Through professional division of labor and effective supervisory mechanisms, the Board strengthens the quality of corporate governance and enhances the rationality and robustness of its decision-making processes.



Board

- * Coordinates overall operational strategies, decision-making on major issues, and overall risk and operational monitoring, and fully safeguards the overall interests of shareholders

Audit Committee

- * Monitors the independence of the external auditor and the effectiveness of the audit process
- * Reviews the financial statements and periodic reports of the Company to ensure that financial reporting is true and compliant
- * Oversees the Company’s compliance status, risk management and internal control systems, and coordinates both internal and external audit work
- * Establishes a confidential whistleblowing mechanism for employees and follows up on investigations of misconduct
- * Reports work results and recommendations to the Board

Remuneration Committee

- * Formulates and reviews the remuneration policy and structure for directors and senior management, and makes recommendations on and approves their remuneration packages
- * Formulates performance evaluation standards and conducts evaluations to ensure that remuneration is linked to performance and that interests align with those of shareholders
- * Approves relevant compensation arrangements and share schemes, prevents directors from participating in the determination of their own remuneration, and provides advice to shareholders regarding service contracts as needed

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Nomination Committee

- * Regularly reviews the structure, size and composition of the Board and assists in preparing a board skills matrix
- * Nominates or appoints and dismisses candidates for director and senior management positions, and evaluates the independence of independent non-executive directors
- * Formulates director succession plans, the board diversity policy and candidate selection criteria
- * Assists in evaluating the performance of the Board, reviews the corporate governance code and provides recommendations for amendments

The Group considers the independence and diversity of the Board to be an important cornerstone of its strategic development. It actively optimizes the organizational structure of the Board, and extensively recruits outstanding talent with diverse industry backgrounds and various professional expertise to join the team. By leveraging the integration and complementarity of diverse perspectives to stimulate innovative thinking, the Group continuously enhances the effectiveness of its corporate governance, diligently safeguards the legitimate rights and interests of all shareholders, and injects strong momentum into its long-term, stable development. We have drafted the "Employment and Diversity Policy for Employees of 160 Health Group", which explicitly requires the Nomination Committee to consider diverse backgrounds as a key factor when evaluating candidates for the Board and senior management. Moreover, we require all managers to possess inclusive leadership skills and regularly organize training on relevant topics. Through various initiatives such as internal advocacy and cross-departmental exchanges, we continuously foster an open, inclusive, collaborative and mutually beneficial corporate culture.

RISK MANAGEMENT

The Group has established a risk management framework featuring a clear hierarchy and well-defined responsibilities. The Board serves as the core governance body, with an Audit Committee and an Internal Audit Department under it, which act as dedicated supervisory bodies. All employees, the management and various business departments function as the "three lines of defense" in risk management, each fulfilling their respective roles. We conduct risk management work in accordance with standardized processes that encompass all operational aspects of the Group. This approach comprehensively enhances the effectiveness of risk prevention and control, ensuring that risks remain within an acceptable range.

Risk Management Process:





Core Responsibilities of the “Three Lines of Defense” in Risk Management:

First Line of Defense

All employees, according to their job responsibilities, identify various internal and external risks in daily operations, execute internal control requirements, conduct self-inspection and rectification of business risks, and carry out risk prevention and control within their respective roles.

Second Line of Defense

The management coordinates the Group’s daily risk management work, promotes the Group’s risk assessment, formulates and implements risk response strategies and emergency response mechanisms, oversees the execution of frontline risk control measures, and ensures the effective integration and transmission of risk information.

Third Line of Defense

The Audit Committee and the Internal Audit Department perform independent supervisory and auditing functions, review the effectiveness of the Group’s internal control system, conduct internal control risk assessments, oversee, verify and evaluate the risk control work of the first two lines of defense. They identify internal control deficiencies and ensure timely rectification, issue regular internal control evaluation reports, and report the progress of risk control efforts to the Board.

The Group has established a continuous improvement mechanism for risk management. Based on the results of oversight results, risk assessment findings, and the rectification of internal control deficiencies, we regularly optimize our internal control systems and risk management processes, adjust risk response strategies, and continuously enhance the adaptability and effectiveness of our risk management system.

Business Ethics

The Group strictly complies with relevant local laws and regulations, upholds the highest standards of business ethics, and firmly opposes improper business practices such as commercial bribery and corruption. It has established the “Sunshine Integrity and Compliance System” to ensure fair and equitable business operations and to protect the legitimate rights and interests of the Group and its stakeholders. These compliance requirements apply not only to all internal employees but also to external business collaborations, enabling comprehensive compliance management and control.

Internal Control

The Group has established a comprehensive business ethics constraint system and an integrated assessment mechanism. All employees are required to strictly adhere to the relevant provisions of the “Anti-Corruption and Anti-Commercial Bribery Agreement” and the “Sunshine Integrity and Compliance System”. During the Reporting Period, the agreement’s signing coverage among employees reached 100%. We have incorporated business ethics and compliance performance into our core employee appraisal system. In addition to developing annual specialized training programs on anti-commercial bribery and anti-corruption, we also link employees’ participation in compliance training and their assessment results to their performance. Furthermore, senior management and department heads are explicitly required to provide separate and detailed reports on the progress and implementation of compliance management work within their respective teams during their annual performance reviews.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Compliance Training and Advocacy

The Group focuses on anti-commercial bribery and anti-corruption themes to conduct training and advocacy work for all employees. This work is coordinated, planned and implemented by the Office of the President, with training participation and learning effectiveness integrated into the overall employee appraisal system. For new employees, specialized training on the “Anti-Corruption and Anti-Bribery Agreement” and the “Sunshine Integrity and Compliance System” is organized and conducted concurrently with the signing of their labor contracts. This approach strengthens employees’ awareness of integrity in their professional conduct and reinforces the concept of compliant operations from the outset of their careers. The Group prepares supporting training and learning materials that provide in-depth interpretations of laws and regulations related to anti-commercial bribery and anti-corruption, such as the “Criminal Law” and the “Anti-Unfair Competition Law”. These materials also include warning education by incorporating typical judicial cases of commercial bribery and corruption, clearly defining the boundaries of various types of non-compliant behavior and their corresponding legal consequences. Meanwhile, the detailed rules of internal compliance systems, such as the Group’s corruption whistleblowing mechanism and measures for managing gifts and gratuities, are thoroughly explained during training to ensure employees fully understand the requirements for compliant operations. In addition, the Group conducts compliance inspections from time to time, provides targeted training and guidance in response to the identified issues, and addresses potential problems promptly.

Compliance Controls for External Collaborations

In terms of business ethics and anti-corruption controls for external business collaborations, the Group’s business compliance clauses provide full coverage. Exclusive anti-commercial bribery clauses have been included in the standard contract templates for the cloud hospital business. Similarly, the standard contract templates for the physician SVIP (Super Very Important Person) business explicitly include clauses prohibiting the acquisition of improper commercial benefits. These measures ensure compliance in external collaborations through institutionalized controls.

Corruption Whistleblowing Mechanism

The Group has established a corruption whistleblowing mechanism to encourage internal employees and business partners to report and expose various types of corrupt practices. In handling and investigating whistleblowing cases, the Group strictly implements confidentiality management. It is strictly prohibited to disclose the whistleblower’s name, department, company or other relevant information. Also, the details of the report must not be disclosed to the person or department being reported. During investigations, neither original nor copied whistleblowing materials shall be presented to avoid revealing the whistleblower’s identity. Handwriting analysis will not be conducted on letters and materials related to anonymous reports, and all reporting materials must not be shared with external parties without authorization.

Whistleblowing email: ceo_office@91160.com



Handling of Violations

The Group has established strict standards for handling violations. Any employee who breaches the systems related to anti-corruption controls and business ethics may have their labor contract unilaterally rescinded or terminated by the Group without any labor or economic compensation. If the non-compliance is suspected to constitute a criminal offense, the Group will promptly refer the case to the judicial authorities and pursue the legal liability of the relevant personnel in accordance with the law.

During the Reporting Period, neither the Group nor its employees were involved in any litigation related to corruption.

Information Security

In accordance with the “Full-Process Data Security Management System”, the Group classifies data into five security levels based on its importance and has established a hierarchical control framework. Corresponding approval processes and authority specifications have been established for operations such as accessing, using and transmitting data at different levels. When handling data of any level, employees must strictly adhere to the relevant approval procedures and may only perform operations after receiving authorization, ensuring that the entire process of data access is traceable and controllable.

The Group has developed the “General Emergency Response Plan for Information Security” and the “Emergency Response Plan for Data Leakage Prevention”, establishing a comprehensive emergency response system to effectively address risks such as cyberattacks, information sabotage, and equipment and facility failures. We have formed a dedicated emergency response group, clearly defined the responsibilities and coordination mechanisms of each group, and required emergency personnel to maintain 24-hour communication availability to ensure rapid transmission of emergency instructions and timely resource allocation. Emergencies are classified into four levels based on their scope and severity, with corresponding response mechanisms for each level. In the event of an incident, we strictly adhere to the reporting principle of “internal before external”, complete all required reports within prescribed timeframes, and standardize procedures for regulatory notification and media communication. The emergency leadership group is responsible for incident assessment, troubleshooting and system recovery. Following an incident, it continuously monitors the system according to the incident level, conducts reviews and analyzes, implements corrective actions, and establishes an accountability system. We regularly conduct emergency training and drills for all staff and annually review, optimize and update our emergency response plans to ensure their relevance and effectiveness, thereby comprehensively enhancing our information security risk prevention and emergency response capabilities.

The Group has established a routine data security audit mechanism, led by the Quality Management Department, to conduct full-dimensional audits at least once a year. These audits thoroughly verify the effectiveness of data security management systems and processes, as well as technical protection measures. We have established an automated audit system that monitors and records various data processing operations in real time, ensuring audit records are complete and traceable. This system supports security incident handling, emergency response and post-event investigations, while strictly preventing unauthorized personnel from accessing, tampering with or deleting audit records. In response to issues such as unauthorized data use and abuse of authority identified during audits, we promptly mandate corrective actions and follow up to ensure resolution, thereby guaranteeing the full implementation and enforcement of data security management requirements.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Privacy Protection

The Group accesses various types of personal information in its daily operations. To prevent the risk of privacy breaches, it has formulated a series of rules and regulations, such as the “Internal Management System and Operating Standards for Personal Information”, the “Administrative Measures for the Protection of User Personal Information” and the “Emergency Plan for Data Leakage Prevention”. These rules and regulations strictly regulate the collection and use of personal information, safeguard the privacy rights and interests of data subjects, and ensure that all operational processes comply with laws and regulations.

During the personal information collection stage, the Group only collects data directly related to its business services and strictly avoids excessive collection. For sensitive personal information such as biometric and medical health data, explicit consent is obtained separately from the data subjects. When personal information is obtained through indirect channels, the legality of its source must be strictly verified. If the original scope of lawful use is exceeded, consent from the data subjects must be re-obtained. When collecting personal information from minors, prior consent from their guardians is required, and specific processing rules must be formulated. Moreover, we strictly enforce compliance controls in accordance with relevant laws and regulations and internal policies during subsequent stages, including storage, use, sharing and cross-border transfer of personal information. Personal information collected within the territory is stored exclusively within that territory. Through standardized management of the entire process, we ensure that all personal information processing activities are lawful and controllable, and that risks are preventable.

The Group enforces strict controls over counterparties involved in processing personal information, conducts rigorous access evaluations and periodic compliance audits, and enters into exclusive data processing agreements with counterparties to clearly define the personal information protection responsibilities of both parties. It strictly prohibits granting counterparties permission to perform non-deidentified processing of sensitive personal information and to export bulk data. Also, we regularly organize specialized training on personal information protection to enhance employees’ awareness of privacy protection, thereby comprehensively building a line of defense for personal information protection at both institutional and technical levels.



SMART HEALTH: INNOVATING FOR A NEW ERA

DIGITAL EMPOWERMENT PRACTICES

With the integration of digital technology into the healthcare and wellness industry, smart healthcare has become a crucial driver for improving service quality and efficiency, optimizing resource allocation, and fostering the high-quality development of the industry. The Group has capitalized on the digital transformation trend, propelled the advancement of medical services through technological innovation, and consistently invested in research and development and project implementation, aiming to build a more efficient and inclusive medical service system.

The Group has developed a hospital-wide AI product system that optimizes the cloud hospital platform using artificial intelligence technology. This system empowers the three core scenarios of hospital operation management, clinical diagnosis and treatment, and medical research. It enhances the operational efficiency of medical institutions, provides physicians with diagnostic assistance and scientific research support, and offers patients personalized and high-quality health management services covering their entire life cycle.

During the Year, the Group actively promoted several digital healthcare projects and achieved phased results.

AI Medical Butler

AI Medical Butler is a patient-centric, intelligent medical service platform. Launched as a strategic product by the Group in 2025, the platform integrates cutting-edge large medical models and centers on proactive service to create a unified service hub. It not only offers AI-powered triage and precise department recommendations, but also collects users' medical conditions in advance, analyzes illness details, and generates preliminary diagnostic opinions along with corresponding examination suggestions through the AI pre-consultation link. This assists users in identifying the appropriate medical direction before their consultation. Additionally, with 24/7 intelligent customer service and the "one-sentence intelligent registration" function, the platform streamlines the medical process and reduces waiting times. It is currently deployed and applied in 38 hospitals.

CH Core System Upgrade

The CH core system serves as the central hub of the cloud hospital and is a key strategic project of the Group in 2025, primarily aimed at driving business iteration and optimizing user experience. This system upgrade completed the optimization of the entire process, from traffic entry to the business closed-loop. It not only enhanced physical examination services and launched outpatient business, thereby further enriching online medical service scenarios, but also optimized the hospital's official WeChat account homepage. Core functions such as search, article recommendation, physician display and intelligent triage were strengthened, significantly improving the overall platform user experience and service efficiency.

Channel Gateway System

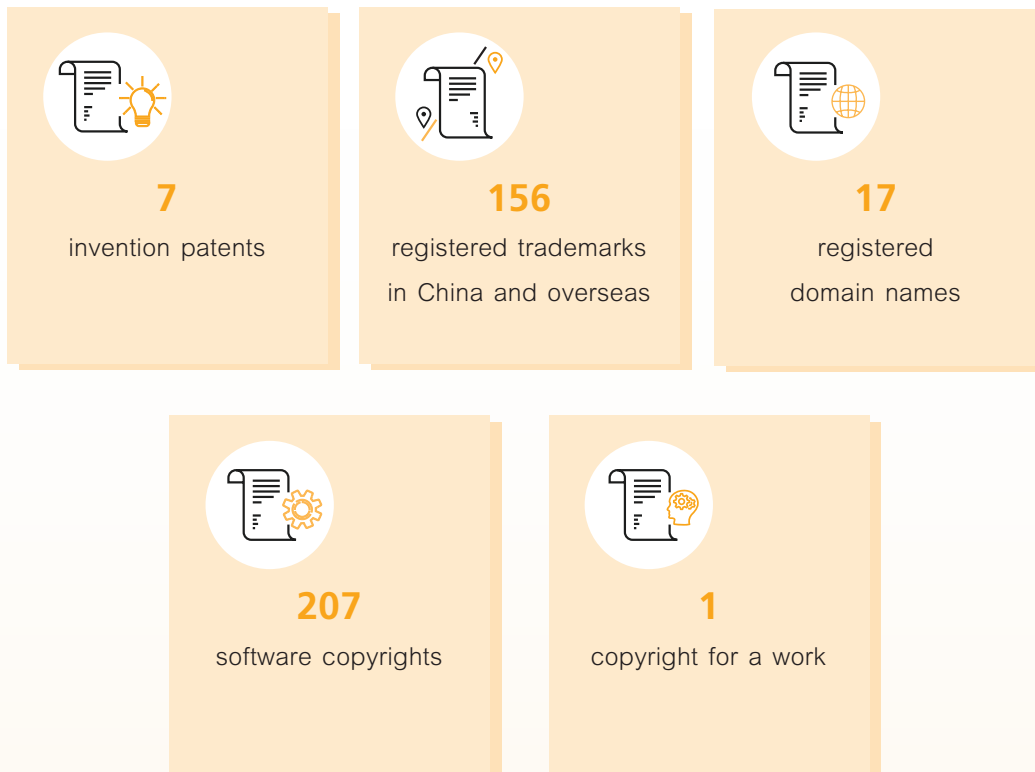
The channel gateway system is a unified interfacing platform specifically designed to support the diverse business operations of public hospitals. By addressing challenges such as varying hospital system interface specifications and complex integration processes, it shields the differences between various hospital system interfaces through middleware gateway technology, providing standardized and unified API interfaces for upper-layer business systems. It also offers reliable support for core operational processes, including payment transactions, physical examination and outpatient interfacing, user system integration and message notifications. This system serves as a critical infrastructure for the stable operation and rapid expansion of hospital businesses.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTELLECTUAL PROPERTY PROTECTION

The Group places digital development at its core and therefore attaches great importance to the results of its research and development efforts and the protection of its intellectual property rights. The Group strictly complies with various national and local laws and regulations related to intellectual property, insists on using genuine software, and ensures that the use of all software complies with licensing agreements to prevent any infringement. We have issued relevant notices regarding the protection of intellectual property and the prohibition of using infringing works to enhance employees' awareness of respecting and safeguarding intellectual property. Meanwhile, intellectual property-related provisions are included into our business contracts to prevent intellectual property risks at the institutional level.

As at the end of the Year, the intellectual property rights acquired by the Group were as follows:





UNITING THE HEALTH CHAIN: **GROWING** TOGETHER THROUGH COLLABORATIVE SUPPLY

SUPPLY CHAIN MANAGEMENT

Governance System

By strictly adhering to various laws and regulations related to the supply chain, the Group has established a robust supply chain management mechanism, and developed a series of internal management systems, including the “Procurement Management Measures” and the “Supplier Ledger Assessment Form”. Through institutionalized and standardized management processes, the Group advances various management tasks such as supplier screening, evaluation, procurement execution and quality control. The Group continuously optimizes its supply chain governance structure and strengthens full-process risk control to ensure that procurement and supplier management are lawful, compliant, open and transparent. This approach provides a solid foundation for our overall operational stability and long-term growth.

Risk Management

The Group places great importance on supply chain stability, categorizing supply chain disruptions and operational risks as key management priorities. By establishing mechanisms such as supplier assessment and monitoring, the Group effectively identifies and prevents potential risks to ensure the stability and reliability of the overall supply chain. Additionally, the Group has integrated the concept of sustainable development into its supply chain management, guiding suppliers to strengthen compliant operations, enhance overall risk management awareness, and jointly build a safe, stable and sustainable supply chain system. The Group continuously optimizes its supply chain management arrangements, promptly adjusting and optimizing cooperation strategies in response to changes in the external environment, market fluctuations and operational challenges. It also strengthens communication and synergy with suppliers to ensure a stable supply of resources and services. Building on long-term cooperation, the Group continues to encourage suppliers to improve their operational management and compliance awareness, thereby jointly enhancing the overall operational level of the supply chain.

By continuously optimizing risk identification and coordination mechanisms, the Group is committed to maintaining a stable and orderly supply chain. This approach provides reliable support for the smooth operation of various businesses and fosters a long-term, healthy and stable development pattern in collaboration with all partners.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUPPLIER MANAGEMENT

Full-Cycle Management

Supplier access

The Group has established a robust supplier access mechanism that ensures an efficient and standardized supplier audit process by identifying targets to create a list of optional suppliers, conducting cost assessments to clarify objectives and resource requirements, performing prioritization to identify and rank feasible solutions, and conducting characteristic analysis for an in-depth evaluation of selected solutions.

During the supplier access stage, the Group evaluates product quality, delivery efficiency, supply capacity, and compliance with legal and regulatory requirements as the core criteria. Only suppliers meeting these qualification standards are included in the list of qualified suppliers, ensuring that both parties possess a stable and reliable basis for cooperation. We also integrate the concept of sustainable development into our supplier access standards, prioritizing suppliers with relevant international certifications during the screening process. On this basis, we require suppliers to make environmental and safety-related commitments by entering into procurement contracts to ensure that the products and services they provide meet the Group's quality, safety and environmental requirements. This approach effectively oversees the initial qualifications and management standards of our partners.

Supplier daily management

The Group conducts daily management of partners listed as qualified suppliers to strengthen cooperative relationships and enhance the overall service quality of both parties. The Group conducts a comprehensive supplier assessment semi-annually, classifying suppliers into four grades, namely S, A, C and D, based on the assessment results, with grade S representing top-tier suppliers. For suppliers of different grades, we issue rectification requirements to suppliers whose performance needs improvement or fail to meet evaluation standards in a timely manner, conduct on-site visits and inspections, perform periodic reviews, and continuously track improvement progress. These measures improve the overall performance of suppliers and maintain the stable and smooth operation of the supply chain.

Supplier exit

The Group has established a clear supplier exit mechanism and implements corresponding actions based on assessment grades. Grade C suppliers are placed on a watch list and are subject to irregular audits. Grade D suppliers are immediately removed from the cooperation list, terminating all collaboration, and are also removed from the qualified supplier pool upon approval in accordance with internal procedures.

RESPONSIBLE PROCUREMENT

The Group deeply integrates the concept of green procurement into its daily cooperation and management with suppliers, prioritizing logistics partners who demonstrate social responsibility, uphold environmental protection principles in industrial development, and emphasize resource conservation. Preference is also given to local suppliers or those in close geographical proximity with convenient transportation, effectively reducing our carbon footprint by minimizing the transportation distances. In the material management process, priority is placed on using products purchased earlier to prevent resource waste due to expiration and to maximize material utilization efficiency. In addition, through various methods such as interviews, experience sharing sessions and field visits, we convey core concepts such as green procurement, environmental protection, energy conservation and green operations to our partner suppliers. We encourage suppliers to continuously optimize packaging solutions to foster a shared commitment to environmentally friendly development between suppliers and us.

Supplier Distribution

During the Year, the Group cooperated with a total of 175 suppliers from Chinese Mainland and Hong Kong. These suppliers primarily provide us with products and services related to operations and support, software and information technology, as well as equipment and hardware, offering strong support for our overall operations and development.



QUALITY IN HEALTH: CRAFTING EXCELLENCE AND BUILDING A STRONG REPUTATION

QUALITY ASSURANCE

Quality Management System

The Group adheres to a quality policy centered on “integrity and compliance, quality orientation, and customer satisfaction”, with an overarching quality objective of “formal channels, reliable medicines, and a 100% medicine quality passing rate”. It has established a standardized and systematic medicine quality management system in accordance with relevant laws and regulations, and has successfully obtained ISO 9001:2015 quality management system certification. The Group has fully integrated quality control requirements across all business segments, including procurement, sales, storage and transportation, and quality management. In addition, it has established comprehensive mechanisms for system document management, policy objective decomposition, and internal audit and improvement, to ensure the standardized and effective operation of the quality management system, thereby establishing a robust safeguard for drug quality and safety.

The Group has established a systematic document architecture for its quality management system, categorizing system documents into seven major categories: quality management systems, departmental and positional quality responsibilities, operating procedures, quality records, quality archives, quality reports and quality certificates. It implements a unified coding management of “one document, one number” to standardize the full life-cycle management processes, including document drafting, review, approval, issuance, revision and abolition. The Group conducts a comprehensive annual review and revision of system documents, optimizing content promptly based on needs such as regulatory updates and organizational structure adjustments to prevent the use of obsolete documents. Meanwhile, it requires all types of quality records to be completed accurately, thoroughly and in a standardized manner, thereby providing institutional support for the system operation.

Based on its overall quality objectives and in alignment with the functions of its various business departments, the Group has established quantifiable and measurable departmental quality objectives and defined core quality control indicators for each department to ensure comprehensive coverage and implementation of its quality objectives. Also, a daily oversight and annual assessment mechanism for quality policies and objectives has been established, with the Quality Management Department responsible for monitoring and urging daily implementation. A thorough assessment and evaluation is conducted annually, with rewards and penalties applied based on the results. In the event of significant changes in the internal or external environment, quality objectives are promptly optimized and adjusted to ensure alignment with the enterprise’s development and regulatory requirements.

Internal Audit

The Group has established a standardized internal audit mechanism for its quality management system, clearly defining the internal audit organizational structure and implementation requirements. A comprehensive internal audit is conducted at least once a year, covering all elements including organizational structure, staffing, facilities and equipment, quality management documentation, computer systems and process control of quality activities at various stages. In the event of significant changes to key system elements, such as adjustments to external drug administration policies, changes in corporate organizational structure, warehouse renovations or major quality incidents, special or comprehensive internal audits are conducted promptly. During the internal audit process, corrective and preventive measures are proposed to address identified system operational deficiencies, and the implementation of rectification is tracked and supervised to continuously optimize the operational effectiveness of the quality management system. This approach ensures that the system consistently meets regulatory requirements and the needs of corporate operation and development, thereby achieving continuous improvement and effective operation of the quality management system.

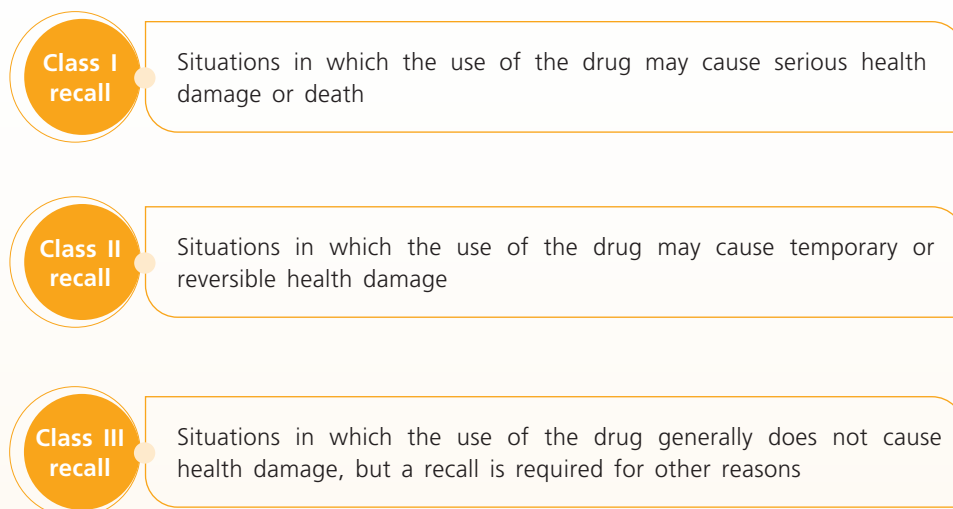
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Quality Control

The Group strictly complies with all relevant laws and regulations and has established internal systems such as the “Management System for Pharmaceutical Product Recalls”, the “Management System for Pharmaceutical Product Returns” and the “Management System for Substandard Pharmaceutical Products and Destruction of Pharmaceutical Products”. These systems create a quality control management mechanism that covers the entire process of pharmaceutical product procurement, storage and sales. This includes the handling of quality abnormalities, returns and recalls, complaint responses, incident handling and adverse reaction monitoring, ensuring strict control over pharmaceutical product quality and safeguarding the safety of pharmaceutical operations and public medication.

The Group’s pharmaceutical quality inspection encompasses various business aspects, including procurement and receipt, warehousing and acceptance, in-stock storage and maintenance, and sales returns. Quality inspections are conducted in accordance with specific standards for each aspect, with specialized verification criteria and inspection requirements established for refrigerated and returned pharmaceutical products. For non-conforming pharmaceutical products identified during inspection, immediate disposal measures such as rejection, return, system locking, suspension of sales and recall are implemented. Meanwhile, inspection records for each aspect are maintained in a standardized manner, and data is securely preserved for future reference, ensuring that the entire quality inspection process is traceable and verifiable.

The Group has established a product recall management mechanism focused on tiered recalls for defective drugs. Drug recalls are classified into three levels based on the severity of the drug safety hazards:



The product recall procedure is initiated and overseen by the Group’s Quality Management Department throughout the entire process. Upon identifying drug quality issues or potential safety hazards through channels such as quality inspections, customer complaints, adverse reaction monitoring, and notifications from drug regulatory authorities or suppliers, a suspension notice and a recall notice are issued following verification. A recall may also be initiated independently when necessary. Subsequently, the Sales, Procurement, and Storage and Transportation Departments execute the recall according to their respective responsibilities. The Quality Management Department tracks and provides guidance throughout the process, and maintains records and data for future reference. During the Year, the Group did not have any cases of product recalls for sold or shipped pharmaceutical products for safety and health reasons.



RESPONSIBLE MARKETING

The Group upholds the principle of integrity in its operations, strictly adheres to all relevant laws and regulations, and incorporates the concept of responsible marketing throughout the entire product sales and marketing process. We have established rigorous information review and content supervision mechanisms to ensure that all market activities are lawful, compliant, authentic and transparent, effectively safeguarding consumers' right to know as well as their legitimate rights and interests.

The Group explicitly mandates that all publicly disclosed product sales information and marketing content undergo multi-level review and verification before publication. The scope of review covers all relevant information, including product attributes, efficacy descriptions, price explanations and service commitments, to ensure the legality, accuracy and completeness of the content and to prevent the external dissemination of any false, erroneous or misleading information. Moreover, we have also established a supervision mechanism for advertising and product labeling to conduct full-process oversight and review of promotional advertisements and product packaging labels. This ensures that advertising content is truthful, objective, clearly expressed, and free from exaggerated claims or concealment of important information. Product labeling strictly complies with relevant regulatory requirements, standardizing the presentation of product information, instructions for use, precautions and other details. This guarantees that labels are clear, complete, truthful and traceable, so that consumers can clearly and accurately understand product-related information and make informed purchasing decisions.



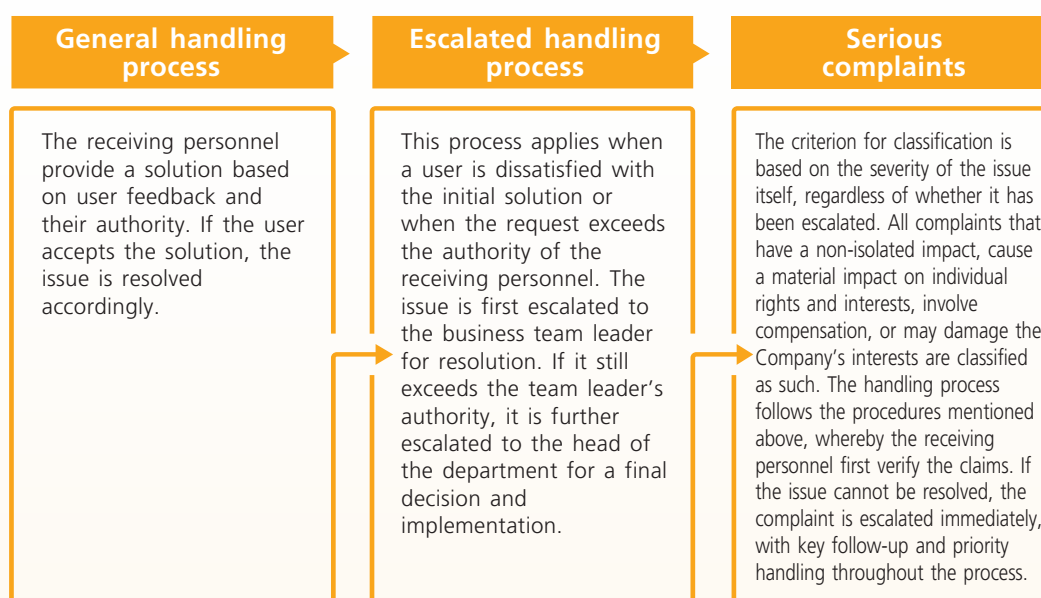
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CUSTOMER SERVICE

Adhering to the principle of “user first”, the Group has established a standardized customer complaint handling mechanism that mandates timely resolution, follow-up and independent investigation of all customer complaints. Additionally, the Group periodically analyzes and reviews complaint cases to drive service improvement.

The entire complaint handling process strictly adheres to established standards. Staff members are required to first appease the user’s emotions and accurately document the complaints and core demands in detail. This is followed by the prompt initiation of issue investigation and fact verification, with joint coordination involving Operations, Sales and Legal Departments when necessary. Upon completion of complaint resolution, the settlement results must be confirmed with the user to complete closed-loop management and prevent secondary complaints. In addition, during complaint communications, all employees must follow standardized scripts and terminology, use formal and polite professional language, maintain a sincere and responsible service attitude, and adopt corresponding communication and response methods according to the different characteristics and needs of users. These measures ensure efficient and smooth communication and enhance the user experience throughout the complaint handling process.

The Group has established three categories of handling rules based on the complexity of complaint handling, the scope of authority and responsibilities, and the severity of the issue, with clear procedures and responsibilities to ensure the efficient resolution of various types of complaints:



In addition, the Group clarifies the after-sales responsibilities of the platform’s self-operated business, subsidiaries, cooperative medical institutions and third-party service providers. Complaints are categorized based on their cause into platform responsibility, institution responsibility, third-party responsibility and user-related reasons, with corresponding handling standards formulated. For platform responsibility, customer service issues an apology, coordinates a resolution, and negotiates compensation if losses are incurred. For institution or third-party responsibility, the responsible party is promptly notified to facilitate resolution, while the platform follows up on the entire process and conducts follow-up visits to assess user satisfaction, ensuring proper closed-loop handling of complaints.



HEALTH FOR ALL: **GROWING** TOGETHER AS PARTNERS

SAFEGUARDING RIGHTS AND INTERESTS WITH CARE

The Group adopts a people-oriented approach, cares for every employee, and actively fosters a diverse, inclusive, friendly and fair workplace environment. It respects and safeguards the various basic rights and interests of its employees. We strictly comply with relevant local laws and regulations and, through a robust management system and attentive employee care, effectively protect employees' rights and interests while enhancing their work experience. Our goal is to create a safe, stable and warm workplace.

COMPLIANT EMPLOYMENT

The Group attracts talent through diverse channels and has established a comprehensive, fair and open recruitment mechanism. We are committed to providing equal employment opportunities and do not discriminate based on age, gender, physical or mental condition, marital or family status, ethnicity, nationality, religious belief or other conditions protected by law. We have zero tolerance for any form of discrimination. The above principles apply to all human resources management processes within the Group, including recruitment, promotion, transfer, rewards and training. We strive to create an inclusive and harmonious work environment and welcome persons with disabilities, retirees and older employees to join our team. We help them integrate into our team and leverage their expertise by optimizing workplace facilities and providing appropriate counseling and support. To strengthen compliance management, we have formulated the "Six Red Lines of 160 Health", which define behaviors such as "serious violations of laws and discipline" as bottom lines that must not be crossed. Moreover, we have established dedicated communication channels and complaint mechanisms to promptly address and respond to employees' complaints and suggestions related to equal opportunities, human rights and anti-discrimination issues.

The Group has developed internal systems such as the "Offer Letter of 160 Health", the "Employee Handbook of 160 Health" and the "Administrative Measures of 160 Health Group for New Employee Onboarding and Probationary Period". These documents clearly outline the specific arrangements and division of labor at each stage before and on the day of onboarding and during the probationary period, to help new employees smoothly adapt to and integrate into the work environment.

In addition, the Group adopts a zero-tolerance policy toward child labor and has established relevant internal management systems. During the recruitment process, we rigorously verify documents such as candidates' identity cards, birth certificates, driving licenses, household registration booklets and academic certificates to ensure that information regarding age, identity, academic qualifications and appearance is authentic and consistent. This process guarantees that recruitment process is lawful and compliant, preventing the employment of child labor and personnel who do not meet onboarding qualifications within the Group. In cases of non-compliance, we will immediately take necessary actions, including termination of labor contracts, promptly report to the police or labor authorities, and fully cooperate with investigations. Once verified, the relevant personnel will be held strictly liable. In addition, we explicitly stipulate regular working hours with employees in our labor contracts to protect the legitimate rights and interests of both parties in accordance with the law. For overtime work that complies with the Group's relevant regulations, compensatory leave is provided for employees when overtime occurs on rest days. During the Reporting Period, we did not engage in the employment of child labor or forced labor and discrimination against employees.



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The Group has established a robust employee departure management mechanism and formulated the “Departure Management Measures of 160 Health Group”, which clearly outline the handling procedures for various types of departures, such as voluntary resignation, involuntary termination and retirement. When an employee submits a resignation application, we proactively communicate with the employee to understand the underlying reasons, handle the departure procedures and work handover in accordance with legal requirements and internal processes, and fully respect the employee’s personal wishes. We also value the opinions raised by our employees and continuously review and optimize our human resources management measures to constantly enhance our talent management capabilities. In addition, we have a dedicated system in place to welcome suitable former employees back to our team.

REMUNERATION AND BENEFITS

The Group is committed to providing employees with fair and market-competitive remuneration packages. We carry out various remuneration management tasks in accordance with management systems such as the “Remuneration Management System of 160 Health Group”, and adhere to the principle of equal pay for equal work. Remuneration is determined based on position, competence and performance, while also considering market levels to ensure that employees performing the same work and contributing equal value are treated fairly. This approach helps eliminate remuneration disparities caused by non-performance factors. We also continuously optimize our remuneration and incentive mechanisms through market research to effectively motivate employees to enhance their work performance. Employee performance appraisals are conducted quarterly, with timely feedback on work performance provided. In addition, we have established a pre-IPO share option scheme to offer participation opportunities to specific directors, senior management and employees, enabling employees to grow together with the Company and achieve long-term synergy of interests. We have also established a “Quarterly Honor Roll” to further encourage employees’ ongoing commitment and proactive performance. Each month, outstanding and eligible employees are selected for inclusion on the honor roll. Through public recognition and appropriate rewards, employees’ efforts and contributions in their daily work are acknowledged, fostering a proactive and mutually motivating work atmosphere that inspires all employees to collectively pursue excellence.

The Group places great importance on protecting the rights, interests and well-being of its employees. It provides all employees with various basic protections including five social insurances and one housing fund, rest days, statutory holidays and paid annual leave in accordance with the “Welfare Management Measures of 160 Health Group”. In addition, we offer various care benefits including free medical examinations, free meals or catering subsidies, team-building funds, festival gifts or allowances, and wedding gifts. We also arrange compensatory leave for overlapping or canceled holidays, provide compensatory leave or corresponding allowances for employees working overtime, and offer support such as reimbursement of training expenses and preferential medical services. Our goal is to foster a warm work environment for our employees.

EMPOWERING TALENT GROWTH

The Group has always prioritized employee talent cultivation and career development. We have specifically established the “Training Management System of 160 Health Group” to create a structured growth platform for employees and enhance their comprehensive capabilities, supporting their progress and growth alongside the Company. The Human Resources Center develops an annual training plan each year based on the Company’s strategy and the needs of various departments to ensure that the training is practical, targeted, and free from formalism. Our training system covers employees at all levels and in all categories within the Group, all of whom can obtain corresponding training resources and growth support. The specific training content is as follows:

1. New Employee Training

Mentor responsibility training

Mentors provide guidance to new employees to enhance their professional and role-specific skills, helping them meet job requirements, master work processes and become familiar with business operations as soon as possible.

Standardized training

Unified induction training is arranged for all new employees to help them gain a comprehensive understanding of core information such as the history of corporate development, corporate culture, various rules and regulations, and business products. This training enables new employees to adapt more quickly to their roles and integrate smoothly into the corporate team.

2. Professional Knowledge and Skills Training

This training is conducted comprehensively for all employees of the Group. Based on the core requirements of different positions, various types of training are provided, such as general workplace skills, technical skills and product knowledge. The focus is on enhancing employees' job competencies and helping them acquire the skills and knowledge necessary for their roles.

3. Leadership Training

Targeted at the Group's management staff, this program focuses on core content such as strategic planning, team building and talent cultivation to enhance their comprehensive management capabilities and leadership. It aims to equip them to lead their teams more effectively in achieving work objectives.

4. External Training or Education

Employees are encouraged to participate in relevant external learning, and financial support is provided for training programs that meet the requirements.

Case Study: Training Program for Product Sales Solutions in Public Sector Operations

During the Year, to further strengthen the implementation capabilities of its core businesses, the Group organized and conducted specialized training for all employees across its front, middle and back offices. The core objective of this training was to enhance the professional quality of all staff, focusing on helping all employees gain an in-depth understanding of the Company's core business operational logic and core product value. The training also aimed to improve cross-departmental collaborative efficiency and strengthen employees' execution capabilities in key stages such as market development and project delivery.



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Case Study: Specialized Training on Business Skills

During the Year, Luo Yong, Vice President of the Group, personally conducted a specialized business skills training session titled “How to Connect with Customers and Effectively Integrate Resources” for all sales personnel in the Shenzhen region. Drawing on his extensive business experience, he provided a detailed breakdown of core methodologies and practical strategies for business communication during the course. He emphasized the key points of client engagement and value delivery, while also highlighting various detailed requirements throughout the business communication process. This training offered valuable learning and reference materials for front-line sales personnel, effectively helping them optimize their communication techniques and enhance their business performance.





BUILDING A WARM WORKPLACE TOGETHER

The Group continuously optimizes its employee communication channels, stays attuned to employee needs in a timely manner, and consistently enhances its employee care system to strengthen team cohesion and increase employees' sense of belonging and happiness.

Employee Care

The Group implements various employee care initiatives, including weekly club activities, to help employees relax, interact and enhance communication. During the Year, we launched the Sanfu Patch activity, offering employees exclusive discounted prices and convenient patch application services to support their health. This is coupled with diversified health-related support to comprehensively promote the physical and mental well-being of our employees.

Case Study: Festive Events

During the Year, to foster a team atmosphere that respects technology and values programmers, the Group organized a Programmer's Day celebration activity for all employees, particularly those in R&D and technical roles. The core orientation of this activity was to enhance the sense of belonging and identity among technical personnel. By hosting a variety of celebration activities such as festival greetings, technical exchanges and team-building exercises, the celebration emphasized the crucial role of technical staff in driving the Group's product innovation and optimization. At the same time, it aimed to stimulate the innovative vitality and collaborative enthusiasm of team members, thereby further strengthening the cohesion and unity of the technical team.



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Case Study: Retirement Ceremony

During the Year, the Group meticulously organized and held a retirement ceremony for retiring employees who have provided long-term service to the Company. The core orientation of the activity was centered on expressing gratitude for their dedication and honoring the spirit of legacy. Through a series of heartfelt tributes including commemorative gift presentations, career retrospectives and colleague testimonials, sincere appreciation was conveyed to the retiring employees for their years of hard work and contributions.



Case Study: Benefits of On-Site Sanfu Patch Application

The Group capitalized on the opportunity presented by the Sanfu period, known for the practice of “treating winter diseases in summer”, to offer employees convenient traditional Chinese medicine conditioning services focusing on their physical well-being. The Group arranged dual channels of on-site application and community health center experience for employees, coupled with social security discounts to lower participation costs. This initiative ensures that health benefits are not merely “formalities” but are accessible, practical and heartwarming, making it easier for employees to benefit from them and enhancing their perception of corporate care through practical, seasonal health benefits.





Democratic Communication

The Group continuously optimizes its employee communication system. By establishing efficient interaction mechanisms across multiple online and offline channels, the Group promptly identifies and addresses employee needs, performs closed-loop processing of employee feedback, and consistently drives improvements in management efficiency.

Routine Communication

160 Employee General Meeting: The Group holds an employee general meeting every six months to enhance communication channels between management and staff. During this meeting, management provides an update to all employees on business developments over the past six months and shares the Group's future strategic direction. Meanwhile, we gather employee concerns extensively prior to the meeting. Through face-to-face communication, senior management responds on-site, and we jointly contribute ideas and suggestions for the Company's development direction.

Research

To implement 160 Health's 2025 strategic layout of "balancing the dual goals of business scale and profitability" and to support the city SaaS business in achieving twofold growth, the Human Resources Center has released the "Business and Organizational Development Research Questionnaire" for the Company's SaaS business team this year. This research covers four major dimensions, namely business, organization, talent and culture, comprising a total of eight major themes. The research results indicate that "Strategic Clarity" and "Code of Conduct" received the highest scores, followed by "Process Resources" and "Incentive Guarantees". Based on the results of this research, the Human Resources Center will collaborate with business units to promote organizational optimization and improvement actions to facilitate the steady business development.

Diversity and Protection of Labor Rights

The Group has drafted the "Employment and Diversity Policy for Employees of 160 Health Group", which explicitly stipulates that the Group must respect employees' freedom of association and their legal rights to form and join trade unions. Management will engage in open and good-faith communication and collective bargaining with elected employee representatives or trade unions to jointly handle matters concerning employees' collective interests and safeguard their legitimate rights and interests.

Grievance Mechanism

The Group has established the Office of the President and created a dedicated email address to serve as a channel for employee complaints and feedback. Every piece of feedback will be promptly addressed, and a clear response will be provided.

Occupational Health Shield

Although the Group's operations are primarily office-based, we place great importance on the occupational health and the physical and mental well-being of our employees. We have established a comprehensive protection system that spans from institutional management to daily care. The Group has internal policies in place that emphasize the importance of a safe and healthy work environment and ensure that our office premises and work environment comply with relevant regulatory requirements. Appropriate actions will be taken against behavior that endangers the safety and health of oneself or others. In the event of an employee injury or illness, we conduct timely investigations into the causes and continuously optimize our management practices. We also proactively identify various potential risks and implement effective management, and periodically inform employees of safety inspection results, injury and illness statistics, and other safety-related information.

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The Group continues to promote occupational safety training to enhance employees' self-protection capabilities. We provide basic safety education for new hires and employees transitioning to new roles, covering company safety regulations and emergency measures. We also provide specialized training focusing on potential workplace hazards to guide employees in taking protective measures. We strictly enforce non-smoking regulations in the workplace and promptly remove liquids and debris from floors to prevent slips and falls. Furthermore, we collaborate with property management to conduct regular fire escape and rescue drills, continuously improving employees' emergency response capabilities in the face of unexpected incidents. Over the past three years (including the Reporting Period), the Group has not experienced any work-related fatalities, nor has it recorded any lost days due to work injury.



The Group also offers employees comprehensive healthcare support, including daily supplies such as masks, lens cleaning wipes, seat cushions and nap recliners, and is equipped with fitness facilities for employee use. At the same time, we offer a diverse range of health products and services to employees and their families at preferential prices, and regularly organize various sports activities on a weekly basis, including badminton, yoga and table tennis clubs. We encourage employees to develop healthy and regular living habits and to create a safe, comfortable work environment that balances physical and mental well-being.



HARMONY IN HEALTH: GREEN PROTECTION FOR SUSTAINABILITY

CLIMATE RESPONSE

Climate change is a critical global issue. The Group has integrated climate-related matters into its corporate strategic planning and places great emphasis on the various impacts arising from it. Starting from the Year (FY2025), the Group will comply with the relevant requirements of the ESG Code and fulfill its disclosure obligations for climate-related information in accordance with the four-pillar framework of “Governance, Strategy, Risk Management, and Metrics and Targets”.

GOVERNANCE

Climate-related risks and opportunities have been integrated into the Group’s governance structure at all levels. As the highest management level, the Board is responsible for formulating and implementing sustainability management policies and strategies, as well as reviewing, making decisions on, managing and supervising related matters. Regarding the management of climate-related issues, the Board reviews relevant content at least once a year in a regular meeting, analyzes the climate-related risks and opportunities faced by the Group, and evaluates whether management has implemented response measures and their effectiveness, so as to ensure that the impacts of climate change are properly addressed. The Board annually reviews and monitors the progress of climate targets and revises relevant strategies promptly based on actual circumstances to ensure alignment with the Group’s overall strategy. In addition, when overseeing the Group’s strategies, major transaction decisions, risk management processes and various policies, the Board incorporates identified climate-related risks and opportunities into its assessments, and carefully considers relevant trade-offs.

To ensure the Board effectively performs its climate-related oversight functions, the Group continuously provides professional support in the climate field to its Directors. By providing learning resources, conducting internal thematic training, and facilitating participation in climate-related training and seminars organized by external professional institutions, the Group enhances the Board’s ability to assess climate-related risks and opportunities and helps it stay informed of the latest developments in the climate field in a timely manner.

In its oversight role concerning climate-related strategies, the Board delegates the relevant authority and responsibilities for day-to-day climate governance to management for execution. Management is responsible for reviewing climate-related strategies, setting specific plans and targets, formulating specialized response plans to address the climate-related risks and opportunities faced by the Group, promoting the implementation of strategies, regularly communicating and reporting progress to the Board, and fostering the synergistic enhancement of climate governance alongside overall ESG governance.

The Group’s climate-related control requirements and processes are integrated into the policies of various departments. The ESG Executive Team is responsible for assessing the Group’s climate-related risks and opportunities and incorporating them into the overall ESG assessment. It also monitors the implementation progress of climate response measures, integrates climate-related data into ESG report preparation, tracks the effectiveness of relevant systems, regularly promotes cross-departmental communication and coordination, implements climate action plans, and enhances the Group’s climate resilience.



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STRATEGY

The Group is committed to enhancing the resilience of its business against climate change. By continuously refining relevant risk assessment processes, the Group analyzes the potential impacts of climate change on our business and value chain, develops risk assessment plans and optimizes response strategies. To advance the implementation of relevant initiatives and address the deficiencies of previous risk assessment processes in identifying the long-term impacts of climate change, the Group conducted its first comprehensive climate scenario analysis in 2025. The scope of the analysis covers physical risks, transition risks and various potential opportunities, including a detailed screening and thorough evaluation of each type of risk and opportunity.

Physical risks: refer to risks related to the physical impacts of climate change, which can be event-driven (acute risks), such as those triggered by extreme weather events, or caused by longer-term shifts and changes in climate patterns (chronic risks).

Transition risks: refer to risks related to the socio-economic transition towards a low-carbon model. Such risks often arise alongside changes in policies, regulations, legal provisions, technological applications and market environments, corresponding to the needs for emission reduction and adaptive development in the context of climate change.

To comprehensively analyze climate-related risks and potential opportunities that may be encountered during the course of business development, we have considered core factors such as global temperature rise trends, policy changes in the climate sector and the duration of their impacts. Therefore, we selected appropriate scenario assumption models and relevant parameters from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Phase V public reports of the Network for Greening the Financial System (NGFS). The climate scenarios determined are not only highly consistent with our industry nature and strategic objectives, but also align with China's "dual carbon" strategy and the development goal of the Hong Kong SAR Government to "achieve carbon neutrality before 2050". In addition, our analysis indicates that climate-related risks and opportunities will have a material impact on our business in the short, medium, and long term, covering the periods up to 2030, 2040, and 2050, respectively. These time horizons are determined based on our operating budget cycles and business planning cycles.



During this climate scenario analysis, the Group assumed that the requirements of emission reduction-related policies and the scope of reporting statistics would remain unchanged within the time horizon of the potential impact of the risks. The table below sets out the climate scenario models adopted for this analysis, including low-emission and high-emission scenarios, to more comprehensively understand the potential impact of climate change on our various business operations.

Scope	Consistent with the reporting scope, covering the Group’s 11 city stations in China and 1 regional office in Anji County, Huzhou City, Zhejiang Province.
Scenario Analysis Models Adopted	<p>Physical risk analysis adopts the IPCC scenario framework:</p> <ul style="list-style-type: none"> • Shared Socio-economic Pathway (SSP) 1–2.6 scenario: Global warming reaches 2.0 degrees Celsius. The social, economic and clean energy transition processes of various governments continue to follow historical trends. Strict policies may increase the transition risks faced by enterprises, while physical risks will remain significant. • Shared Socio-economic Pathway (SSP) 5–8.5 scenario: Global warming exceeds 4 degrees Celsius. Delayed climate action by governments, stagnation in emission reduction and adaptation efforts, and inadequate supporting policies ultimately trigger extreme climate impacts, leading to an increase in both short-term and long-term physical risks faced by enterprises. <p>Transition risk analysis adopts the NGFS scenario framework:</p> <ul style="list-style-type: none"> • Net Zero Emissions by 2050 Scenario: Countries implement stringent climate policies early, aiming to limit global warming to within 1.5 degrees Celsius by reducing energy demand and developing low-carbon technologies, and achieve the global net-zero carbon dioxide emissions target by 2050. • Current Policies Scenario: Only the climate policies currently in place are maintained, resulting in continuous growth in greenhouse gas emissions. It is predicted that global warming will exceed 3 degrees Celsius, triggering severe physical risks.



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The Group believes that a combination of quantitative and qualitative analysis is necessary for a more comprehensive assessment of climate-related risks and opportunities. However, since relevant operational data is currently dispersed across various business units and there are no recognized, industry-wide unified calculation standards, we are unable to reliably compile cross-industry climate metrics in a reasonable and cost-effective manner. In addition, our measures to address climate-related matters are integrated into our daily operations (such as continuous tracking of emerging climate regulatory developments), and there are no separately identifiable specialized activities for addressing relevant risks and opportunities. Therefore, we are unable to provide quantitative data on the current and anticipated financial effects of such matters at this stage.

Nevertheless, the Group has identified the key financial effects of major climate-related risks and opportunities and provides detailed qualitative disclosures in the table below. At the same time, we are actively optimizing our internal data integration system and climate scenario modeling capabilities, gradually enhancing the level of detail in our quantitative disclosure of climate-related matters. Should there be any material adjustments to our future operating strategies, we will promptly disclose the quantitative impact of such changes on our financial position, operating performance and cash flows.

Through scenario analysis, the Group has identified the following six climate-related risks and opportunities. For the detailed qualitative assessment results of these risks and opportunities, please refer to the table below.

Qualitative description of the risk and opportunity assessment results:

Types of Risks	Main Area of Impact	Physical Risks Level of Materiality			Impact on Business	Impact on Financial Performance
		Short-term (to 2030)	Medium-term (to 2040)	Long-term (to 2050)		
Acute Chronic	Extreme weather events Changes in precipitation patterns	The Group's operating units in China			<p>Business model:</p> <ul style="list-style-type: none"> Daily operations cannot proceed normally, and labor shortages emerge due to employees' commuting being obstructed. The workforce also faces personal safety risks during commuting, ultimately resulting in the core business becoming unsustainable <p>Value chain:</p> <ul style="list-style-type: none"> Extreme weather leads to supply chain disruptions and damage to warehouse facilities, which in turn affects delivery efficiency and harms customer experience and brand reputation 	<ul style="list-style-type: none"> Rising costs: Climate disasters disrupt operations, leading to increased costs for emergency repairs and operational contingencies Decline in revenue: Suspension of operations at business venues and delays in service delivery directly result in a decline in business income and a reduction in revenue from core businesses

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Types of Risks	Main Area of Impact	Transition Risks Level of Materiality			Impact on Business	Impact on Financial Performance
		Short-term (to 2030)	Medium-term (to 2040)	Long-term (to 2050)		
Stringent policies and regulations Due to increasingly stringent market ESG information disclosure and sustainability-related regulations	The Group's operating units in China				Business model: <ul style="list-style-type: none"> We are subject to local low-carbon and ESG-related compliance requirements. Non-compliance will damage our corporate reputation and shake customer confidence, thereby hindering business development Value chain: <ul style="list-style-type: none"> Rising carbon emission costs for suppliers may lead to an increase in procurement prices Operational processes must implement mandatory carbon emission tracking and disclosure, increasing the complexity of operational management 	<ul style="list-style-type: none"> Compliance fines: Failure to meet disclosure requirements will result in financial penalties, directly increasing operating costs Rising governance costs: The acquisition of carbon accounting tools, upgrading of reporting systems and replacement with sustainable packaging, etc., have driven up governance costs Increase in business costs: Cost pass-through from suppliers drives up procurement costs and squeezes profit margins
Brand and sustainability reputation Effect of the Group's sustainability performance on its brand image and public trust					Business model: <ul style="list-style-type: none"> Poor sustainability performance will weaken brand trust and reduce the willingness of customers to cooperate with and choose us Value Chain: <ul style="list-style-type: none"> Damage to brand reputation will affect the basis of cooperation with partners and reduce overall market competitiveness 	<ul style="list-style-type: none"> Decrease in revenue: Loss of customers and decline in business volume Increase in additional costs: Rise in brand restoration and public relations expenses



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Types of Opportunities	Main Area of Impact	Opportunities Level of Materiality			Impact on Business	Impact on Financial Performance
		Short-term (to 2030)	Medium-term (to 2040)	Long-term (to 2050)		
Operational efficiency optimization	Enhancing operational resilience and reducing costs by optimizing operational energy efficiency	The Group's operating units in China			<p>Business model:</p> <ul style="list-style-type: none"> Integration of energy management into the overall business strategy and construction of a resource-efficient operational model <p>Value chain:</p> <ul style="list-style-type: none"> Reduction of energy consumption through energy-saving systems and optimization measures 	<ul style="list-style-type: none"> Energy cost savings: Reduction in electricity expenses improves operating profit margin
Promoting low-carbon digital healthcare services	Strengthening brand competitiveness and expanding business through the promotion of low-carbon digital healthcare services				<p>Business model:</p> <ul style="list-style-type: none"> Building a sustainable brand image and enhancing market competitiveness <p>Value chain:</p> <ul style="list-style-type: none"> Expanding partnerships with sustainable development attributes, enriching the business-related product portfolio, and matching changes in market demand 	<ul style="list-style-type: none"> Revenue growth: Driving overall performance improvement Strengthening brand competitiveness: Supporting long-term business scale expansion and revenue enhancement

Note: Very light orange: handled in accordance with current standard procedures; light orange: subject to continuous monitoring and tracking; orange: management strategies must be formulated and their implementation tracked.



Mitigation measures for the risk and opportunity assessment results:

TYPES OF RISKS	MITIGATION MEASURES
Extreme weather events	<ul style="list-style-type: none"> Conduct evacuation drills on a regular basis, and continuously review and optimize emergency response mechanisms
Changes in precipitation patterns	<ul style="list-style-type: none"> Flexibly adjust work arrangements in response to inclement weather to ensure the safety and health of employees Issue safety notices during extreme weather to remind employees of relevant contingency and protection arrangements Equip with a backup power supply to ensure the stable operation of network facilities and core services
Stringent policies and regulations	<ul style="list-style-type: none"> Continuously track international and local climate-related regulatory trends, periodically identify, assess and manage climate-related risks and opportunities, and promptly promote the optimization of internal systems and the compliant implementation Assign dedicated personnel to coordinate climate risk management and strengthen internal and external communication to keep abreast of emerging risks and market requirements
Brand and sustainability reputation	<ul style="list-style-type: none"> Strengthen sustainability information disclosure and enhance corporate transparency Integrate ESG and low-carbon management into daily operations and continuously improve sustainability performance Strengthen communication with stakeholders and establish a positive brand image

TYPES OF OPPORTUNITIES	RESPONSE MEASURES
Operational efficiency optimization	<ul style="list-style-type: none"> Optimize the operation schemes of systems such as venue air-conditioning and lighting to reduce energy consumption Assess the feasibility of adopting renewable energy to reduce reliance on traditional grid energy
Promoting low-carbon digital healthcare services	<ul style="list-style-type: none"> Integrate low-carbon concepts into the design and promotion of digital services, optimize online service processes, and reduce unnecessary offline activities and resource consumption Collaborate with partners to promote low-carbon related cooperation and integrate resources to expand sustainable business directions



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The Group has not yet formulated a climate transition plan, but has allocated corresponding human and internal resources to implement the various mitigation and response measures mentioned above. Although the Group publishes its first ESG report this year, relevant climate response measures have been continuously implemented. During the Reporting Period, we identified material Scope 3 categories relevant to us and have comprehensively promoted decarbonisation actions and climate resilience building work. During the Reporting Period, we did not make any specific capital expenditures, financing arrangements or investment projects in response to climate-related risks and opportunities.

Despite the implementation of the aforementioned relevant measures, the Group still faces a number of material uncertainties that may affect the effective implementation of future climate resilience-related planning. Relevant factors include the uncertain pace of updates to global and regional climate policies, the continuous fluctuations in the speed of development and the degree of impact of physical risks caused by climate change, as well as the future climate-related regulatory requirements applicable to us, for which the implementation timing and regulatory stringency remain uncertain. In response to these changing factors, we possess mature adaptive capabilities to flexibly adjust our overall strategy and business model in the short, medium and long term with regard to climate change-related issues. The relevant adaptation mechanism has been incorporated into the Group's daily strategic planning and operational management system to ensure that the business direction, operational processes and industrial chain collaboration models can be optimized in a timely manner in response to changes in climate risks and updates to regulatory policies.





Looking ahead, the Group will continue to monitor climate-related risks and opportunities, evaluate the effectiveness of emission reduction measures, and adjust corresponding strategies based on operational performance, while following up on the progress of various climate-related tasks through regular supervision. We will also optimize emission reduction and response measures as necessary, taking into account actual operational conditions and external climate development trends. The relevant work arrangements will promote the orderly implementation of various climate actions and further enhance the Group's adaptability and overall resilience in addressing the challenges of climate change.



RISK MANAGEMENT

The Group is currently actively identifying risks and opportunities related to climate change and gradually establishing assessment and prioritization mechanisms. It plans to incorporate relevant management processes into its overall risk management framework at an appropriate time in the future, and to continuously optimize relevant operational arrangements to promote the integration of climate risk management with daily operations, ensuring that we effectively respond to the various challenges brought about by climate change. This integration is consistent with our existing risk management framework, and no material amendments were made to the overall risk management process during the Reporting Period.

Throughout the entire process of conducting climate-related risk management, the Group comprehensively considers various factors such as the location and type of assets, the historical impacts of extreme weather and energy consumption patterns, while simultaneously conducting a comprehensive analysis by combining public climate scenario data with internal data such as operation logs. Our management process for climate-related risks and opportunities is as follows:

<p>1.</p>  <p>Identification</p>	<p>By researching climate change trends, following up on domestic and international industry developments and technological changes, conducting peer benchmarking analysis and collecting stakeholder opinions, the Company has carried out climate-related scenario analysis in conjunction with its own operational status and business characteristics. Relying on various research, benchmarking and analysis work, the Group comprehensively and objectively identifies potential climate-related risks and opportunities faced by all its business locations in China, ensuring that the list of climate-related risks and opportunities covers all key stages of the overall business process.</p>
<p>2.</p>  <p>Assessment</p>	<p>We conduct a comprehensive and integrated assessment to analyze the potential impact of climate-related risks and opportunities on the Group’s business model, value chain and financial performance, and to evaluate the likelihood of occurrence and the extent of impact of such risks and opportunities. The data and parameters adopted for this assessment are consistent with those used in the identification stage, and the scope of assessment and reporting boundaries also remain consistent, providing comprehensive coverage of the relevant business processes.</p>
<p>3.</p>  <p>Prioritization</p>	<p>Based on the results of the comprehensive assessment of climate-related risks and opportunities, we prioritize the identified climate-related risks and opportunities according to their likelihood of occurrence and extent of impact. This prioritization work follows the overall risk management framework of the Group and is consistent with the business objectives of the Group.</p>
<p>4.</p>  <p>Monitoring</p>	<p>The ESG Executive Team conducts regular assessments and monitoring of identified climate-related risks and opportunities, while evaluating the effectiveness of relevant mitigation and response measures, and reports the relevant implementation status to management. Management periodically reports to the Board on the results of the entire process of identification, assessment and management of climate-related risks and opportunities, further strengthening the Board’s oversight of its management and ensuring the effective implementation of various risk response measures and opportunity capture initiatives.</p>

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METRICS AND TARGETS

The Group has identified strengthening climate resilience and implementing sustainable operating models as core strategic directions, and is committed to promoting sustainable development goals and relevant action plans in alignment with international sustainability standards. We prioritize alignment with the national “dual carbon” strategy and the carbon peaking and carbon neutrality goals of the Hong Kong SAR, which also serve as important support for the country’s fulfillment of its commitments under the Paris Agreement.

To align with relevant climate frameworks, the Group continuously evaluates its ESG key performance indicators and formulates targeted emission reduction and management targets with reference to the requirements of national and regional climate and sustainable development frameworks. Although the relevant targets have not yet been verified by an independent third party and were not formulated using industry decarbonisation methodologies, the Board will monitor the progress and performance of the achievement of the targets on an annual basis and evaluate whether any revisions are necessary. In addition, the Board will continue to optimize the mechanisms for target formulation, assessment and verification to ensure the transparency and credibility of our decarbonisation efforts.

To translate the relevant targets into concrete emission reduction results, the Group actively promotes various decarbonisation actions by enhancing energy efficiency and optimizing operational processes. At this stage, we have no plans to use carbon credits for emissions offsetting, but we will continue to monitor the carbon credit market and policy developments, and will use relevant instruments as supplementary measures to support our long-term carbon neutrality goals when appropriate.

Considering the maturity of the data collection work at each of the Group’s city stations, we have initiated the setting of carbon reduction targets centered on the Shenzhen city station, and will gradually expand the target coverage to other city stations in the future. The specific targets are as follows:

Target Type	Description
 Greenhouse Gas Emissions	<ul style="list-style-type: none">To reduce total greenhouse gas (including Scope 1 and 2) emission intensity by 5% by 2035, taking 2025 as the baseline year
 Energy Management	<ul style="list-style-type: none">To reduce total energy consumption intensity by 5% by 2035, taking 2025 as the baseline year
 Water Resources Management	<ul style="list-style-type: none">To reduce water consumption intensity by 5% by 2035, taking 2025 as the baseline year

In addition, during the Reporting Period, the Group carried out greenhouse gas identification, assessment and inventory work to effectively manage its own greenhouse gas emissions. The relevant work covers our operational scope in China, where the accounting of Scope 1 and Scope 2 emissions has been completed in accordance with the requirements of the “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)”. We have also completed the data compilation for Scope 3 emission sources with reference to the “Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)”.



Combining the Group’s core operations, emission scale estimates, data availability and peer research results, the following categories are included in our Scope 3 emissions accounting scope:



Note: For details regarding the Group’s greenhouse gas emissions, please refer to “Appendix I — Environmental Key Performance Index” of this ESG Report.

The Group’s strategic focus is on optimizing core business performance and creating long-term value, an approach that is consistent with the existing risk management model. Currently, we have not yet incorporated internal carbon pricing mechanisms or climate-related considerations into our remuneration policy and governance framework, primarily because such factors do not yet have a direct and material correlation with our industry, current operational priorities and financial decision-making needs. We will continue to monitor the development trends of climate-related indicators, industry best practices and the application of internal carbon pricing, and will actively assess the feasibility of incorporating relevant factors into our governance framework and remuneration policy when conditions are mature.

GREEN OPERATIONS

The Group adheres to the philosophy of environmental sustainability, regarding it as an important foundation for the long-term development of the enterprise. We fully integrate the environmental management strategy into all aspects of our business operations to promote green operational practices through systematic implementation. Currently, we have established a comprehensive environmental management system and have successfully passed the ISO 14001:2015 Environmental Management System standard certification. All our environmental management work is implemented in accordance with this international standard to ensure the professionalism, standardization and effectiveness of our environmental management and controls.

WATER RESOURCES MANAGEMENT

The Group strictly complies with the relevant laws and regulations of the jurisdictions where it operates and upholds the philosophy of water conservation in its daily operations. Our water consumption is mainly derived from daily office operations, including basic domestic water used in pantries and washrooms within our office premises. As the water supply systems of our office premises are centrally managed by the property management companies and building owners, the Group is currently unable to directly obtain specific water consumption data for all its business units. Going forward, we will continue to promote communication and collaboration with the management, striving to improve the collection and statistical analysis of water consumption data to provide data support for the optimization of water resources management.





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Despite the lack of direct control over our water systems, the Group has taken the initiative to optimize its internal water management and actively implement various water-saving measures to reduce water consumption during its operations and mitigate potential environmental impacts. Specific measures include:

- Repair dripping taps in a timely manner to eliminate leaks
- Adjust water pressure to the minimum feasible level to avoid excessive water consumption
- Recycle and reuse greywater for cleaning office areas and irrigating green spaces
- Conduct regular leakage tests for concealed water pipes, inspect water tanks for overflows, check water meter readings and address concealed leakage issues, so as to identify and resolve potential water-saving hazards in a timely manner
- Post water-saving reminder labels in key water consumption areas such as water dispensers and washrooms to guide all staff in developing good habits of water conservation

During the Year, the Group further upgraded its water-saving facilities by comprehensively replacing the taps in its office washrooms with sensor-activated taps, which effectively enhanced water-saving results through methods such as automatic water flow control and the avoidance of idling waste. Our water resources management work has progressed steadily, and no water-related issues occurred during the Year.

To continuously promote water conservation efforts, the Group has taken 2025 as the baseline year and aims to reduce its water consumption intensity by 5% by 2035, gradually achieving efficient resource utilization. Guided by this target, we will continuously optimize our water resource management system, implement various water-saving measures, promote the participation of all staff in water-saving actions, and progressively achieve the efficient utilization of water resources.

ENERGY MANAGEMENT

The Group strictly abides by the relevant laws and regulations of the jurisdictions where it operates and integrates the philosophy of energy conservation into its daily operations. The Group's energy usage is mainly divided into two categories: direct energy usage from vehicle fuel, and indirect energy usage from purchased electricity. To strengthen energy management and control, as well as promote energy conservation and consumption reduction, in addition to posting energy-saving light-off reminder labels next to light switches to guide all staff in energy conservation, we have established a monthly electricity consumption statistics mechanism to continuously monitor overall power usage and to formulate and implement corresponding improvement measures in a timely manner based on the monitoring results. At the same time, taking 2025 as the baseline year, we aim to reduce our total energy consumption intensity by 5% by 2035, effectively promoting the efficient usage of energy.



To advance our energy-saving targets, the Group has formulated and implemented a number of energy-saving measures targeting three core energy consumption sectors: office equipment, air-conditioning systems and lighting systems, with details as follows:

Office Equipment

- Set computers to automatic standby/sleep mode when idle, and completely turn off all types of electronic equipment during non-working hours
- Unplug electric kettles and microwave ovens before rest days and holidays, and turn off the main power supply of the office
- Consolidate multiple servers into a single high-capacity server to reduce energy consumption while saving office space
- Prioritize the procurement of electronic equipment with energy efficiency labels
- Adopt computer equipment virtualization solutions and rely on cloud IaaS and PaaS platforms to reduce hardware procurement and overall power consumption
- Adopt water-cooled racks for the cooling process for servers and related equipment to replace traditional air conditioning, optimizing cooling energy consumption

Air-conditioning System

- Set office air conditioners to a moderate temperature and turn them off when not necessary
- Use variable refrigerant flow systems to precisely optimize the refrigerant delivery flow rate
- Install sealing strips on doors and windows to prevent conditioned air from leaking out
- Adopt a Central Control and Monitoring System (CCMS) or Building Management System (BMS) for management
- Use energy-efficient air conditioners to reduce power consumption
- Clean the filters/fan coils regularly

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Lighting System

- Utilize natural lighting in office areas to the greatest extent possible to reduce the frequency and duration of artificial lighting usage
- Clean lighting fixtures regularly to ensure luminous efficiency, and install independent switches in different lighting areas to achieve zoned, on-demand control
- Reduce the number of lighting fixtures in areas appropriately with sufficient brightness to eliminate excessive illumination
- Fully adopt high-energy-efficiency lighting fixtures such as T5 fluorescent lamps and light-emitting diodes (LEDs) to replace traditional high-power-consumption lighting equipment

Three Wastes Management and Control



Wastewater

The Group's office premises are leased, and the water supply and drainage systems are centrally managed by property management companies. As wastewater discharge is directly related to water consumption, we have implemented various water-saving measures to reduce daily water usage, thereby indirectly reducing wastewater discharge. For specific measures, please refer to the section headed "Water Resources Management" of this Report.

The wastewater generated by the Group originates from the daily office and domestic water consumption of staff, including basic water usage scenarios such as washrooms and pantries. All wastewater is discharged into the local municipal wastewater pipe network in accordance with regulations and eventually transported to designated wastewater treatment plants for centralized treatment, ensuring that wastewater discharge indicators fully comply with the requirements of relevant national and local environmental protection standards.



Exhaust Gas

The exhaust gas generated by the Group is primarily derived from the fuel consumption of vehicles. We strictly comply with the relevant laws and regulations of the jurisdictions in which we operate. To effectively reduce exhaust gas emissions resulting from vehicle usage, we have formulated and implemented the following emission reduction measures:

- Implement regular inspection and maintenance mechanisms for the Group's vehicles to ensure they are in good operating condition and to reduce exhaust gas emissions at the source
- Inspect vehicle tires regularly and inflate them in a timely manner to maintain normal tire pressure, thereby reducing vehicle fuel consumption and exhaust gas emissions
- Conduct low-carbon driving training for the Group's drivers to guide standardized driving and reduce exhaust gas emissions during vehicle operation



- Optimize the organizational arrangements for internal meetings, whereby daily internal meetings are conducted in the form of video conferences; if offline meetings are required, the venues are selected within a 1-kilometer radius of the operating units to facilitate staff's travel by walking or taking public transport
- Regulate the management of staff business travel; for non-emergency trips and business trips involving multiple people, staff are encouraged to use public transport to reduce the usage of motor vehicles



Waste

The Group strictly complies with relevant local laws and regulations to ensure that all waste disposal processes meet statutory requirements. The non-hazardous waste generated by the Group mainly consists of food waste and other domestic waste. As for the hazardous waste generated in our office premises (such as ink cartridges, used lamps and used batteries), it is currently collected and disposed of by property management parties or cooperative third parties. Therefore, the Group is currently unable to directly obtain specific data on the disposal of hazardous waste from all its business units.

To regulate waste management and reduce waste at the source, the Group has implemented a number of daily management measures, which specifically include:

- Prioritize the use of rechargeable batteries instead of disposable batteries to reduce the usage of disposable and non-recyclable products
- Waste paper generated in daily operations is handled by category; waste paper containing important information is processed uniformly through shredders, while waste paper not containing important information is collected and recycled with the assistance of cleaning personnel. At the same time, staff are encouraged to use waste paper for note-taking and to reuse paper or use both sides of the paper as much as possible
- Use an electronic office system (OA System) to replace the paper-based office administrative system, further reducing paper consumption
- Select recyclable toner and ink cartridges, and evaluate the consumption of various materials to avoid waste caused by excessive inventory

To further improve our waste management system and enhance the management standards, the Group plans to optimize relevant measures in 2026. On the one hand, we will set up dedicated recycling points for non-hazardous waste to guide staff in sorted disposal and environmentally friendly treatment. On the other hand, we will promote the centralized collection and standardized treatment of hazardous waste such as used batteries. Meanwhile, the Group continues to strengthen waste paper management with the goal of improving paper utilization efficiency and reducing paper waste.

PACKAGING MATERIAL MANAGEMENT

The nature of the Group's business does not involve directly providing packaging materials for products. In this regard, we focus on environmental control at the supply chain end, continuously engaging in the exchange of environmental concepts, sharing of environmental experience, and professional training and guidance with our various partnered suppliers. At the same time, we actively promote the philosophy of green procurement, indirectly guiding suppliers to attach importance to the environmentally friendly development of packaging materials through the guiding role of the procurement end, and jointly practicing a green and low-carbon development concept.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMPASSION IN HEALTH: BRINGING WARMTH TO EVERY HOME

The Group attaches great importance to the synergistic development between the enterprise and the community. Dedicated personnel are assigned to liaise with community sub-district offices to proactively communicate on a daily basis and collate various community needs, relaying such needs internally to the Group in a timely manner. Within the scope of the Group's capabilities, it responds to and implements various reasonable needs proposed by the community, building an efficient communication bridge between the enterprise and the community.

The Group will continue to pay attention to community development and the actual needs of people's livelihoods. We will plan and organize various special activities targeting core community demands, and fulfill our corporate social responsibility through practical actions, ensuring that healthcare and heartwarming services penetrate deep into communities and benefit every home.

APPENDICES

Appendix I: Summary of Key Performance Indicators

Environmental key performance index

Indicators	2024	2025
Emissions (kg)		
Nitrogen oxides (NO _x)	/	3.36
Sulphur oxides (SO _x)	/	0.09
Particulate matter (PM)	/	0.25
Greenhouse gas (tCO₂e)¹⁻²		
Scope 1 — Direct emissions ³	/	14.14
Scope 2 — Energy indirect emissions ⁴	/	159.18
Scope 3 — Other indirect emissions ⁵	/	97.91
Total emission of greenhouse gas	/	271.23
Intensity (tCO₂e/RMB million of revenue)	/	0.41
Energy consumption (MWh)		
Direct energy consumption ⁶	/	57.23
Indirect energy consumption ⁷	/	299.99
Total energy consumption	251.16	357.22
Intensity (MWh/RMB million of revenue)	0.40	0.54
Water consumption (m³)		
Water consumption ⁸	1,068	1,059
Total water consumption	1,068	1,059
Intensity (m³/RMB million of revenue)	1.72	1.61
Waste (tonnes)		
Non-hazardous waste	/	0.60
Total non-hazardous waste	/	0.60
Intensity (tonnes/RMB million of revenue)	/	0.001
Hazardous waste	/	0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicators	2024	2025
Total hazardous waste	/	0
Intensity (tonnes/RMB million of revenue)	/	0
Packaging materials	The nature of the Group's business does not involve directly providing packaging materials for products	

Notes:

- * To enhance the data readability and comparability, the Group has adjusted the intensity unit from per RMB thousand of revenue to per RMB million of revenue.
- 1 The Group's greenhouse gas emissions accounting adopts the operational control approach, defining the accounting boundary based on the Group's authority to govern the operating policies of various activities. This approach not only provides a more accurate reflection of the Group's actual responsibility in carbon emission management but also strengthens the monitoring and management of greenhouse gas data, ensuring that the accounting results are consistent with the Group's sustainable development strategy.
- 2 The Group's greenhouse gas accounting methodology is established in accordance with the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". The types of greenhouse gas included in the Group's accounting comprise carbon dioxide, methane, and nitrous oxide, which are unified and measured in tonnes of carbon dioxide equivalent (tCO₂e) to enhance data comparability and readability.
- 3 Scope 1 — Direct emissions primarily originate from the fuel consumption of vehicles. The emission factors used for calculation refer to the guidelines issued by the National Development and Reform Commission ("NDRC") of the People's Republic of China and the Sixth Assessment Report published by the IPCC.
- 4 Scope 2 — Energy indirect emissions originate from indirect greenhouse gas emissions produced by purchased energy. The emission factors used for calculation are derived from the national average grid emission factors published by the Ministry of Ecology and Environment of the People's Republic of China.
- 5 Scope 3 — Other indirect emissions cover other indirect emissions generated outside the Group, including:
 - Category 5 (Waste generated in operations) covers domestic waste and food waste generated during the Group's operations in the reporting year. The emission factors are referred to the China Product Carbon Footprint Factors Database (CPCD).
 - Category 6 (Business travel) covers carbon emissions from air, high-speed rail, and taxi travel by employees at the production bases during the reporting year. The emission factors are referred to the Typical Business Travel and Accommodation Emission Factors in China (2024). This is the first time the Group has disclosed its Scope 3 emission data. As there is no historical baseline, fluctuation analysis is currently not applicable. The Group will continue to accumulate data and conduct trend tracking in the future.
- 6 Direct energy consumption originates from the fuel consumption of vehicles.
- 7 Indirect energy consumption originates from the use of purchased electricity.
- 8 Water consumption primarily arises from daily office operations, including basic domestic water used in pantries and washrooms within office premises. As the water supply systems of our office premises are managed by property management companies and building owners, the Group currently does not have direct access to specific water consumption data for all business units. The data only include the Group's office premises in Shenzhen.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Key Performance Index

Indicators	2024	2025
Number of employees	592	487
By gender		
Male	350	282
Female	242	205
By age group		
30 or below	271	169
31 to 40	254	245
41 to 50	63	65
51 or above	4	8
By geographical region		
Chinese Mainland	/	486
Taiwan	/	1
By employment type		
Full-time	/	453
Labor service ¹	/	30
Others	/	4
Employee turnover rate (%)		
By gender		
Male	/	43
Female	/	39
By age group		
30 or below	/	76
31 to 40	/	26
41 to 50	/	15
51 or above	/	0
By geographical region		
Chinese Mainland	/	41
Others	/	0
Total number of training hours (hours)		
Average number of training hours (hours) and percentage of employees trained (%)		
By gender		
Male	/	31 (100%)
Female	/	32 (100%)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicators	2024	2025
By employee level		
Senior management	/	43 (100%)
Middle management	/	38 (100%)
Junior	/	30 (100%)
Occupational health and safety		
Number of work-related fatalities	/	0
Lost days due to work injury	/	0
Number of suppliers		
By geographical region		
Number of key suppliers	/	175
Chinese Mainland	/	174
Hong Kong	/	1
Product responsibility		
Percentage of total products sold or shipped subject to recalls for safety and health reasons	/	0
Number of product and service-related complaints received	/	21
Anti-corruption		
Number of legal cases regarding corrupt practices prosecuted and concluded	/	0

Notes:

* Social key performance is prepared and calculated based on "Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

1. Labor service includes labor despatch and labor service

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Appendix II: Content Index of the Environmental, Social and Governance Reporting Code

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
Environmental Aspects		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green operations
KPI A1.1	The types of emissions and respective emissions data.	Environmental key performance index
KPI A1.2	(Repealed January 1, 2025)	
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity (e.g. per unit of production volume, per facility).	Environmental key performance index
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity (e.g. per unit of production volume, per facility).	Environmental key performance index
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Green operations
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green operations
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green operations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental key performance index
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental key performance index
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green operations
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green operations
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Environmental key performance index
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green operations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	



Subject Areas, Aspects, General Disclosures and KPIs	Corresponding Section
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Aspect A4: Climate Change

General Disclosure	(Repealed January 1, 2025)
KPI A4.1	(Repealed January 1, 2025)

Social Aspects

Employment and Labour Practices

Aspect B1: Employment

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Safeguarding rights and interests with care; Empowering talent growth
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social key performance index
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social key performance index

Aspect B2: Health and Safety

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational health shield
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social key performance index
KPI B2.2	Lost days due to work injury.	Social key performance index
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational health shield

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Empowering talent growth
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social key performance index
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social key performance index

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Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Safeguarding rights and interests with care
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Safeguarding rights and interests with care
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Safeguarding rights and interests with care
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management; Supplier management
KPI B5.1	Number of suppliers by geographical region.	Social key performance index
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply chain management; Supplier management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management; Supplier management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management; Supplier management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality assurance; Responsible marketing; Customer service; Information security; Privacy protection
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social key performance index
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Social key performance index; Customer service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property protection
KPI B6.4	Description of quality assurance process and recall procedures.	Quality assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information security; Privacy protection



Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Social key performance index
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business ethics
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Compassion in Health: Bringing Warmth to Every Home
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Compassion in Health: Bringing Warmth to Every Home
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Compassion in Health: Bringing Warmth to Every Home
Climate-related Information Disclosures		
Governance	Governance	Governance
Strategy	Climate-related risks and opportunities Business model and value chain Strategy and decision-making Financial position, financial performance and cash flows Climate resilience Financial effect of climate-related risks and opportunities	Strategy
Risk Management	Risk management	Risk management



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
Metrics and Targets	Greenhouse gas emissions Climate-related transition risks Climate-related physical risks Climate-related opportunities Capital deployment Internal carbon prices Remuneration Industry-based metrics Climate-related targets Applicability of cross-industry metrics and industry-based metrics	Metrics and targets



Appendix III: List of Policies and Regulations

Trust in Health: Safeguarding Your Peace of Mind

Company Law of the People's Republic of China
Securities Law of the People's Republic of China
Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code
Anti-Money Laundering Law of the People's Republic of China
Anti-Unfair Competition Law of the People's Republic of China
Interim Provisions on Banning Commercial Bribery
Criminal Law
Anti-Unfair Competition Law
Cybersecurity Law of the People's Republic of China
Data Security Law of the People's Republic of China
Personal Information Protection Law of the People's Republic of China
Information Security Technology — Personal Information Security Specification (GB/T 35273–2020)
Information Security Technology — Baseline for Classified Protection of Cybersecurity (GB/T 22239–2019)

Smart Health: Innovating for a New Era

Copyright Law of the People's Republic of China
Patent Law of the People's Republic of China

Uniting the Health Chain: Growing Together through Collaborative Supply

Tendering and Bidding Law of the People's Republic of China

Quality in Health: Crafting Excellence and Building a Strong Reputation

Product Quality Law of the People's Republic of China
Drug Administration Law of the People's Republic of China
Advertisement Law of the People's Republic of China
Measures for the Administration of Internet Advertising



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Health for All: Growing Together as Partners

Labor Law of the People's Republic of China
Labor Contract Law of the People's Republic of China
Law of the People's Republic of China on Protection of Minors
Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
Fire Control Law of the People's Republic of China
Regulation on Work-Related Injury Insurance

Harmony in Health: Green Protection for Sustainability

Water Law of the People's Republic of China
Law of the People's Republic of China on Energy Conservation
Water Pollution Prevention and Control Law of the People's Republic of China
Law of the People's Republic of China on the Prevention and Control of Air Pollution
Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

To the Shareholders of 160 Health International Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of 160 Health International Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 142 to 209, comprise:

- the consolidated statement of financial position as at December 31, 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

The key audit matter identified in our audit is related to Impairment assessment of trade receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of trade receivables</p> <p>Refer to Note 3.1.2, 4(ii) and 23 to the consolidated financial statements.</p> <p>As at December 31, 2025, the Group had gross trade receivables of RMB239,216,000, which represented approximately 31% of the total assets of the Group, against which an expected credit loss ("ECL") allowance approximately RMB35,329,000 was recognized.</p> <p>For trade receivables with objective evidence of impairment evaluated individually, management has assessed the expected credit losses based on the estimated cash flows and taken into considerations of current and future economic situations.</p> <p>For trade receivables without objective evidence of impairment, management has applied the simplified approach and grouped the trade receivables based on shared credit risk characteristics and aging of receivables for the collective assessment on the likelihood of recovery and applying expected loss rates to the respective gross carrying amounts of the receivables. The expected loss rates are determined based on the payment profiles and the historical credit losses, and are adjusted to reflect the forward-looking information on macroeconomic factors.</p>	<p>Our procedures relating to the impairment assessment of trade receivables included:</p> <ul style="list-style-type: none">• We obtained an understanding of the management's internal control and assessment process of impairment of trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as subjectivity and changes;• We evaluated the outcome of prior period impairment assessment of trade receivables to assess the effectiveness of management's estimation process;• We evaluated the appropriateness of management's modelling methodologies in accordance with the applicable financial reporting standards;• For trade receivables assessed individually, we evaluated the estimated cash flows of the trade receivables by tracing to supporting evidence, such as the relevant public information of these customers.• For trade receivables assessed collectively based on the credit risk characteristics and aging of receivables:<ul style="list-style-type: none">– We understood management's grouping process and assessed the reasonableness by comparing, on a sample basis, with the past collection information and the relevant public information of these customers;– We tested, on a sample basis, the accuracy of the key data inputs such as the aging of trade receivables;

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment assessment of trade receivables

We focus on this area because of the magnitude of the trade receivables balance in the consolidated statement of financial position and management's significant judgements and assumptions applied in the impairment assessment of trade receivables.

- We assessed the appropriateness of expected loss rates by considering the payment profiles, historical credit losses and forward-looking information. When assessing the forward-looking information, we made reference to the industry and macroeconomic market data as obtained from our independent search;
- We tested the mathematical accuracy of the calculations of impairment of trade receivables;
- We assessed the adequacy of the disclosures related to impairment assessment of trade receivables in the context of the applicable financial reporting standards.

Based on the procedures performed, we considered that management's significant judgements and assumptions applied in the impairment assessment of trade receivables were supportable by the evidence obtained.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cecilia, Lai Ting Yau.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, March 27, 2026

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Year ended December 31,	
		2025	2024
		RMB'000	RMB'000
Revenue	6	651,868	620,682
Cost of sales and services	7	(481,710)	(460,495)
Gross profit		170,158	160,187
Selling and marketing expenses	7	(87,500)	(117,269)
Research and development expenses	7	(34,962)	(50,513)
Administrative expenses	7	(113,623)	(92,986)
Net provision of impairment losses on financial assets	8	(10,219)	(8,284)
Other income	9	2,588	3,828
Other (losses)/gains, net	10	(886)	411
Operating loss		(74,444)	(104,626)
Finance income	12	3,354	1,326
Finance costs	12	(6,241)	(3,656)
Finance costs, net		(2,887)	(2,330)
Loss before income tax		(77,331)	(106,956)
Income tax credit/(expense)	14	2,798	(1,290)
Loss for the year		(74,533)	(108,246)
Other comprehensive income: Items that may subsequently reclassified to profit or loss			
Currency translation differences		137	317
Total comprehensive loss		(74,396)	(107,929)
Loss for the year attributable to:			
Owners of the Company		(72,986)	(107,687)
Non-controlling interests		(1,547)	(559)
		(74,533)	(108,246)
Total comprehensive loss attributable to:			
Owners of the Company		(72,849)	(107,370)
Non-controlling interests		(1,547)	(559)
		(74,396)	(107,929)
Losses per share for loss attributable to owners of the Company (expressed in RMB Yuan)			
Basic	15	(0.24)	(0.37)
Diluted	15	(0.24)	(0.37)

The notes on pages 147 to 209 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31, 2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property and equipment	17	2,793	3,265
Right-of-use assets	18	6,962	17,660
Intangible assets	19	1,352	1,838
Prepayments, deposits and other receivables	24	2,353	–
Financial assets at fair value through profit or loss	20	14,600	–
Restricted cash	25	168	222
Deferred income tax assets	32	6,116	1,206
		34,344	24,191
Current assets			
Inventories	22	20,056	2,030
Trade receivables	23	203,887	170,669
Prepayments, deposits and other receivables	24	83,291	34,836
Restricted cash	25	19,543	7,781
Cash and cash equivalents	25	398,806	58,266
		725,583	273,582
Total assets		759,927	297,773
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	4	4
Share premium	27	935,504	595,466
Other reserves	27	340,924	283,813
Accumulated losses		(1,037,404)	(964,418)
		239,028	(85,135)
Non-controlling interests		(4,914)	(3,367)
Total equity/(deficit)		234,114	(88,502)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	As at December 31, 2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	<i>18</i>	3,533	11,879
Borrowings	<i>29</i>	2,910	1,277
Contract liabilities	<i>6</i>	2,644	1,863
		9,087	15,019
Current liabilities			
Lease liabilities	<i>18</i>	5,311	7,123
Trade payables	<i>30</i>	120,579	102,627
Borrowings	<i>29</i>	238,110	89,393
Contract liabilities	<i>6</i>	55,580	41,446
Accruals and other payables	<i>31</i>	96,613	130,262
Current income tax liabilities		533	405
		516,726	371,256
Net current (assets)/liabilities		(208,857)	97,674
Total liabilities		525,813	386,275
Total equity and liabilities		759,927	297,773

The notes on pages 147 to 209 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 142 to 209 were approved and authorized for issue by the Board of Directors on March 27, 2026 and were signed on its behalf.

LUO Ningzheng
Director

JI Cuilin
Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company				Non-controlling interests RMB'000	Total (deficit)/ equity RMB'000
		Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000		
Balances at January 1, 2025		4	595,466	283,813	(964,418)	(3,367)	(88,502)
Comprehensive income/(loss)							
Loss for the year		-	-	-	(72,986)	(1,547)	(74,533)
Other comprehensive income		-	-	137	-	-	137
Total comprehensive income/(loss)		-	-	137	(72,986)	(1,547)	(74,396)
Transaction with owners in their capacity as owners							
Share-based payments	28	-	-	56,974	-	-	56,974
Issuance of ordinary shares relating to an initial public offering, net of share issuance costs	27	-	340,038	-	-	-	340,038
Balance at December 31, 2025		4	935,504	340,924	(1,037,404)	(4,914)	234,114
Balances at January 1, 2024		4	595,466	223,513	(856,731)	(2,808)	(40,556)
Comprehensive income/(loss)							
Loss for the year		-	-	-	(107,687)	(559)	(108,246)
Other comprehensive income		-	-	317	-	-	317
Total comprehensive income/(loss)		-	-	317	(107,687)	(559)	(107,929)
Transaction with owners in their capacity as owners							
Share-based payments	28	-	-	59,983	-	-	59,983
Balance at December 31, 2024		4	595,466	283,813	(964,418)	(3,367)	(88,502)

The notes on pages 147 to 209 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	<i>Note</i>	Year ended December 31,	
		2025	2024
		RMB'000	RMB'000
Cash flows from operating activities			
Cash used in operations	33(a)	(118,078)	(54,708)
Interest received		4,638	42
Income tax paid		(998)	(1,381)
Net cash used in operating activities		(114,438)	(56,047)
Cash flows from investing activities			
Prepayment for property and equipment		(2,353)	–
Purchase of property and equipment		(1,798)	(942)
Proceeds from disposal of property and equipment		21	3
Purchase of financial assets at fair value through profit or loss		(14,600)	(30)
Proceeds from disposal of financial assets at fair value through profit or loss		–	30
Increase in restricted cash		(15,373)	(7,588)
Decrease in restricted cash		3,665	201
Loans advanced to related parties	36(c)	(495,060)	(442,185)
Settlement of loans from related parties	36(c)	498,853	437,685
Net cash used in investing activities		(26,645)	(12,826)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares relating to initial public offering	27	365,152	–
Payment of lease liabilities		(3,170)	(8,341)
Proceeds from borrowings		251,510	107,230
Repayment of borrowings		(101,160)	(26,560)
Interest paid		(5,595)	(2,200)
Payment of listing expenses	27	(25,114)	(545)
Net cash generated from financing activities		481,623	69,584
Net increase in cash and cash equivalents		340,540	711
Cash and cash equivalents at beginning of the year		58,266	57,555
Cash and cash equivalents at end of the year		398,806	58,266

The notes on pages 147 to 209 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. General information

160 Health International Limited (the “Company”) was incorporated in the Cayman Islands on January 31, 2022 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY-1002, Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since September 17, 2025.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities set out in Note 13 (collectively, the “Group”), are principally engaged in the provision of the following goods and services: (i) sales of pharmaceutical and healthcare products; (ii) provision of digital healthcare and wellness solutions in the People’s Republic of China (the “PRC”).

The ultimate holding company of the Company is LNZ Management Limited, a company incorporated in the British Virgin Islands, which is controlled by Mr. Luo, the founder and the ultimate controlling shareholder (the “Controlling Shareholder”) of the Group.

The consolidated financial statements for the year ended December 31, 2025 are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated. These consolidated financial statements for the year ended December 31, 2025 have been approved for issue by the board of directors (the “Board”) of the Company on March 27, 2026.

2. BASIS OF PRESENTATION

This note provides a list of material accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Compliance with IFRS Accounting Standards

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (“IFRS IC”) applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2. Historical cost convention

The consolidated financial statements has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PRESENTATION (Continued)

2.3. Amended standards adopted by the Group

The Group has adopted the following amendments to existing standards which have been adopted by the Group for the first time for the financial year beginning on January 1, 2025:

- Amendments to IAS 21 — Lack of Exchangeability

These amendments to existing standards did not result in significant impact on the Group's financial position and results of operation.

2.4. New standards and amendments to existing standards not yet adopted

Standards and amendments to existing standards that have been issued but not yet effective on January 1, 2025 and not been early adopted by the Group as of December 31, 2025 are as follows:

		Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendment to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendment to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures' and amendment	January 1, 2027
Amendments to IFRS10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new standards and amendments to existing standards as and when they become effective. Management has performed preliminary assessment and does not anticipate any significant impact on the Group's financial position and results of operations upon adopting these standards and amendments to the existing IFRSs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors of the Company and senior management of the Group.

3.1.1. Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the functional currency of the Group entities.

The Group mainly operates in the PRC with majority of the transactions conducted in the functional currency of the respective group entity. The directors of the Company consider the foreign currency risk arising from recognized assets and liabilities to be minimal. Accordingly, no sensitivity analysis is presented for foreign exchange risk. The Group did not hedge against any fluctuation in foreign currency. The Group timely monitors foreign exchange risk and will take measure to minimise foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

Financial assets and liabilities with variable interest rate expose the Group to cash flow interest rate risk and financial assets and liabilities with fixed interest rate expose the Group to fair value interest rate risk.

As at December 31, 2025 and 2024, all of the Group's borrowings bear interests at fixed interest rates (Note 29). Other than these borrowings and interest-bearing cash and cash equivalents, and restricted cash, the Group has no other significant interest-bearing assets or liabilities. The Group does not anticipate there is any significant impact resulted from the changes in interest rate.

3.1.2. Credit risk

Credit risk arises mainly from cash and cash equivalents, restricted cash, trade receivables and deposits and other receivables.

(i) Risk management

To manage credit risk, cash and cash equivalents and restricted cash are mainly placed with state-owned or reputable financial institutions in the PRC, and there has been no recent history of default in relation to these financial institutions. Thus, the Group were of the view that the credit risk related to cash and cash equivalents, and restricted cash was insignificant.

To manage the risk arising from trade receivables and deposits and other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1. Financial risk factors (Continued)

3.1.2. Credit risk (Continued)

(i) Risk management (Continued)

The Group has concentrations of credit risk which arise from trade receivables from its customers. Trade receivables from the Group's five largest customers in aggregate account for 8% and 18% of the Group's total trade receivables at December 31, 2025 and 2024, respectively. If these customers experience financial difficulties in paying the Group, the Group's receivables might be adversely affected in terms of recoverability. To manage this risk, the Group assesses the credit quality of the customers, taking into account their financial position, past trading and payment experience and forward-looking factors.

For deposits and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience and other factors.

(ii) Impairment of financial assets

Trade receivables

The Group applies the simplified approach to provide for the expected credit loss prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the aging of receivables. The Group evaluates receivables individually when there is objective evidence that specific receivables no longer share credit risk characteristics.

The expected loss rates are based on the payment profiles and the corresponding historical credit losses, and are adjusted to reflect the forward-looking information on macroeconomic factors, including the consumer price index, affecting the ability of the customers to settle the receivables.

For trade receivables evaluated individually, when credit impairment occurs, the expected credit losses are based on the estimated cash flows and take into considerations of current and future economic situations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1. Financial risk factors (Continued)

3.1.2. Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The loss allowance as at December 31, 2025 and 2024 was determined as follows for trade receivables from customers which have been grouped based on similar credit risk characteristics:

As at December 31, 2025

	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	6.03%	16.73%	46.92%	72.07%	12.42%
Gross carrying amount — trade receivables (in RMB'000)	172,070	39,140	14,214	7,379	232,803
Loss allowance (in RMB'000)	(10,380)	(6,549)	(6,669)	(5,318)	(28,916)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	54	526	472	5,361	6,413
Loss allowance (in RMB'000)	(54)	(526)	(472)	(5,361)	(6,413)

As at December 31, 2024

	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	5.54%	20.83%	26.32%	90.38%	9.05%
Gross carrying amount — trade receivables (in RMB'000)	160,422	19,713	4,377	3,139	187,651
Loss allowance (in RMB'000)	(8,887)	(4,106)	(1,152)	(2,837)	(16,982)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	596	972	1,403	5,019	7,990
Loss allowance (in RMB'000)	(596)	(972)	(1,403)	(5,019)	(7,990)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes, amongst other, the failure of a debtor to engage in a repayment plan within the Group.

Impairment losses on trade receivables are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1. Financial risk factors (Continued)

3.1.2. Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The closing loss allowances for trade receivables as at December 31, 2025 and 2024 and reconcile to the opening loss allowances as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Opening loss allowance at beginning of the year	24,972	16,786
Net expected credit losses recognized in profit or loss during the year	10,357	8,186
Closing loss allowance at end of the year	35,329	24,972

Deposits and other receivables

Deposits and other receivables were mainly deposits and receivable from third parties and amounts due from related parties. The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtors;
- significant increases in credit risk on other financial instruments of the same debtors; or
- significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors, etc.

Deposits and other receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where deposits and other receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1. Financial risk factors (Continued)

3.1.2. Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Deposits and other receivables (Continued)

The Group uses the expected credit loss model to determine the expected loss provision for deposits and other receivables. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Stage 1	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage 2	Receivables for which there is a significant increase in credit risk as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Stage 3	Either interest and/or principal repayments are 90 days past due or the debtor has significant financial difficulties or is likely to go bankrupt or other financial restructuring	Lifetime expected losses

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Deposits and other receivables				
At December 31, 2025				
Gross carrying amount	10,010	–	7	10,017
Loss allowance provision	(532)	–	(7)	(539)
At December 31, 2024				
Gross carrying amount	15,133	–	225	15,358
Loss allowance provision	(452)	–	(225)	(677)

The loss allowance for deposits and other receivables as at December 31, 2025 and 2024 reconciles to the opening loss allowance as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Opening loss allowance at beginning of the year	677	579
Net expected credit (reversed)/losses recognized in profit or loss during the year	(138)	98
Closing loss allowance at end of the year	539	677

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1. Financial risk factors (Continued)

3.1.3. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows excluding liabilities directly associated with the assets classified as held for sales. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At December 31, 2025

	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying value RMB'000
Trade payables	120,579	–	–	–	120,579	120,579
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	65,583	–	–	–	65,583	65,583
Lease liabilities	5,691	3,622	–	–	9,313	8,844
Borrowings	246,430	2,976	–	–	249,406	241,020
	438,283	6,598	–	–	444,881	436,026

At December 31, 2024

	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying value RMB'000
Trade payables	102,627	–	–	–	102,627	102,627
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	81,387	–	–	–	81,387	81,387
Lease liabilities	7,997	7,151	5,448	–	20,596	19,002
Borrowings	91,869	1,344	–	–	93,213	90,670
	283,880	8,495	5,448	–	297,823	293,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment, issue new shares and new debt as well as obtain financial support from its shareholders as and when necessary.

3.3. Fair value estimation

3.3.1. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of each of the reporting periods. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's assets and liabilities using fair value estimation as at December 31, 2025.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at December 31, 2025				
Financial assets at fair value through profit or loss	–	–	14,600	14,600

The Group did not have any financial assets and liabilities which are measured at fair value as at December 31, 2024.

There was no transfer of fair value hierarchy levels during the years ended December 31, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3. Fair value estimation (Continued)

3.3.2. Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate.

There were no changes in valuation techniques during the years ended December 31, 2025 and 2024.

The fair value of trade receivables, deposits and other receivables, restricted cash and cash and cash equivalents approximated to their carrying amounts.

The fair value of trade payables, accruals and other payables (excluding VAT and other taxes payables, payroll and welfare payables), borrowings and lease liabilities approximated to their carrying amounts.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Contractual arrangements

As mentioned in Note 40.1, the Group transferred some businesses to its Variable Interest Entity ("VIE") companies due to regulatory restrictions on the foreign ownership in these businesses in the PRC. The directors of the Company assessed whether or not the Group has control over the VIE companies, has rights to variable returns from its involvement with the VIE companies and has the ability to affect those returns through its power over the VIE companies. The directors of the Company, based on the advice of its legal counsel, consider that the contractual agreements among the VIE companies and their nominal shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable. After assessment, the directors of the Company concluded that the Group has control over the VIE companies as a result of the contractual agreements and accordingly the financial position and operating results of these VIE companies are included in the Consolidated Financial Statements for the years ended December 31, 2025 and 2024.

Nevertheless, the contractual agreements may not be as effective as direct legal ownership in providing the Group with direct control over the VIE companies and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the VIE companies. Significant judgement is involved in determining whether the Group is able to control these entities through these contractual arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(ii) Impairment of trade receivables and other financial assets

The Group follows the guidance of IFRS 9 when assessing the expected credit losses of trade receivables and other financial assets that measured at amortised cost. The loss allowances for trade receivables and other financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation. These inputs include, among other factors, the aging of these receivables and the financial position and collection history of debtors and expected future changes in credit risks, including the consideration of factors such as general economy measure, changes in macroeconomic indicators etc. Further details are included in Note 3.1.2.

(iii) Recognition of share-based payment expenses

As disclosed in Note 28, the Group granted share options or shares to the Group's employees or other parties, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of share-based payment expenses. The directors of the Company have used the lattice model to determine the fair value of the equity instruments granted. Significant estimate on assumptions, such as the risk-free interest rate, expected volatility, dividend yield and discount for lack of marketability are made based on management's best estimates.

(iv) Income taxes and deferred taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of the Group's business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

5. SEGMENT INFORMATION

The Group is principally engaged in sales of pharmaceutical and healthcare products, as well as provision of digital healthcare and wellness solutions and related services.

The Chief Operating Decision Maker ("CODM") has been identified as the executive directors, who reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the Group's business activities as a whole on a regular basis and considers that the Group has only one reportable segment. Accordingly, no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group operates its business in the PRC and earns all of the revenue from external customers in the PRC. Substantially all of the Group's non-current assets are located in the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE

6.1. An analysis of the Group's revenue is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers:		
– Sales of pharmaceutical and healthcare products	442,938	426,525
– Provision of digital healthcare and wellness solutions	208,930	194,157
	651,868	620,682

The timing of revenue recognition of the Group's revenue was as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
At a point in time	534,282	526,556
Over time	117,586	94,126
	651,868	620,682

For the years ended December 31, 2025 and 2024, revenue derived from customers who accounted for more than 10% of total revenue were set out below:

	Year ended December 31,	
	2025	2024
Customer 1	*	17.7%
Customer 2	17.4%	*
Customer 3	14.7%	*
Customer 4	11.2%	*

* The respective customer contributed less than 10% of Group's total revenue for the corresponding year as indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE (Continued)

6.2. Contract liabilities

The Group has recognized the following liabilities related to contracts with customers:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Current portion	55,580	41,446
Non-current portion	2,644	1,863
	58,224	43,309

Contract liabilities of the Group mainly arise from digital healthcare and wellness solutions business, in which advance payments were made by customers while the underlying services or goods are yet to be provided.

(i) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized during the reporting periods relates to carried-forward contract liabilities.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue recognized in relation to contract liabilities that was included in the contract liabilities balance at the beginning of the year	41,446	39,728

6.3. Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from long-term contracts:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Aggregate amount of the transaction price allocated to long-term services contracts that are partially or fully unsatisfied as at the end of year	15,845	17,552

Management expects that unsatisfied performance obligations of approximately RMB12,423,000 and RMB13,520,000 as at December 31, 2025 and 2024, respectively will be recognized as revenue within 1 year and the remaining amount of RMB3,422,000 and RMB4,032,000 will be recognized as revenue in the following 2 to 5 years.

Some revenue is recognized based on the progress of completion of the performance obligations and the Group has the right to invoice the customer for an amount that directly corresponds to the value of the Group's performance to date. As permitted under IFRS 15, practical expedient is applied and unsatisfied performance obligations relating to these contracts with customers is not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE (Continued)

6.4. Accounting policies of revenue recognition

(i) Sales of pharmaceutical and healthcare products

The Group sells pharmaceutical and healthcare products to wholesalers and individual customers.

Wholesales

For wholesales, sales revenue is recognized when control of the products has transferred, being when the pharmaceutical and healthcare products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group recognizes revenue based on the price specified in the sales orders (excluding value-added taxes ("VAT")), net of discounts and return allowances. No significant element of financing is deemed present as the sales are generally made without prescribed credit terms in the sales contracts, but customers usually take 1 to 3 months to settle the receivables, which is consistent with market practice. A receivable is recognized when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Retail sales

For retail sales, the Group sells pharmaceutical and healthcare products through its self-operated online stores and third-party online platforms.

The third-party online platforms only provide a platform for the Group to display and sell products. In this business model, the end customers are regarded as the customers of the Group. The Group is charged by the third-party online platform for usage fees based on a percentage of sales generated from the online stores.

The Group offers its customers an unconditional right of return for a period of seven days on sales from online platforms following the receipt of products by end customers. The directors of the Company consider return allowances are immaterial based on historical experiences.

The Group recognizes revenue based on the price specified in the sales orders (excluding VAT), net of discounts, return allowances and revenue is recognized upon the time when the pharmaceutical and healthcare products are accepted by customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE (Continued)

6.4. Accounting policies of revenue recognition (Continued)

(ii) *Digital healthcare and wellness solutions*

The digital healthcare and wellness solutions encompass various components, including online marketing solutions for medical and healthcare institutions and third-party merchants, digital hospital solutions for medical and healthcare institutions, and online healthcare services for individual users.

Online marketing solutions

The Group provides comprehensive and customer-oriented online marketing solutions to medical and healthcare institutions and third-party merchants, with the aim of enhancing their brand awareness and attracting more patients or individual users.

- Marketplace solutions

- Traffic optimization services

The Group offers value-added traffic distribution services to medical institutions for providing online appointment services through the Group's platform, as well as promoting their consumer healthcare packages. Upon completion of the healthcare services, the Group charges commission fees based on the transaction amount of the consumer healthcare packages purchased on the platform. Revenue from traffic optimization services is recognized upon completion of each service.

- Platform management solutions

The Group launched 160 cloud hospital for seamless cloud hospital operations. Through this AI-empowered platform, the Group provides medical and healthcare institutions with cloud hospital services.

The Group charges fixed platform subscription fee to medical and healthcare institutions when they connect to the Group's platform and recognizes revenue over the contractual service period of each subscription.

- Pharmacy marketplace services

The Group offers third-party merchants online pharmacy marketplace services, through which third-party merchants sell their products, including pharmaceuticals and medical equipment, on the Group's platform or the Group's online stores in third-party online platforms. The Group charges commission fees based on the sales amount generated through the Group's platform or on the Group's online stores in third-party online platforms. Revenue from pharmacy marketplace services is recognized upon completion of each sale of pharmaceutical and healthcare products.

- Online advertising solutions

The Group provides various online advertising options for medical and healthcare institutions to display their advertisement within the apps of the Group, aiming to drive traffic to their proprietary sites. The online advertising options include splash screen, banners, and headline options. The fees charged from the services are recognized when the related performance obligation is satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE (Continued)

6.4. Accounting policies of revenue recognition (Continued)

(ii) Digital healthcare and wellness solutions (Continued)

- Digital hospital solutions

The Group offers proprietary hospital management systems to medical and healthcare institutions to support their digital transformation in terms of in-hospital disease prevention and management and to build up full-process systems to streamline the medical process.

Generally, contracts for the sales of software related to hospital management systems require the Group to provide after-sales maintenance services for a specific period (normally 1–3 years). Contracts which bundled sales of software and after-sale maintenance services are comprised of two performance obligations because the promises to transfer the software and provide after-sale services are distinct and separately identifiable.

Accordingly, revenue related to software sales is recognized at the point in time when the software is delivered to and accepted by the customers as the related software is available for customer's use since then and the control of software is transferred to the customers at that time. The revenue from provision of maintenance services is recognized over the period that the maintenance service is provided.

- Online healthcare services

The Group provides registered doctors with convenient access to conduct online consultation to individual users through self-operated platform. The Group charges the registered doctors commission fees based on a pre-agreed percentage of the service fees paid by individual users for online medical consultations services. For the commission fees charged by times, revenue is recognized upon completion of each service.

- Others

The Group also provides other services to medical and healthcare institutions as well as individuals, including technical services, such as marketing toolkits services, and individual membership services which consist of a variety of value-added services. Revenue is recognized upon the completion of the services or ratably over the service period depending on the terms and conditions of the contracts and also the model of controls transferring.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. EXPENSES BY NATURE

Expenses included in cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses are analysed as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Cost of inventory sold	435,903	419,442
Employee benefit expenses (Note 11)	171,676	204,814
Technical services fee	27,992	18,464
Listing expenses (including reporting accountant service fees)	21,620	16,789
Marketing and advertisement expenses	13,729	9,332
Business development and travel expenses	13,017	16,095
Professional services fee	9,217	6,741
Depreciation of		
– right-of-use assets (Note 18)	3,761	7,438
– property and equipment (Note 17)	2,249	2,902
Office expenses	4,460	5,483
Auditor's remuneration		
– audit services	2,600	–
Storage and logistics fees	1,871	2,785
Platform usage expenses	981	893
Amortization of intangible assets (Note 19)	486	486
Others	8,233	9,599
	717,795	721,263

8. NET PROVISION OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Net provision of impairment losses on trade receivables	10,357	8,186
Net (reversal)/provision of impairment losses on deposits and other receivables	(138)	98
	10,219	8,284

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. OTHER INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
VAT refund and VAT deduction	2,158	2,421
Government grant (i)	430	1,407
	2,588	3,828

(i) The government grants mainly represent research and development subsidies awarded by the local governments to support the Group's operations. There were no unfulfilled conditions or contingencies attached to these grants.

10. OTHER (LOSSES)/GAINS, NET

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net gains/(losses) on early termination of leases	697	(2)
Exchange (losses)/gains, net	(2,103)	418
Gain from write-off of payables	500	–
Others	20	(5)
	(886)	411

11. EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	97,990	131,209
Pension costs — defined contribution plan (i)	5,315	5,328
Other social security costs and housing benefits	3,010	4,510
Share-based payment expenses (Note 28)	56,974	59,983
Termination benefits	7,000	1,967
Other employee welfare	1,387	1,817
	171,676	204,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. EMPLOYEE BENEFIT EXPENSES (Continued)

(i) Pension costs — defined contribution plan

Employees of the group companies in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees.

(ii) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended December 31, 2025 include 3 directors, and for the year ended December 31, 2024 include 2 directors. Their emoluments are disclosed in Note 37. The aggregate amounts of emoluments for the remaining 2 highest paid individuals for the year ended December 31, 2025 and the remaining 3 highest paid individuals for the year ended December 31, 2024 are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	2,340	1,359
Pension costs — defined contribution plan	28	25
Other social security costs and housing benefits	46	31
Share-based payment expenses	7,233	20,775
Total	9,647	22,190

The emoluments of those individuals fell within the following bands:

	Year ended December 31,	
	2025	2024
Emolument bands (in HKD)		
Nil-1,000,000	—	—
1,000,001-1,500,000	—	—
1,500,001-2,000,000	—	—
2,000,001-2,500,000	—	—
2,500,001-3,000,000	—	—
5,000,001-5,500,000	2	—
6,500,001-7,000,000	—	1
7,000,001-7,500,000	—	1
9,500,000-10,000,000	—	1
13,000,001-13,500,000	—	—
	2	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. FINANCE COSTS, NET

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Finance income		
Interest income on bank deposits	1,095	42
Interest income on loans to related parties	2,259	1,284
	3,354	1,326
Finance costs		
Interest expenses on bank and other borrowings	(5,595)	(2,200)
Interest expenses on lease liabilities (Note 18)	(646)	(1,456)
	(6,241)	(3,656)
Finance costs, net	(2,887)	(2,330)

13. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries (including structured entities) of the Group as at December 31, 2025 and 2024 are set out below:

Name of subsidiary	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued and paid up capital/ registered capital	Effective interest held by the Group as at December 31,		Effective interest held by non-controlling interests as at December 31,	
				2025	2024	2025	2024
Directly held:							
160 Health Management	The BVI/ February 8, 2022	Investment Holding; The BVI	USD1	100.00%	100.00%	-	-
Blue Dragonfly Management	The BVI/ June 21, 2022	Investment Holding; The BVI	USD1	100.00%	100.00%	-	-
Indirectly held:							
160 Health (HK)	Hong Kong/ February 22, 2022	Investment Holding; Hong Kong	USD1	100.00%	100.00%	-	-
Blue Dragonfly (HK)	Hong Kong/ July 14, 2022	Investment Holding; Hong Kong	USD1	100.00%	100.00%	-	-
Zhejiang Renren' ai* 浙江仁仁愛信息技術有限公司	The PRC/ April 27, 2022	Investment Holding; The PRC	RMB250,000,000	100.00%	100.00%	-	-
Weikang Zhiyuan* 深圳市維康致遠科技有限公司	The PRC/ June 30, 2022	Online platform services; The PRC	RMB100,000,000	100.00%	100.00%	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries (including structured entities) of the Group as at December 31, 2025 and 2024 are set out below: (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued and paid up capital/ registered capital	Effective interest held by the Group as at December 31,		Effective interest held by non-controlling interests as at December 31,	
				2025	2024	2025	2024
Indirectly held:							
Shenzhen Ningyuan* 深圳市寧遠科技股份 有限公司	The PRC/ February 22, 2005	Software and platform services; The PRC	RMB59,434,593	100.00%	100.00%	–	–
Blue Dragonfly Internet* 湖南省藍蜻蜓網絡科技 有限公司	The PRC/ January 10, 2014	Software sales; The PRC	RMB3,000,000	70.00%	70.00%	30.00%	30.00%
160 Medicine* 廣東一六零醫藥連鎖 有限公司	The PRC/ March 13, 2013	Pharmaceutical retail; The PRC	RMB14,583,300	100.00%	100.00%	–	–
160 Internet* 深圳市一六零網絡科技 有限公司	The PRC/ December 22, 2016	No substantial business; The PRC	RMB3,160,000	100.00%	100.00%	–	–
Chengdu Shuangliu Renren Weikang Internet Hospital Co., Ltd.* 成都雙流仁仁維康互聯網 醫院有限公司	The PRC/ April 22, 2021	Online hospital service; The PRC	RMB100,000,000	100.00%	100.00%	–	–
Shenzhen Ruiwentai Medicine Co., Ltd. ("Ruiwentai Medicine")* 深圳市瑞文泰藥業 有限公司	The PRC/ June 9, 2004	Pharmaceutical wholesale; The PRC	RMB10,000,000	100.00%	100.00%	–	–
Chongqing Pengyu Gongchuang Information Technology Co., Ltd. ("Chongqing Pengyu")* 重慶騰渝共創信息技術 有限公司	The PRC/ January 24, 2022	Online platform services; The PRC	RMB50,000,000	100.00%	100.00%	–	–
Hailiantang Pharmacy* 深圳市海聯堂大藥房連鎖 有限公司	The PRC/ June 8, 2020	Pharmaceutical retail; The PRC	RMB5,000,000	100.00%	100.00%	–	–
Zhejiang Ningji Medicine Co., Ltd.* 浙江寧吉藥業有限責任 公司	The PRC/ August 11, 2023	Pharmaceutical wholesale; The PRC	RMB50,000,000	100.00%	100.00%	–	–

* The English names of companies established in the PRC are translations of their Chinese names at the best effort of the directors of the Company as they do not have official English name.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. INCOME TAX (CREDIT)/EXPENSE

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Current income tax	2,112	1,670
Deferred income tax	(4,910)	(380)
Income tax (credit)/expense	(2,798)	1,290

(a) Cayman Island and BVI income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to the Cayman Islands income tax pursuant to the current laws of the Cayman Islands. The group entity incorporated or registered under the Business Companies Act of BVI are exempted from BVI income tax pursuant to the current laws of the BVI.

(b) Hong Kong profits tax

Under the two-tiered profits tax rates regime, the first HKD2 million of profits of the qualifying group entities will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No Hong Kong profits tax has been provided as there was no estimated assessable profit in Hong Kong during the years ended December 31, 2025 and 2024.

(c) PRC corporate income tax ("CIT")

CIT in the PRC is calculated based on the statutory profit or loss of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjusting certain income and expense items, which are not assessable or deductible for income tax purposes.

According to the PRC Corporate Income Tax Law promulgated by the PRC government, the tax rate of 160 Medicine, Ruiwentai Medicine, Chongqing Pengyu, Zhejiang Renren'ai, 160 Internet are 25% during the years ended December 31, 2025 and 2024.

In December 2024, Shenzhen Ningyuan was qualified as a High and New Technology Enterprise ("HNTE") under the relevant PRC laws and regulations. Accordingly, Shenzhen Ningyuan was entitled to a preferential income tax rate of 15% during the years ended December 31, 2025 and 2024.

Blue Dragonfly Internet had obtained the relevant approval from relevant tax bureau as "Software Enterprise" in 2019. Therefore, Blue Dragonfly Internet was exempt from CIT for two years, followed by a 50% reduction in the applicable tax rates (i.e. 12.5%) for the following three years, commencing from the first year of profitable operation after offsetting tax losses generating from prior years. Blue Dragonfly Internet met the requirements and was entitled to a preferential income tax rate of 12.5% in 2024. On December 8, 2023, Blue Dragonfly Internet was awarded the certificate of High and New Technology Enterprise, which is valid for three years. Accordingly, Blue Dragonfly Internet was entitled to a preferential income tax rate of 15% for the year ended December 31, 2025.

On December 26, 2024, Weikang Zhiyuan was qualified as a High and New Technology Enterprise. Accordingly, Weikang Zhiyuan was entitled to a preferential income tax rate of 15% during the years ended December 31, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. INCOME TAX (CREDIT)/EXPENSE (Continued)

(c) PRC corporate income tax ("CIT") (Continued)

Except for the entities as mentioned above, certain subsidiaries of the Group established in the PRC qualify as small-profit enterprises under the PRC tax regulations and have enjoyed the policy of reducing the taxable income by 75% and paying corporate income tax at a rate of 20%, which will be extended until December 31, 2027, leading to an effective corporate income tax rate of 5%.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, certain entities engaging in research and development activities were entitled to claim 200% of their research and development expenses commencing on January 1, 2023 ("Super Deduction"), with the policy during the years ended December 31, 2025 and 2024.

The Group has considered the Super Deduction to be claimed for the group entities in ascertaining their assessable profits during the years ended December 31, 2025 and 2024.

(d) PRC withholding tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after January 1, 2008 are generally subject to a 10% withholding tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be 5%.

As at December 31, 2025 and 2024, the aggregated undistributed earnings of the Group's subsidiaries established in the PRC amounted to RMB34,726,000 and RMB30,027,000 respectively. However, as the Group didn't have any distributable earnings available to the offshore companies or the Company, no deferred income tax liability recognized during the years ended December 31, 2025 and 2024.

(e) Numerical reconciliation of income tax (credit)/expense

The taxation on the Group's losses before income tax differs from the theoretical amount that would arise using the statutory tax rate of PRC, as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Losses before income tax	(77,331)	(106,956)
Tax calculated at the PRC statutory tax rate of 25%	(19,333)	(26,739)
Effects of preferential tax rates applicable to eligible subsidiaries	10,957	12,742
Super Deduction for research and development expenses	(4,344)	(6,236)
Expenses not deductible for tax purpose	9,789	9,537
Tax losses and temporary differences not recognized for deferred tax assets	6,682	11,425
Utilization of previously unrecognized tax losses	(3,219)	(166)
Recognition of previously unrecognized in relation to tax losses	(3,765)	–
Adjustments in respect of current income tax of previous years	435	727
Income tax (credit)/expense	(2,798)	1,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. INCOME TAX (CREDIT)/EXPENSE (Continued)

(f) Tax losses

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Unused tax losses for which no deferred income tax asset has been recognized	801,514	887,356

The unused tax losses were incurred by subsidiaries that is not likely to generate taxable income in the foreseeable future. The tax losses shall expire in five or ten years from year of occurrence under current tax legislation.

As at December 31, 2025 and 2024, tax losses of approximately RMB630,991,000 and RMB709,022,000, which will expire within 5 years and approximately RMB170,523,000 and RMB178,334,000, which will expire within 10 years, for which no deferred income tax assets were recognised.

15. LOSSES PER SHARE

Pursuant to a written resolution of shareholders on September 3, 2025, each ordinary share in issue of the Company be sub-divided into 5 ordinary shares immediately before the completion of the listing (the "Share Subdivision"). Following the Share Subdivision, the weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ("EPS") for the years ended December 31, 2025 and 2024 has been retrospectively adjusted.

Treasury shares was excluded from the calculation of losses per share.

(a) Basic losses per share

Basic losses per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Losses attributable to owners of the Company for the year (RMB'000)	(72,986)	(107,687)
Weighted average number of ordinary shares in issue ('000) (i)	303,719	293,948
Basic losses per share (RMB Yuan)	(0.24)	(0.37)

(i) Weighted average number of ordinary shares in issue for the year ended December 31, 2025 has been determined based on the number of shares in issue, after considering the effect of 235,158,564 shares subdivision and 33,645,500 shares issued relating to initial public offering.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. LOSSES PER SHARE (Continued)

(b) Diluted losses per share

The Group has potential dilutive shares during the years ended December 31, 2025 and 2024, which was the share options granted under the Pre-IPO share option scheme of the Company.

The Group were making loss from its operation during the years ended December 31, 2025 and 2024, the inclusion of the potential dilutive ordinary shares would therefore be anti-dilutive, thus the dilutive EPS were the same as the basic EPS for these respective periods.

16. DIVIDEND

No dividend has been paid or declared by the Company or any companies now comprising the Group during the years ended December 31, 2025 and 2024.

17. PROPERTY AND EQUIPMENT

	Electronic equipment RMB'000	Office equipment RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At January 1, 2025					
Cost	13,264	1,234	2,840	5,072	22,410
Accumulated depreciation	(12,032)	(1,123)	(2,245)	(3,745)	(19,145)
Net book amount	1,232	111	595	1,327	3,265
Year ended December 31, 2025					
Opening net book amount	1,232	111	595	1,327	3,265
Additions	440	87	–	1,271	1,798
Disposal	(19)	(2)	–	–	(21)
Depreciation	(849)	(56)	(64)	(1,280)	(2,249)
Closing net book amount	804	140	531	1,318	2,793
At December 31, 2025					
Cost	13,255	1,270	2,840	6,343	23,708
Accumulated depreciation	(12,451)	(1,130)	(2,309)	(5,025)	(20,915)
Net book amount	804	140	531	1,318	2,793
At January 1, 2024					
Cost	13,382	1,234	2,840	4,383	21,839
Accumulated depreciation	(10,646)	(891)	(2,182)	(2,883)	(16,602)
Net book amount	2,736	343	658	1,500	5,237
Year ended December 31, 2024					
Opening net book amount	2,736	343	658	1,500	5,237
Additions	253	–	–	689	942
Disposal	(12)	–	–	–	(12)
Depreciation	(1,745)	(232)	(63)	(862)	(2,902)
Closing net book amount	1,232	111	595	1,327	3,265
At December 31, 2024					
Cost	13,264	1,234	2,840	5,072	22,410
Accumulated depreciation	(12,032)	(1,123)	(2,245)	(3,745)	(19,145)
Net book amount	1,232	111	595	1,327	3,265

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. PROPERTY AND EQUIPMENT (Continued)

(i) Depreciation expenses were charged to profit or loss as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Cost of sales and services	420	603
Selling and marketing expenses	815	692
Research and development expenses	18	294
Administrative expenses	996	1,313
	2,249	2,902

(ii) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

- Electronic equipment 2–5 years
- Office equipment 2–5 years
- Vehicles 5–10 years
- Leasehold improvements the shorter of the estimated useful life or remaining lease term

See Note 40.4 for the other accounting policies relevant to property and equipment.

18. LEASES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Right-of-use assets (i)		
Leased properties	6,962	17,660
Lease liabilities		
Current	5,311	7,123
Non-current	3,533	11,879
	8,844	19,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. LEASES (Continued)

(i) The movement in right-of-use assets are as follows:

	Leased office properties RMB'000
At January 1, 2025	
Cost	27,037
Accumulated depreciation	(9,377)
Net book amount	17,660
Year ended December 31, 2025	
Opening net book amount	17,660
Termination	(6,937)
Depreciation	(3,761)
Closing net book amount	6,962
At December 31, 2025	
Cost	25,322
Accumulated depreciation	(18,360)
Net book amount	6,962
At January 1, 2024	
Cost	39,861
Accumulated depreciation	(17,986)
Net book amount	21,875
Year ended December 31, 2024	
Opening net book amount	21,875
Additions	3,435
Termination	(212)
Depreciation	(7,438)
Closing net book amount	17,660
At December 31, 2024	
Cost	27,037
Accumulated depreciation	(9,377)
Net book amount	17,660

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. LEASES (Continued)

(ii) Amounts recognized in profit or loss for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets	3,761	7,438
Interest expenses (<i>Note 12</i>)	646	1,456
Expense relating to short-term leases	1,612	1,429
	6,019	10,323

The total cash outflow for leases for the years ended December 31, 2025 and 2024 were approximately RMB4,782,000 and RMB9,770,000 respectively.

(iii) The Group's leasing activities and lease accounting

The Group leases offices as lessee. Rental contracts are typically made for fixed periods of 1 to 4 years.

Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g., term, territory, currency and security.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

See Note 40.16 for the other accounting policies relevant to leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. INTANGIBLE ASSETS

	Goodwill RMB'000	Office software RMB'000	License RMB'000	Total RMB'000
At January 1, 2025				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,682)	(4,758)	(8,440)
Net book amount	99	43	1,696	1,838
Year ended December 31, 2025				
Opening net book amount	99	43	1,696	1,838
Amortization	–	(17)	(469)	(486)
Closing net book amount	99	26	1,227	1,352
At December 31, 2025				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,699)	(5,227)	(8,926)
Net book amount	99	26	1,227	1,352
At January 1, 2024				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,665)	(4,289)	(7,954)
Net book amount	99	60	2,165	2,324
Year ended December 31, 2024				
Opening net book amount	99	60	2,165	2,324
Amortization	–	(17)	(469)	(486)
Closing net book amount	99	43	1,696	1,838
At December 31, 2024				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,682)	(4,758)	(8,440)
Net book amount	99	43	1,696	1,838

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. INTANGIBLE ASSETS (Continued)

(i) Amortization expenses were charged to profit or loss as follows :

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	14	14
Administrative expenses	472	472
	486	486

(ii) Amortisation methods and periods

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

- Office software 1–5 years
- License 1–20 years

See Note 40.5 for the other accounting policies relevant to intangible assets.

20. FINANCIAL ASSETS AT FVPL

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Investment in unlisted entities (i)	14,600	–

The movement of the financial assets at FVPL is set out below:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	–	–
Additions	14,600	–
At the end of the year	14,600	–

(i) The balance represents the Group's investment in Wuhan Haiyun Health Technology Co., Ltd. through Wuhan Aite Venture Capital Fund Partnership Enterprise (Limited Partnership).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS BY CATEGORY

	<i>Note</i>	As at December 31, 2025 RMB'000	2024 RMB'000
Financial assets			
Financial assets at amortized cost			
– Cash and cash equivalents	25	398,806	58,266
– Restricted cash	25	19,711	8,003
– Trade receivables	23	203,887	170,669
– Deposits and other receivables	24	9,478	14,681
		631,882	251,619
Financial liabilities			
– Trade payables	30	120,579	102,627
– Borrowings	29	241,020	90,670
– Lease liabilities	18	8,844	19,002
– Accruals and other payables (excluding VAT and other taxes payables, payroll and welfare payables)	31	65,583	81,387
		436,026	293,686

22. INVENTORIES

	As at December 31, 2025 RMB'000	2024 RMB'000
Purchased goods — at cost	20,056	2,030

Inventories are stated at the lower of cost and net realizable value. Cost is determined using specific identification method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventories recognized as an expense during the years ended December 31, 2025 and 2024 amounted to RMB435,903,000 and RMB419,442,000 respectively. These were included in cost of inventory sold.

There is no provision or reversal for impairment of inventories for the years ended December 31, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. TRADE RECEIVABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade receivables	239,216	195,641
Less: allowance for impairment	(35,329)	(24,972)
Trade receivables, net	203,887	170,669

The carrying amounts of trade receivables approximate their fair value. The Group's trade receivables are mainly denominated in RMB.

Sales are generally made with prescribed credit terms in the sales contracts, usually 1 to 3 months to settle the receivables.

(i) The aging analysis of the trade receivables based on invoice date are as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within 90 days	129,452	108,810
90 days to one year	42,672	52,208
One to two years	39,666	20,685
Two to three years	14,686	5,780
Over three years	12,740	8,158
	239,216	195,641

(ii) **Classification as trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year or a normal operating cycle and therefore all are classified as current.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1.2 for a description of the Group's impairment policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

(i) Prepayments, deposits and other receivables in current assets

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Deposits and other receivables		
– Amounts due from related parties (<i>Note 36(c)</i>)	–	5,077
– Rental and other deposits	6,544	6,227
– Advance to staff	490	1,964
– Others	2,983	2,090
	10,017	15,358
Prepayment		
– Prepayment for purchased goods	56,973	3,009
– Prepaid expenses	16,840	13,426
– Deferred listing expenses	–	3,720
	73,813	20,155
Less: provision for impairment	(539)	(677)
	83,291	34,836

(ii) Prepayments, deposits and other receivables in non-current assets

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Prepayment		
– Prepayment for property and equipment	2,353	–

(iii) The carrying amounts of the Group's deposits and other receivables approximated to their fair values as at December 31, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Cash at bank and in hand (i)	418,517	66,269
Less: restricted cash (ii)	(19,711)	(8,003)
Cash and cash equivalents (iii)	398,806	58,266

(i) Cash at bank and in hand are denominated in the following currencies:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
RMB	226,955	66,251
HKD	191,561	17
Other currencies	1	1
	418,517	66,269

(ii) As at December 31, 2025 and 2024, bank deposits of RMB222,000 and RMB222,000 was pledged to banks mainly as the performance guarantee for bidding of projects. Such restricted cash will be released upon the closure of the related tenders.

As at December 31, 2025, bank deposits of RMB10,000,000 was pledged to banks mainly as the guarantee for bank borrowings.

As at December 31, 2025 and 2024, bank deposits of RMB4,307,000 and RMB3,934,000 represent cash received from customers and placed in a bank supervised account for payment to medical and healthcare institution and professionals. Besides, as at December 31, 2025 and 2024, bank deposits of RMB182,000 and RMB3,847,000 represent cash pledged to banks mainly due to legal disputes.

As at December 31, 2025, bank deposits of RMB5,000,000 represent proceeds from bank loans that are restricted to specific uses, for which prior written approval from the bank is mandatory.

(iii) The carrying amount of the Group's cash and cash equivalents approximated to its fair value as at December 31, 2025 and 2024. The cash and cash equivalents earn interest at floating rates based on daily bank deposit rates.

(iv) For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. SHARE CAPITAL

The Company was incorporated in the Cayman Islands on the January 31, 2022 with an authorized share of US\$50,000 divided into 5,000,000,000 shares of a par value of US\$0.00001 each.

A summary of movements in the Company's issued and fully paid share capital is as follow:

	Number of shares	Nominal value of shares USD'000	Equivalent nominal value of shares RMB'000
Issued:			
As at January 1, 2025	60,561,462	–	4
Share subdivision	242,245,848	–	–
Issuance of shares	33,645,500	–	–
As at December 31, 2025	336,452,810	–	4
As at January 1, 2024	60,561,462	–	4
Issuance of shares	–	–	–
As at December 31, 2024	60,561,462	–	4

As at December 31, 2024, the total issued number and nominal value of issued ordinary share of the Company amounted to 60,561,462 shares and USD605.61 (equivalent to approximately RMB4,000), respectively, in which, 3,339,319 shares of the Company were held by the Group's controlled entities, 160 Health Future Limited and 160 Future Limited (the "trustee") and accounted for as treasure shares.

Upon the completion of the IPO on September 17, 2025, each issued share was subdivided into 5 shares. Following this action, the total number of issued shares was 302,807,310.

Upon the completion of the IPO on September 17, 2025, the Company issued 33,645,500 shares at par value of US\$0.000002 per share for a total cash consideration of HK\$11.89 each and raised gross proceeds of approximately HK\$400,045,000 (equivalent to RMB365,152,000). After netting off these gross proceeds with share issuance costs amounting to approximately RMB25,114,000, the respective share capital amount was approximately RMB478 and share premium arising from the issuance was approximately RMB340,038,000. The share issuance costs paid and payable mainly include share underwriting commissions, lawyer's fees, reporting accountant's fee and other related costs, which are incremental costs directly attributable to the issuance of the new shares. These share issuance costs were treated as a deduction against the share premium arising from issuance.

As at December 31, 2025, following the share subdivision and the completion of the IPO, the Company's number of shares in issue was 336,452,810, in which 16,696,595 shares were held by the Group's controlled entities, the trustee and accounted for as treasure shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. RESERVES

	Share premium RMB'000	Treasury shares RMB'000	Share-based payment reserves RMB'000	Other reserves RMB'000	Total reserves RMB'000
As at January 1, 2025	595,466	(1,772)	275,795	9,790	879,279
Share-based payment expenses (Note 28)	–	–	56,974	–	56,974
Currency translation differences	–	–	–	137	137
Issuance of ordinary shares relating to an initial public offering, net of share issuance costs	340,038	–	–	–	340,038
As at December 31, 2025	935,504	(1,772)	332,769	9,927	1,276,428
As at January 1, 2024	595,466	(1,772)	215,812	9,473	818,979
Share-based payment expenses (Note 28)	–	–	59,983	–	59,983
Currency translation differences	–	–	–	317	317
As at December 31, 2024	595,466	(1,772)	275,795	9,790	879,279

28. SHARE-BASED PAYMENT EXPENSES

Share-based payment expenses was recognized in profit or loss for the years ended December 31, 2025 and 2024 as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Administrative expenses	43,695	23,888
Sales and marketing expenses	9,648	32,230
Research and development expenses	3,631	3,865
	56,974	59,983

(i) Share option schemes

Pre-IPO share option scheme of the Company

In August 2023, the Group adopted the Pre-IPO share option scheme. Under the Pre-IPO share option scheme, options to subscribe for 6,236,917 shares (or 31,184,585 shares as adjusted after the share subdivision which is adopted on September 3, 2025), including options to subscribe for 2,897,598 new shares and 3,339,319 existing shares held by the trustee (or 14,487,990 new shares and 16,696,595 existing shares as adjusted after the share subdivision), had been granted to a total of 105 grantees by the Group. In July 2025, the Group has granted 685,529 share options (3,427,645 shares as adjusted after the share subdivision) to a total of 14 employees.

The number of share options, average exercise price per share option, fair value of share options, key assumptions of fair value of share options stated below were after the adjustment for the share subdivision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. SHARE-BASED PAYMENT EXPENSES (Continued)

(i) **Share option schemes** (Continued)

Details of vesting period of share options are as follows:

Grant date (yyyy/mm/dd)	Number of share options (after subdivision)	Vesting period
2023/9/1	3,668,800	Public Offering Date
2023/9/1	18,119,295	i) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2024, whichever is later; ii) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2025, whichever is later; iii) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2026, whichever is later; iv) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2027, whichever is later.
2023/9/1	1,560,000	i) 20% of the granted share options are vested upon the Public Offering Date and 1st anniversary of the grant date, whichever is later; ii) 20% of the granted share options are vested upon the Public Offering Date and 2nd anniversary of the grant date, whichever is later; iii) 20% of the granted share options are vested upon the Public Offering Date and 3rd anniversary of the grant date, whichever is later; iv) 20% of the granted share options are vested upon the Public Offering Date and 4th anniversary of the grant date, whichever is later; v) 20% of the granted share options are vested upon the Public Offering Date and 5th anniversary of the grant date, whichever is later.
2025/7/17	295,000	i) 75% of the granted share options are vested upon the Public Offering Date and January 1, 2026, whichever is later; ii) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2027, whichever is later.
2025/7/17	3,132,645	All of the granted share options are vested upon the Public Offering Date and January 1, 2026, whichever is later.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. SHARE-BASED PAYMENT EXPENSES (Continued)

(i) Share option schemes (Continued)

- (a) Movements in the number of share options granted to non-director employees outstanding and their related weighted average exercise prices are as follows:

	No. of options	Average exercise price per share option (RMB)
As at January 1, 2025	3,004,678	1
Effect of share subdivision	12,018,712	–
Granted during the year	3,427,645	–
Forfeited during the year	(1,751,520)	–
As at December 31, 2025	16,699,515	–
Vested and exercisable at December 31, 2025	14,535,465	–
As at January 1, 2024 and December 31, 2024	3,004,678	1
Vested and exercisable at December 31, 2024	–	–

During the year ended December 31, 2025, 1,751,520 share options were forfeited prior to their expiry dates due to the resignation of certain grantees.

- (b) Movements in the number of share options granted to directors outstanding and their related weighted average exercise prices are as follows:

	No. of options	Average exercise price per share option (RMB)
As at January 1, 2025	1,664,941	1
Effect of share subdivision	6,659,764	–
Forfeited during the year	(1,681,320)	–
As at December 31, 2025	6,643,385	–
Vested and exercisable at December 31, 2025	3,935,885	–
As at January 1, 2024 and December 31, 2024	1,664,941	1
Vested and exercisable at December 31, 2024	–	–

During the year ended December 31, 2025, 1,681,320 share options were forfeited as a result of being voluntarily transferred by a director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. SHARE-BASED PAYMENT EXPENSES (Continued)

(i) Share option schemes (Continued)

Fair value of share options

Based on estimated fair value of the underlying ordinary shares, the Group has used binomial tree model to determine the fair value of the share option as of the grant date. Key assumptions are set as below:

	July 17, 2025 (grant date)
Fair value per share	10.49
Risk-free interest rate	4.31%
Expected volatility	55%
Expected terms	10 years since first vested

29. BORROWINGS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Included in current liabilities:		
Borrowings		
– Borrowings, secured or guaranteed (ii)	228,110	74,633
– Borrowings, unsecured and unguaranteed (iii)	10,000	14,760
	238,110	89,393
Included in non-current liabilities:		
Borrowings		
– Borrowings, secured or guaranteed (ii)	2,910	1,277
	241,020	90,670

(i) As at December 31, 2025 and 2024, the Group's borrowings were repayable as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within 1 year	238,110	89,393
Between 1 and 2 years	2,910	1,277
	241,020	90,670

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. BORROWINGS (Continued)

- (ii) As at December 31, 2025 and 2024, the Group's borrowings which were secured or guaranteed by group companies or related parties of the Group bear interests at fixed interest rates ranging from 2.35%–4.20% and 3.30%–18% per annum, respectively. As at December 31, 2024, the borrowings of RMB32,490,000 was guaranteed by Mr. Luo and his brother.
- (iii) As at December 31, 2025 and 2024, the Group's borrowings which were unsecured and unguaranteed bear interests at fixed interest rates 3.50%–3.66% and 3.60%–4.43% per annum, respectively.
- (iv) Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has a substantive right to defer settlement of the liability for at least 12 months after the reporting period.

30. TRADE PAYABLES

Aging analysis of the trade payables as at December 31, 2025 and 2024 based on invoice date are as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables	120,579	102,627
Analysis by aging		
Within 90 days	87,998	77,212
90 days to one year	13,514	10,742
Over one year	19,067	14,673
	120,579	102,627

- (i) Trade payables are primarily denominated in RMB and their carrying amounts are considered to approximate their fair values due to their short-term in nature.
- (ii) These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. ACCRUALS AND OTHER PAYABLES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Payroll and welfare payable	9,495	27,034
Trading deposits received	2,763	3,643
Payables to physicians and medical and healthcare institutions	55,203	63,377
VAT and other taxes payables	21,535	21,841
Payables for listing expenses	3,607	11,135
Others	4,010	3,232
	96,613	130,262

- (i) Accruals and other payables are primarily denominated in RMB and their carrying amounts are considered to approximate their fair values due to their short-term in nature.

32. DEFERRED INCOME TAX

Deferred income taxes are calculated on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

The analysis of deferred income tax assets and liabilities is as follows:

(a) Deferred income tax assets

The movement on the deferred income tax assets without taking into consideration the offsetting of balance within the same tax jurisdiction is as follows:

	Lease liabilities RMB'000	Loss allowance provision RMB'000	Tax losses RMB'000	Total RMB'000
As at January 1, 2025	4,262	1,206	–	5,468
(Charged)/credited to profit or loss	(3,153)	1,144	3,766	1,757
As at December 31, 2025	1,109	2,350	3,766	7,225
As at January 1, 2024	1,273	826	–	2,099
Credited to profit or loss	2,989	380	–	3,369
As at December 31, 2024	4,262	1,206	–	5,468

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. DEFERRED INCOME TAX (Continued)

(b) **Deferred income tax liabilities**

The movement on the deferred income tax liabilities without taking into consideration the offsetting of balance within the same tax jurisdiction is as follows:

	Right-of-use assets RMB'000
As at January 1, 2025	4,262
Credited to profit or loss	(3,153)
As at December 31, 2025	1,109
As at January 1, 2024	1,273
Charged to profit or loss	2,989
As at December 31, 2024	4,262

(c) The analysis of deferred income tax assets and deferred income tax liabilities offsetting is as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Total gross deferred income tax assets	7,225	5,468
Offsetting	(1,109)	(4,262)
Deferred income tax assets after offsetting	6,116	1,206
Total gross deferred income tax liabilities	1,109	4,262
Offsetting	(1,109)	(4,262)
Deferred income tax liabilities after offsetting	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. CASH FLOW INFORMATION

(a) Reconciliation of loss before income tax to cash used in operations:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Losses before income tax	(77,331)	(106,956)
Adjustments for:		
Net provision of impairment losses on financial assets (Notes 8)	10,219	8,284
Depreciation of property and equipment (Note 17)	2,249	2,902
Amortization of intangible assets (Note 19)	486	486
Depreciation of right-of-use assets (Note 18)	3,761	7,438
Net (gains)/losses on early termination of leases (Note 10)	(697)	2
Net losses on disposal of property and equipment	–	9
Share-based payment expenses (Note 28)	56,974	59,983
Finance cost, net (Note 12)	2,887	2,330
Operating losses before working capital changes	(1,452)	(25,522)
Changes in working capital:		
Increase in trade receivables	(43,575)	(61,031)
Increase in prepayments, deposits and other receivables	(53,257)	(2,828)
(Increase)/decrease in inventories	(18,026)	2,421
Increase/(decrease) in contract liabilities	14,915	(2,393)
Increase in trade payables	17,952	6,252
(Decrease)/increase in accruals and other payables	(34,635)	28,393
	(116,626)	(29,186)
Cash used in operations	(118,078)	(54,708)

(b) **Non-cash investing and financing activities**

Other than the recognition of right-of-use assets and lease liabilities resulting from lease accounting, early termination of leases, there were no material non-cash investing and financing transactions during the years ended December 31, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. CASH FLOW INFORMATION (Continued)

(c) Net cash/(debt) reconciliation

This section sets out an analysis of net cash/(debt) and the movements in net cash/(debt) for the years ended December 31, 2025 and 2024.

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents	398,806	58,266
Borrowings	(241,020)	(90,670)
Lease liabilities	(8,844)	(19,002)
	148,942	(51,406)

	Cash and cash equivalents RMB'000	Borrowings RMB'000	Lease liabilities RMB'000
As at January 1, 2025	58,266	(90,670)	(19,002)
Net cash flows	340,540	(144,755)	3,170
Finance costs	–	(5,595)	(646)
Early termination of leases	–	–	7,634
As at December 31, 2025	398,806	(241,020)	(8,844)
As at January 1, 2024	57,555	(10,000)	(22,662)
Net cash flows	711	(78,470)	8,341
Finance costs	–	(2,200)	(1,456)
Addition of lease liabilities	–	–	(3,435)
Early termination of leases	–	–	210
As at December 31, 2024	58,266	(90,670)	(19,002)

34. COMMITMENTS

The Group leases office properties and dormitories under non-cancellable operating lease agreements. The lease terms are between one month and 4 years.

The Group has recognized right-of-use assets for these leases, except for short-term and low-value leases. The corresponding leases liabilities as recognized have been set on Note 18.

The Group's future aggregate minimum lease payments under non-cancellable operating leases are immaterial.

The Group has no material capital commitments as at December 31, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. CONTINGENCIES

As at December 31, 2025 and 2024, the Group had no material contingent liabilities outstanding.

36. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The following significant transactions were carried out between the Group and its related parties during the reporting periods. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The directors of the Company are of the view that the following parties were related parties that had transactions or balances with the Group for the years ended December 31, 2025 and 2024:

Name of related party	Relationship with the Company
Mr. Luo	The controlling shareholder, chairman and chief executive officer
Mr. Ji Cuilin	A director of the Company
Mr. Huang Lang	A director of the Company
Mr. Luo Yong	Vice president and manager of the medical affairs division of the Company
Mr. Wang Lifa	A director of the Company
Mr. Peng Fang	Vice president of the Company
Qingdao Chengyu	Shareholder of the Company
Dr. Fan Ming	Independent non-executive director
Dr. Xu Weiguo	Independent non-executive director
Mr. Wang Huan	Independent non-executive director
Mr. Zou Jun	Independent non-executive director
Mr. Zhang Ruxie	Non-executive director
Ms. Sun Meng	Non-executive director
Mr. Tang Shihua	Board secretary and joint company secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36. RELATED PARTY TRANSACTIONS (Continued)

(b) Key management compensation

Key management includes executive directors and senior management of the Group.

Compensation of the key management personnel of the Group, including directors' remuneration as disclosed in Note 37, was as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	6,261	5,149
Pension costs — defined contribution plans	76	63
Other social security costs, housing benefits	116	92
Shared-based payment expenses	17,337	37,533
	23,790	42,837

(c) Movements of amounts due from/to related parties

Amounts due from related parties — Non-trade

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Beginning of the year	5,077	—
Loans to related parties	495,060	442,185
Loan repayments received	(498,853)	(437,685)
Interest income accrual	2,259	1,284
Interest income received	(3,543)	—
Offsetting with payable	—	(707)
End of the year	—	5,077

During the year ended December 31, 2024, the Group entered into a new unsecured loan agreement with Yi Yi De Yi and Mr. Luo, pursuant to which the Group provided Mr. Luo with revolving credit facilities amounting to RMB60 million which are interest bearing at December 31, 2024, interest rates ranging from 3.45% to 6% per annum and repayable on demand and Yi Yi De Yi acts as the agent for handling the funds transfer between the Group and Mr. Luo. In the year of 2024 and 2025, Mr. Luo has drawdown the loan several times and repaid in short time for each drawdown. As at December 31, 2025 and 2024, the outstanding balance under this loan agreement is RMB Nil and RMB1,284,000, respectively.

In January 2024, one shareholder of the Company, namely Qingdao Chengyu, and Shenzhen Ningyuan entered into a loan agreement pursuant to which Shenzhen Ningyuan provides Qingdao Chengyu with loan of RMB4,500,000. The loan is unsecured, repayable on January 2, 2025 and bears interest at a fixed rate of 6% per annum. In December 2024, the parties involved agreed to extend the loan maturity to September 30, 2025 and to offset that Shenzhen Ningyuan due to Qingdao Chengyu of an amount approximately RMB707,000 against the aforesaid loan balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended December 31, 2025:

Name	Fees RMB'000	Wages, salaries and bonuses RMB'000	Share-based payment expense RMB'000	Pension costs — defined contribution plans RMB'000	Other social security costs, housing benefits RMB'000	Total RMB'000
<i>Chairman and executive director</i>						
Mr. Luo	—	1,470	—	10	17	1,497
<i>Executive directors</i>						
Mr. Ji Cuilin	—	1,100	4,853	10	10	5,973
Mr. Huang Lang	—	712	2,727	10	9	3,458
Mr. Wang Lifa	—	605	4,825	9	23	5,462
<i>Non-executive directors</i>						
Mr. Zhang Ruxie	—	—	—	—	—	—
Ms. Sun Meng	—	—	—	—	—	—
<i>Independent non-executive directors:</i>						
Dr. Fan Ming	—	58	—	—	—	58
Dr. Xu Weiguo	—	58	—	—	—	58
Mr. Zou Jun	—	—	—	—	—	—
Mr. Wang Huan	—	10	—	—	—	10
Total	—	4,013	12,405	39	59	16,516

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

The remuneration of every director and the chief executive is set out below: (Continued)

For the year ended December 31, 2024:

Name	Fees RMB'000	Wages, salaries and bonuses RMB'000	Share-based payment expense RMB'000	Pension costs — defined contribution plans RMB'000	Other social security costs, housing benefits RMB'000	Total RMB'000
<i>Chairman and executive director</i>						
Mr. Luo	-	812	-	8	14	834
<i>Executive directors</i>						
Mr. Ji Cuilin	-	1,080	7,961	8	6	9,055
Mr. Huang Lang	-	686	7,825	8	6	8,525
Mr. Wang Lifa	-	360	5,589	7	22	5,978
<i>Non-executive directors</i>						
Mr. Zhang Ruxie	-	-	-	-	-	-
Ms. Sun Meng	-	-	-	-	-	-
Total	-	2,938	21,375	31	48	24,392

- (i) Mr. Luo, Mr. Ji Cuilin, Mr. Huang Lang, and Mr. Wang Lifa have been appointed as the directors of the Company from October 20, 2023.
- (ii) Mr. Zhang Ruxie and Ms. Sun Meng have been appointed as the non-executive directors of the Company from October 20, 2023.
- (iii) Mr. Zou Jun was appointed on September 17, 2025 and resigned on December 12, 2025.
- (iv) Mr. Wang Huan was appointed on December 12, 2025.
- (v) Dr. Fan Ming and Dr. Xu Weiguo was appointed on September 17, 2025.

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors during the year ended December 31, 2024. Termination benefits of RMB197,594 have been paid to Mr. Zou Jun during the year ended December 31, 2025.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services during the years ended December 31, 2025 and 2024.

(d) Information about loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the years ended December 31, 2025 and 2024 except for loans to Mr. Luo as disclosed in Note 36(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(e) Directors' material interests in transactions, arrangements or contracts

No other significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended December 31, 2025 and 2024.

38. FINANCIAL POSITION OF THE COMPANY AND NOTES TO FINANCIAL POSITION OF THE COMPANY

	<i>Note</i>	As at December 31, 2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Investment in the subsidiaries	<i>(a)</i>	3,266,407	3,209,433
Prepayment and other receivables	<i>(b)</i>	240,705	–
		3,507,112	3,209,433
Current assets			
Prepayment and other receivables	<i>(b)</i>	–	3,761
Cash and cash equivalents		87,545	18
		87,545	3,779
Total assets		3,594,657	3,213,212
EQUITY			
Share capital		4	4
Share premium	<i>(c)</i>	3,488,599	3,148,561
Other reserve	<i>(e)</i>	115,902	59,983
Accumulated losses		(69,634)	(19,573)
Total equity		3,534,871	3,188,975
LIABILITIES			
Current liabilities			
Accruals and other payables	<i>(d)</i>	59,786	24,237
Total liabilities		59,786	24,237
Total equity and liabilities		3,594,657	3,213,212

The financial position of the Company was approved by the Board of Directors on March 27, 2026 and was signed on its behalf.

LUO Ningzheng
Director

JI Cuilin
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. FINANCIAL POSITION OF THE COMPANY AND NOTES TO FINANCIAL POSITION OF THE COMPANY (Continued)

(a) Investment in subsidiaries

	RMB'000
As at January 1, 2025	3,209,433
Addition	56,974
As at December 31, 2025	3,266,407
As at January 1, 2024	3,099,450
Addition	109,983
As at December 31, 2024	3,209,433

(b) Prepayment and other receivables

(i) Prepayments, deposits and other receivables in current assets

	As at December 31, 2025 RMB'000	2024 RMB'000
Deposits and other receivables		
– Amounts due from subsidiaries	–	41
Prepayment		
– Deferred listing expenses	–	3,720
Total	–	3,761

(ii) Prepayments, deposits and other receivables in non-current assets

	As at December 31, 2025 RMB'000	2024 RMB'000
Deposits and other receivables		
– Amounts due from subsidiaries	240,705	–

(c) Share premium

	Share premium RMB'000
As at December 31, 2024 and January 1, 2025	3,148,561
Issuance of ordinary shares relating to an initial public offering, net of share issuance costs	340,038
As at December 31, 2025	3,488,599

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. FINANCIAL POSITION OF THE COMPANY AND NOTES TO FINANCIAL POSITION OF THE COMPANY (Continued)

(d) Accruals and other payables

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Amounts due to subsidiaries	56,179	13,102
Payables for listing expenses	3,607	11,135
Total	59,786	24,237

(e) Other reserve

The other reserve represented the share-based payment reserve arisen from the grant of share options under the share option schemes of the Company.

39. SUBSEQUENT EVENTS

There were no material events taken place subsequent to the end of December 31, 2025.

40. SUMMARY OF OTHER ACCOUNTING POLICIES

40.1. Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including VIE companies and their subsidiaries) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances, and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position respectively.

(ii) Changes in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amounts of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.1. Principles of consolidation (Continued)

(iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

40.2. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.2. Business combinations (Continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

40.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

CODM who is responsible for making strategic decisions, allocating resources, and assessing performance of the operating segments, has been identified as the executive directors of the Company.

40.4. Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.5. Intangible assets

(i) Office software

Office software is stated at cost less accumulated amortisation and impairment losses (if any). Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives.

(ii) License

Separately acquired licence are shown at historical cost. It has a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses (if any).

(iii) Research and development

Research expenditure is recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

(iv) Goodwill

Goodwill is measured as described in Note 40.2. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.6. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

40.7. Foreign currency translation

(i) *Functional currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is RMB, which is also the presentation currency of the Group. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currencies. As the major operations of the Group are within the PRC, the Group determined to present the consolidated financial statements in RMB (unless otherwise stated).

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within "other gains/(losses), net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.7. Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investments in foreign entities are recognized in other comprehensive income.

40.8. Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.8. Investments and other financial assets (Continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other losses, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "other gains/(losses), net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses), net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income. The Group has no such debt investment during the reporting periods.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "other gains/(losses), net" in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.8. Investments and other financial assets (Continued)

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

40.9. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

40.10. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases its equity instruments, for example as the result of an employee share scheme, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

40.11. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.12. Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.13. Employee benefits

(i) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(ii) *Pension obligations*

The Group makes employee benefit contributions based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and medical benefit plan organized by relevant government authorities in the PRC on a monthly basis, subject to certain ceiling. The government authorities undertake to assume the retirement benefit obligations payable to the existing and future retired employees under these plans and the Group has no further obligations for the post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from the Group.

(iii) *Housing funds, medical insurances and other social insurances*

The employees of the Group in the PRC are also entitled to participate in various government-sponsored housing funds, medical insurances and other social insurances. The Group contributes on a monthly basis to those funds based on a certain percentage of the employee's salaries, subject to certain ceiling. The Group's liabilities in respect of these funds are limited to the contributions payable in each year and the Group has no further obligation beyond the contributions made.

(iv) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.14. Share-based payments

The Group operates an equity-settled, share-based payment plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments (including share scheme) is recognized as an expense on the consolidated statements of profit or loss and other comprehensive income. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- Including any market performance conditions;
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- Excluding the impact of any service and non-market performance vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The information relating to the share incentive arrangement is set out in Note 28.

Besides above, the shareholders of the Group transferred shares to employees and other parties with the cash consideration which appears to be less than the fair value of the shares transferred, and this is viewed as share-based payment transactions in substance. Under these transactions, the difference between the shares' fair value at the transfer date and actual transaction amount is recognized as share-based payment expenses with a corresponding increase in equity in the consolidated financial statements.

40.15. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.16. Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

40.17. Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the year in which the dividends are approved by the entities' shareholders or directors, where appropriate.

40.18. Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 12.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.19. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of the discontinued operation are presented separately in the statement of profit or loss.

40.20. (Losses)/earnings per share

(i) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing:

- the (loss)/profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted (losses)/earnings per share

Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

DEFINITIONS

“Audit Committee”	the audit committee of the Board
“Blue Dragonfly Internet”	Hunan Blue Dragonfly Internet Technology Co., Ltd. (湖南省藍蜻蜓網絡科技有限公司), a limited liability company established in the PRC on January 10, 2014 and a subsidiary of our Company
“Articles” or “Articles of Association”	the second amended and restated Articles of Association adopted by the Company on September 3, 2025, which is effective from the Listing Date and as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board” or “Board of Directors”	the board of Directors of our Company
“Board Committees”	the Audit Committee, the Nomination Committee and the Remuneration Committee
“CG Code”	the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules
“Chengdu Renren Weikang”	Chengdu Shuangliu Renren Weikang Internet Hospital Co., Ltd (成都雙流仁仁維康互聯網醫院有限公司), a limited liability company established in PRC on April 22, 2021 and a subsidiary of our Company
“China” or “the PRC”	the People’s Republic of China and, except where the context otherwise requires and only for the purpose of this report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act of the Cayman Islands (Cap. 22, Law 3 of 1961, as consolidated and revised) as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	160 Health International Limited (健康160国际有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on January 31, 2022
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities that we control, the financial results of which have been consolidated and accounted for as subsidiaries of our Company, through the Contractual Arrangements, namely our Onshore Holdcos and their respective subsidiaries

DEFINITIONS

“Contractual Arrangements”	the series of contractual arrangements entered into by and among Zhejiang Renren'ai, the Consolidated Affiliated Entities and their registered Shareholders, details of which are set out in the section headed “Contractual Arrangements” in the Prospectus
“Director(s)”	the director(s) of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering of the Shares
“Group”, “our Group”, “we”, “our” or “us”	the Company, its subsidiaries and the Consolidated Affiliated Entities at the relevant time or, where the context otherwise requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries or businesses operated by them or their predecessors (as the case may be)
“HK\$”, “Hong Kong dollars”, “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	September 17, 2025, being the date on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the second amended and restated Memorandum of Association adopted by our Company on September 3, 2025, which was effective from the Listing Date and as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Onshore Holdcos”	Weikang Zhiyuan, Renren Weikang and Shenzhen Ningyuan
“Option(s)”	the option(s) granted under Pre-IPO Share Option Scheme
“Pre-IPO Share Option Scheme”	the Pre-IPO share option scheme conditionally adopted pursuant to the written resolutions passed by the Shareholders on August 31, 2023

DEFINITIONS

“Prospectus”	the prospectus of our Company dated September 9, 2025
“Reporting Period”	for the year ended December 31, 2025
“Remuneration Committee”	the remuneration committee of the Board
“Renren Weikang”	Sichuan Renren Weikang Health Management Co, Ltd. (四川仁仁維康健康管理有限公司), a limited liability company established in the PRC on April 15, 2021 and a subsidiary of our Company
“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of US\$0.000002 each
“Share Subdivision”	the subdivision of each issued and unissued Shares of par value of US\$0.00001 each into 25,000,000,000 Shares of par value of US\$0.000002, details of which are disclosed in “Appendix IV — Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on September 3, 2025” in the Prospectus
“Shareholder(s)”	holder(s) of Shares
“Shenzhen Ningyuan”	Shenzhen Ningyuan Technology Co., Ltd. (深圳市寧遠科技股份有限公司), a limited liability company established in the PRC on February 22, 2005 and converted into a joint stock company on August 12, 2015 and a subsidiary of our Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasury Share(s)”	has the meaning ascribed to it under the Listing Rules
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“Weikang Zhiyuan”	Shenzhen Weikang Zhiyuan Technology Co., Ltd. (深圳市維康致遠科技有限公司), a limited liability company established in the PRC on June 30, 2022 and a subsidiary of our Company
“Zhejiang Renren’ ai” or “WFOE”	Zhejiang Renren’ ai Information Technology Co., Ltd. (浙江仁愛信息技術有限公司) (formerly known as Renren’ ai Health Information Technology (Shenzhen) Co., Ltd. (人人愛健康信息技術(深圳)有限公司)), a limited liability company established in the PRC on April 27, 2022 and a subsidiary of our Company
“%”	per cent