



DINGDANG HEALTH TECHNOLOGY GROUP LTD.

叮噹健康科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 09886



# 2025

## ANNUAL REPORT

# CONTENTS

Corporate Information	2
Definitions	4
Financial Summary	10
Chairman’s Statement	11
Management Discussion and Analysis	13
Biographies of Directors and Senior Management	24
Report of the Directors	31
Corporate Governance Report	73
Independent Auditor’s Report	90
Consolidated Statement of Profit or Loss and Other Comprehensive Income	95
Consolidated Statement of Financial Position	97
Consolidated Statement of Changes in Equity	99
Consolidated Statement of Cash Flows	101
Notes to the Consolidated Financial Statements	103



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

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

Mr. Yang Yibin (楊益斌)

Mr. Xu Ning (徐寧)

Mr. Yu Qinglong (于慶龍)

Mr. Meng Fanzhou (孟繁周)

(*Appointed on February 16, 2026*)

Mr. Yu Lei (俞雷) (*Resigned on February 16, 2026*)

### Non-executive Directors

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

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

### Independent Non-executive Directors

Mr. Zhang Shouchuan (張守川)

Dr. Fan Zhenhong (樊臻宏)

Mr. Jiang Shan (姜山)

## AUDIT COMMITTEE

Mr. Jiang Shan (*Chairman*)

Mr. Zhang Shouchuan

Dr. Fan Zhenhong

## NOMINATION COMMITTEE

Mr. Yang Wenlong (*Chairman*)

Dr. Fan Zhenhong

Mr. Zhang Shouchuan

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

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

## REMUNERATION COMMITTEE

Dr. Fan Zhenhong (*Chairman*)

Mr. Zhang Shouchuan

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

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

## AUTHORIZED REPRESENTATIVES

Mr. Xu Ning

Mr. Lam Yiu Por

## JOINT COMPANY SECRETARIES

Mr. Lam Yiu Por

Mr. Liu Zhenxuan

## REGISTERED OFFICE

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building 1, Yard 50

Dengshikou Street

Dongcheng District

Beijing

PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 703, 7/F

Empire Centre, 68 Mody Road

Tsim Sha Tsui, Kowloon

Hong Kong

## COMPANY WEBSITE

[www.ddjkt.com](http://www.ddjkt.com)

## LEGAL ADVISORS TO THE COMPANY

*As to Hong Kong laws:*

Clifford Chance

*As to Cayman Islands law:*

Maples and Calder (Hong Kong) LLP

### AUDITOR

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

### HONG KONG SHARE REGISTRAR

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

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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

### PRINCIPAL BANKER(S)

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

### STOCK CODE

09886

# Definitions

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

“2020 RSU Scheme”	the restricted share unit scheme adopted by the Company on May 1, 2020
“2023 RSU Scheme”	the restricted share unit scheme adopted by the Company on June 27, 2023
“affiliate”	with respect to any specific person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles” or “Articles of Association” or “Memorandum and Articles of Association”	the articles of association of the Company, as amended and restated from time to time
“Audit Committee”	the audit committee of the Company
“Auditor”	Deloitte Touche Tohmatsu, the auditor of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“Cayman Companies Act” or “Companies Act”	the Companies Act, Cap. 22 (As Revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“CG Code”	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company” or “the Company”	Dingdang Health Technology Group Ltd., an exempted company incorporated in the Cayman Islands with limited liability on August 20, 2014
“Consolidated Affiliated Entity(ies)”	entities whose financial results have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements, including Dingdang Medicine Express Technology, Jiangxi Dingdang Health Pharmacy Chain Co., Ltd. (江西叮噹健康藥房連鎖有限公司), Hainan Dingdang Kuaiyi, Hainan Internet Hospital and Hainan Telemedicine Center and any subsidiary of the above companies
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, the WFOE, Dingdang Medicine Express Technology and the Registered Shareholders

“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and refers to each of Mr. Yang Wenlong, Mr. Yang Yibin, Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited and Go Far Limited
“Controlling Shareholders Group”	Mr. Yang Wenlong, Mr. Yang Yibin, Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited, and Go Far Limited are deemed to be a group of Controlling Shareholders
“Designated Person”	an employee of the Company designated by the 2023 RSU Scheme Administrator, who shall not be one of the Controlling Shareholders, or any person who act accustomed to instructions from the Controlling Shareholders
“Dingdang Medicine Express Technology”	Dingdang Medicine Express Technology Group Ltd. (叮噹快藥科技集團有限公司), a company incorporated under the laws of the PRC on September 2, 2014 with limited liability and a Consolidated Affiliated Entity, which is a holding company of all the other Consolidated Affiliated Entities of our Group
“Dingdang No. 1”	Zhuhai Dingdang No. 1 Enterprise Management Consulting Center (Limited Partnership) (珠海叮噹一號企業管理諮詢中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 26, 2016 and one of the Registered Shareholders
“Dingdang No. 2”	Zhuhai Dingdang No. 2 Enterprise Management Consulting Center (Limited Partnership) (珠海叮噹二號企業管理諮詢中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 26, 2016 and one of the Registered Shareholders
“Dingdang No. 3”	Zhuhai Dingdang No. 3 Enterprise Management Consulting Center (Limited Partnership) (珠海叮噹三號企業管理諮詢中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 26, 2016 and one of the Registered Shareholders
“Dingdang No. 4”	Zhuhai Dingdang No. 4 Investment Center (Limited Partnership) (珠海叮噹四號投資中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 26, 2016 and one of the Registered Shareholders
“Director(s)”	the director(s) of the Company

## Definitions

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

“Jiangxi Dingdang E-Commerce”	Jiangxi Dingdang E-Commerce Co., Ltd. (江西叮噹電子商務有限公司), a company incorporated under the laws of the PRC on February 22, 2016 with limited liability and our indirect wholly-owned subsidiary
“Jiangxi Health Pharmacy”	Jiangxi Dingdang Health Pharmacy Chain Co., Ltd. (江西叮噹健康藥房連鎖有限公司), a company incorporated under the laws of the PRC on September 21, 2020 with limited liability and our Consolidated Affiliated Entity
“Jiangxi Renhetang”	Jiangxi Renhetang Pharmaceutical Chain Co., Ltd. (江西仁和堂醫藥連鎖有限公司), a company incorporated under the laws of the PRC on March 12, 2015 with limited liability and our subsidiary
“Listing”	listing of the Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Date”	September 14, 2022, on which our Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Nanjing Zhaoyin Gongying”	Nanjing Zhaoyin Gongying Equity Investment Partnership (Limited Partnership) (南京市招銀共贏股權投資合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on July 10, 2019
“Nomination Committee”	the nomination committee of the Company
“Pre-IPO Share Option Scheme”	the Pre-IPO share option scheme adopted by the Company on May 1, 2020
“Prospectus”	the prospectus of the Company dated September 1, 2022
“Registered Shareholders”	the registered shareholders of Dingdang Medicine Express Technology, namely Mr. Yang Wenlong, Dingdang No. 1, Dingdang No. 2, Dingdang No. 3, and Dingdang No. 4
“Remuneration Committee”	the remuneration committee of the Company
“Renhe”	Renhe (Group) Development Co., Ltd. (仁和(集團)發展有限公司) (together with its subsidiaries, “ <b>Renhe Group</b> ”), a company incorporated under the laws of the PRC on July 6, 2001 with limited liability, in which Mr. Yang Wenlong (by himself and together with his close associates) directly controls 100% of the equity interests

## Definitions

“Renhe Pharmacy”	Renhe Pharmacy Co., Ltd. (仁和藥業股份有限公司) (together with its subsidiaries, “ <b>Renhe Pharmacy Group</b> ”), a joint stock company incorporated under the laws of the PRC on December 4, 1996 and listed on Shenzhen Stock Exchange (stock code: 000650), in which Mr. Yang Wenlong (by himself and together with his close associates) indirectly controls approximately 29.77% of the equity interests
“Reporting Period”	the year ended December 31, 2025
“Restricted Share Agreement”	the restricted share agreement entered into by the Company, Mr. Yang Wenlong and Future Health Limited, a company held as to 60% of its equity interests by Mr. Yang Wenlong on May 31, 2021 which has been approved by the Shareholders of the Company on May 25, 2021
“Restricted Share Scheme”	the restricted share scheme adopted by the Company on May 1, 2020
“Returned Shares”	such RSU Shares or related income which are not vested and/or are forfeited in accordance with the rules of the 2023 RSU Scheme, or such Shares being deemed to be returned shares in accordance with the rules of the 2023 RSU Scheme and the Trust Deed
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“RSU(s)”	a restricted share unit conferring the grantee a conditional right upon vesting of the restricted share unit to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the vesting date, as determined by the RSU scheme administrator in its absolute discretion, less any tax, fees, levies, stamp duty and other charges applicable
“RSU Shares”	such number of Shares that are conferred on the grantee pursuant to the award
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Incentive Schemes”	Pre-IPO Share Option Scheme, Restricted Share Scheme and 2020 RSU Scheme adopted on May 1, 2020
“Share(s)”	ordinary shares in the share capital of our Company with a par value of US\$0.0001

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

# Financial Summary

	Year ended December, 31				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
<b>RESULTS</b>					
Revenue	4,887,777	4,669,078	4,856,806	4,329,075	3,678,690
Gross profit	1,723,513	1,538,349	1,510,671	1,449,670	1,162,311
Loss before income tax	(30,716)	(370,119)	(221,227)	(2,832,147)	(1,581,859)
Income tax expense	(21,395)	(9,867)	(9,641)	(10,128)	(17,115)
Loss for the year	(52,111)	(379,986)	(230,868)	(2,842,275)	(1,598,974)
Attributable to:					
Owners of the Company	(49,018)	(376,498)	(225,809)	(2,833,395)	(1,578,026)
Non-controlling interests	(3,093)	(3,488)	(5,059)	(8,880)	(20,948)
	(52,111)	(379,986)	(230,868)	(2,842,275)	(1,598,974)

	As of December, 31				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
<b>ASSETS AND LIABILITIES</b>					
<b>ASSETS</b>					
Non-current assets	698,187	431,062	692,758	769,888	678,466
Current assets	2,135,984	2,201,613	2,372,010	2,527,587	2,267,693
Total assets	2,834,171	2,632,675	3,064,768	3,297,475	2,946,159
<b>EQUITY</b>					
Equity attributable to					
owners of the Company	1,663,443	1,660,214	2,037,422	2,185,658	(2,612,247)
Non-controlling interests	11,466	20,016	(527)	13,538	22,418
Total equity	1,674,909	1,680,230	2,036,895	2,199,196	(2,589,829)
<b>LIABILITIES</b>					
Non-current liabilities	222,108	120,425	115,329	128,945	4,797,059
Current liabilities	937,154	832,020	912,544	969,334	738,929
Total liabilities	1,159,262	952,445	1,027,873	1,098,279	5,535,988
Total equity and liabilities	2,834,171	2,632,675	3,064,768	3,297,475	2,946,159

# Chairman's Statement

Dear Shareholders,

2025 was a pivotal year for China's economic recovery and vibrant development of technological innovation. Guided by the "Healthy China 2030" Planning Outline, China continued to deepen reforms in the medical and health industry, shifting the focus from treating diseases to promoting health, and driving the expansion and quality improvement of health service consumption. The implementation of a series of policies regarding the standardization of medical services, the coordination of medical insurance payments, and the refinement of industry supervision has systematically promoted the development of the Internet medical industry towards high-quality, inclusive, and intelligent directions. With the in-depth advancement of the "Healthy China" strategy, the market scale of the health industry has continued to expand. Ministries and commissions such as the Ministry of Commerce and the National Health Commission have actively promoted the development of new productive forces in the field of health consumption and supported innovations in the "Internet +" medical service model. In particular, the advancement of the "Weight Management Year" campaign, which incorporates weight management into the core strategy for chronic disease prevention and control, has unleashed new potential in health consumption. Meanwhile, against the backdrop of the national "Artificial Intelligence +" initiative, many regions have introduced special policies to accelerate the application of AI technology in medical services and health management. AI-driven intelligent and personalized health services are emerging as a new engine driving market growth. The state has clearly proposed to achieve the interconnection of medical data, improve "Internet +" medical services and medical insurance payments, and encourage the development of diverse health services. Driven by both technology and policies, digital healthcare is accelerating its extension from auxiliary consultation to precise and intelligent applications, bringing profound changes to the digital health industry.

Dingdang Health has been deeply engaged in the field of digital medicine and health for many years. Looking back on its development journey, we have always adhered to a clear development path: starting from addressing the pain points of people's daily medication needs, building information and intelligent systems through technology, innovating and improving the health service ecosystem, and upgrading and reshaping the digital health development of the industry - corely reconstructing the value and service chain of traditional pharmaceutical retail. In 2025, we persisted in "focusing on advantageous regions and comprehensively promoting quality and efficiency improvements", made timely optimizations to our layout, and laid a solid foundation for long-term development. We have keenly observed that the industry is rapidly evolving from "digital health services" to "intelligent health services". At the infrastructure level, we have built four major smart warehouses in North China, Central China, East China and South China, which operate efficiently 24/7 through the application of technologies such as intelligent scheduling and robotic warehouse inspection. Relying on the independently developed intelligent supply chain system, we have constructed an end-to-end intelligent system covering site selection, warehousing, sorting, and distribution, fundamentally changing the operational logic of traditional pharmacies. We will leverage our data resources and technological advantages to expand the boundaries of intelligent applications, striving to become a "direct portal of intelligent health services" and a "professional medical and pharmaceutical service provider" in the "AI+ new era".

# Chairman's Statement

AI intelligent pharmacies represent a new health infrastructure enabling full-chain digitalization. By deeply embedding AI technology throughout the entire health service retail chain, we have evolved from smart pharmacies ensuring timely fulfillment to an advanced model integrating artificial intelligence with health data. This transformation marks the shift from a “passive selling” to a “proactive health management” paradigm in pharmaceutical service infrastructure. Over the next decade, AI intelligent pharmacies will serve as a foundational platform for collaboration within the new pharmaceutical retail industry—enhancing AI-powered health service capabilities through digital technology with greater integration and openness, while working alongside pharmaceutical companies and platforms to collectively improve public health standards. More importantly, Dingdang Health is undergoing a strategic leap from a vertical platform to an AI intelligent ecosystem. Through technological R&D, we have developed the “AI Health Assistant – Smart Dingdang” to enhance the professionalism and accuracy of user health services, further promoting the popularization and accessibility of technology in residents’ medical, pharmaceutical, and health care. Our smart pharmacy network and digital operation system have provided a proven transformation plan for the industry and occupied a key position in the value chain.

In 2025, Dingdang Health adhered to both “stable operation and high-quality growth”, focusing on building “commodity power, channel power, innovation power, professional power, and organizational power”. Through in-depth industrial chain cooperation and digital intelligence empowerment, we have improved the “Treatment, Diagnosis, Pharmaceutical Products, and Medical Insurance (醫、檢、藥、險)” ecosystem. We closely followed policy directions, focused on core cities, and advanced services such as online medical insurance payments, professional pharmaceutical cold chain immediate home delivery, and AI smart medical services, providing residents with professional, safe, and immediate medical and health services. In the future, we will further consolidate the immediate health-to-home business in core cities to support the continuous improvement of the Company’s medium and long-term profitability.

As a participant in an industry related to the life and health of users, we are well aware of our significant responsibilities. Dingdang Health integrates social responsibility into its development strategy, pursuing the unity of economic and social benefits. In 2025, the Company continued to improve its ESG management system and achieved positive progress in pharmaceutical safety and information security. We have established an online and offline integrated service fulfillment system and a traceable quality control system, combining digitalization and intelligent innovation to ensure the sustainable and stable development of the Company’s business.

Once again, I would like to thank all Shareholders, partners, users, and community who have been supporting and helping the Company in moving forward together.

**YANG Wenlong**  
*Chairman and President*

March 20, 2026

# Management Discussion and Analysis

## BUSINESS REVIEW

In 2025, the Chinese government adopted multiple measures to support economic development and introduced a series of supportive policies to promote residents' health consumption. With the in-depth advancement of the "Healthy China" strategy, the market scale of the health industry continued to expand. Ministries and commissions including the National Health Commission, the National Development and Reform Commission, and the Ministry of Commerce issued documents such as the Special Action Plan for Promoting Health Consumption (《促進健康消費專項行動方案》), further guiding new health consumption scenarios such as "Internet + electronic prescriptions + online-offline integration" and encouraging retail pharmacies to expand functions in health care and nutrition support. In addition, relevant authorities continued to optimize the service mechanisms of medical insurance, medical treatment, and pharmaceuticals, improve the medical insurance payment system, strengthen market supervision, and issued policies including the Notice on the Supervision and Application of Medical Insurance Drug Traceability Codes (《醫保藥品追溯碼監管應用通知》) and the Regulatory Policies on the Circulation of Electronic Prescriptions (《電子處方流轉監管政策》). By leveraging new technologies and systems, they continuously promoted the high-quality development of the pharmaceutical and medical health sectors. Furthermore, five ministries and commissions including the National Health Commission jointly issued the Implementation Opinions on Promoting and Regulating the Application and Development of "Artificial Intelligence + Healthcare" (《關於促進和規範"人工智能+醫療衛生"應用發展的實施意見》), the first systematic national guidance document specifically targeting "Artificial Intelligence + Healthcare". It outlines arrangements for 24 key applications across 8 areas, including AI application in primary care, clinical diagnosis and treatment, patient services, traditional Chinese medicine, public health, scientific research and teaching, industry governance, and the health industry. Cities such as Beijing, Shanghai, and Shenzhen have successively introduced special policies to accelerate the application of artificial intelligence technology in medical and health management services. AI-driven intelligent, personalized, and convenient health services are emerging as a new engine driving market growth. AI + digital healthcare has accelerated its extension from auxiliary consultation and diagnosis to more precise and intelligent applications, bringing profound changes and vast development potential to the digital health industry amid transformation.

During the Reporting Period, our total revenue amounted to RMB4,887.8 million (2024: RMB4,669.1 million), representing a year-on-year increase of 4.7%. The year-on-year increase in total revenue was attributed to the Company's optimized urban layout, focus on and deep cultivation of advantageous regions, development of cities such as Beijing, Shanghai, and Shenzhen into "the best health service portal for residents", active expansion and densification of the local smart pharmacy network, which drove sound business growth. In addition, the Company improved supply chain service capabilities in terms of pharmaceutical and commodity layout, maintained positive overall operations, and achieved growth in the number of registered users.

For the year ended December 31, 2025, the net loss of the Company narrowed to RMB52.1 million, and the adjusted net loss turned positive, achieving an adjusted net profit of RMB10.7 million. Excluding the net exchange loss of RMB11.9 million, the adjusted net profit would further increase to RMB22.6 million. The improved performance was due to the gross profit margin rising to 35.3%, a year-on-year increase of 2.4 percentage points; at the same time, refined operations and continuous cost reduction and efficiency improvement achieved results, and profitability is expected to continue to improve.

## Management Discussion and Analysis

Dingdang Health focuses on the omni-channel on-demand retail business model, prioritizes the strategy of full-lifecycle health management and full-course disease management, and has formed a synergistic ecosystem of “Treatment, Diagnosis, Pharmaceutical Products, and Medical Insurance”. We continued to advance refined operations, concentrated on intensifying the layout of the smart pharmacy network in core cities such as Beijing, Shanghai, and Shenzhen, focused on strengthening and optimizing operations in advantageous regions, and accurately implemented the “digital store-specific strategy (數字化一店一策)”；we also continuously refined scenario-specific product content around on-demand pharmaceutical and retail services, including focusing on expanding innovative health services such as pet wellness, intimate products and healthy weight management optimizing the commodity structure, and increasing the proportion of centralized procurement varieties. At the same time, we further optimized the logistics and supply chain system, built AI smart pharmacies + cold chain home delivery services in core cities, and gradually formed the Company’s long-term sustainable competitive advantages. We continued to leverage the technological and layout advantages of online-offline integration, uphold the corporate value and belief of “Serving People’s Health and Leading the Ultimate Health-to-Home Service”, give full play to our experience in digital pharmaceuticals and medical services, better implement new national industry policies, enable medical insurance participants to benefit from medical insurance entitlements while enjoying the convenience of on-demand health-to-home services, and better meet residents’ health and medical service needs.

- **Drug Express Business**

We have been insisted on providing users with real-time, professional, omni-channel, and data-driven pharmaceutical purchase services. For the year ended December 31, 2025, our drug express business has maintained a stable growth. The breakdown of revenue by channel includes: revenue recorded from online direct sales of RMB3,551.2 million (2024: RMB3,274.6 million), representing a year-on-year increase of 8.4%; revenue recorded from business distribution of RMB546.9 million (2024: RMB642.8 million), representing a year-on-year decrease of 14.9%; revenue recorded from offline retail of RMB646.5 million (2024: RMB622.2 million), representing a year-on-year increase of 3.9% and revenue recorded from other business of RMB143.2 million (2024: RMB129.5 million), representing a year-on-year increase of 10.6%.

During the Reporting Period, we bolstered up the development of our supply chain system, including warehousing logistics and cold-chain logistics service capabilities. In specialized fields including diabetes and dermatology, we further enhanced user service capabilities through digitalization and professional logistics to ensure the safe use of drugs for users.

- **Online Direct Sales**

In terms of the online direct sales channel, Dingdang Health reached out to its users through its online platform for service and product sales. During the Reporting Period, we recorded a revenue of RMB3,551.2 million (2024: RMB3,274.6 million) from online direct sales channel, representing a year-on-year increase of 8.4%. Through our online-to-offline order fulfillment service model and direct-sales e-commerce model, we maintained contact with our users through omni-platform channels. Dingdang Health focuses on providing express medicine, medical and healthcare services which are empowered by our smart pharmacies and E-zoning technology as well as experienced riders who could deliver efficiently and safely through an intelligent scheduling system. In the direct-sales e-commerce model, we could make both regular and scheduled deliveries with the help of third-party carriers, covering major regions and populations across China.

### ➤ *Business Distribution*

Dingdang Health will further reinforce industrial advantages in the supply chain by radically forging the Company's "commodity and innovation power", integrating supply chain resources for OEM customization and product innovation, and enhancing collaboration with small businesses and distributors to achieve supply chain empowerment and product sales through a multi-channel e-commerce platform. Due to the optimization and restructuring of the organizational framework, certain inefficient operations have been scaled back. During the Reporting Period, the business distribution recorded a revenue of RMB546.9 million (2024: RMB642.8 million), representing a year-on-year decrease of 14.9%.

### ➤ *Offline Retail*

In addition to online direct sales and business distribution, users could also purchase our products and services directly from our extensive network of pharmacies in major cities across China. During the Reporting Period, our offline retail business recorded a revenue of RMB646.5 million (2024: RMB622.2 million), representing a year-on-year increase of 3.9%.

### ➤ *Other Business*

Dingdang Health serves as a pioneering online O2O launch platform for pharmaceutical companies' new products. By innovating marketing approaches through its O2O business model, it helped pharmaceutical companies accelerate comprehensive sales expansion for new drugs. Dingdang Health has cooperated with over 7,000 pharmaceutical manufacturers and pharmaceutical distribution companies in aggregate. While establishing alliance and continuously deepening cooperation with pharmaceutical manufacturers and enterprises, the Company also realized in-depth cooperation in terms of advertisement, promotion, marketing service and research and development for pharmaceutical products. During the Reporting Period, the other business recorded a revenue of RMB143.2 million (2024: RMB129.5 million), representing a year-on-year increase of 10.6%.

### • **Online Medical Consultation**

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

### • **Chronic Diseases and Health Management**

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

## Management Discussion and Analysis

### Public Welfare and Social Responsibility

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

In 2025, Dingdang Health launched the public welfare campaign “Great City, Little Love • Lighting Up the Medical Journey (大城小愛•照亮醫路)”. Together with China Resources Sanjiu, it organized volunteer families to care for children with leukemia and their families, providing first-aid kits, warm patches, daily necessities and other supplies, bringing warmth and care to those in need.

### Future Prospects

With the optimization and implementation of the Company’s urban business layout, the continuous enhancement of profitability, and the improvement of the efficiency of the smart pharmacy network and supply chain logistics, a more solid foundation will be laid for the Company’s further growth. The Company will remain committed to digital healthcare, adopting an online-to-offline integrated approach to popularize user habits and ensure convenient accessibility. Furthermore, the integration of AI-driven medical technologies with online medical insurance services will open up new dimensions for industry development. In the future, based on the omni-channel on-demand retail business model, we will focus on advancing the strategy of full-lifecycle user health management and full-course disease management, actively promote the construction of smart central warehouses, and build AI intelligent pharmacies and the integration of wholesale and retail of pharmaceutical commodities. Guided by policy reforms and technological innovation, the Company will maintain the competitive advantage of the online-offline integrated service operation model, improve its technical service capabilities, and always strive to build the “Treatment, Diagnosis, Pharmaceutical Products, and Medical Insurance” service ecosystem. The Company will also focus on the present, continue to consolidate the service advantages in major cities such as Beijing, Shanghai, and Shenzhen, and continuously expand scale and improve service density. At the same time, it will “strengthen commodity power and enhance sales capacity”, further improve the warehousing and distribution system and front-end service and sales system, thereby driving the optimization and strengthening of operations in more cities and bringing users more professional, convenient, and diversified high-quality service experiences.

## FINANCIAL REVIEW

### Revenue

Revenue increased by 4.7% from RMB4,669.1 million for the year ended December 31, 2024 to RMB4,887.8 million for the year ended December 31, 2025. The increase in our total revenue was primarily due to the increase in the revenue from our pharmaceutical and healthcare business by 4.5% from RMB4,539.6 million for the year ended December 31, 2024 to RMB4,744.6 million for the year ended December 31, 2025. The increase in revenue from the pharmaceutical and healthcare business was primarily attributable to the improved network of smart pharmacies and the enrichment of product categories.

### Cost of Revenue

Cost of revenue increased by 1.1% from RMB3,130.7 million for the year ended December 31, 2024 to RMB3,164.3 million for the year ended December 31, 2025. The increase in cost of revenue was primarily due to the increase in the sales of our pharmaceutical and healthcare business.

### Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded a gross profit of RMB1,723.5 million for the year ended December 31, 2025, representing a gross profit margin of 35.3%; and a gross profit of RMB1,538.3 million for the year ended December 31, 2024, representing a gross profit margin of 32.9%. The increase in the gross profit margin was mainly due to the improvement of operational efficiency and the change in product sales portfolio.

### Fulfillment Expenses

The fulfillment expenses amounted to RMB447.7 million and RMB447.8 million for the year ended December 31, 2024 and December 31, 2025, respectively. The fulfillment expenses as a percentage of revenue decreased from 9.6% for the year ended December 31, 2024 to 9.2% for the year ended December 31, 2025, mainly due to the continuous optimization of the fulfillment system which improved fulfillment efficiency.

### Selling and Marketing Expenses

The selling and marketing expenses increased by 8.5% from RMB1,013.3 million for the year ended December 31, 2024 to RMB1,099.4 million for the year ended December 31, 2025. The increase was primarily attributable to the increase in selling and marketing activities. The selling and marketing expenses as a percentage of revenue increased from 21.7% for the year ended December 31, 2024 to 22.5% for the year ended December 31, 2025.

### Research and Development Expenses

The research and development expenses decreased by 11.1% from RMB61.2 million for the year ended December 31, 2024 to RMB54.4 million for the year ended December 31, 2025. The research and development expenses as a percentage of revenue decreased from 1.3% for the year ended December 31, 2024 to 1.1% for the year ended December 31, 2025.

### General and Administrative Expenses

General and administrative expenses decreased by 24.4% from RMB229.7 million for the year ended December 31, 2024 to RMB173.6 million for the year ended December 31, 2025, mainly due to the decrease in share-based payments.

General and administrative expenses as a percentage of revenue decreased from 4.9% for the year ended December 31, 2024 to 3.6% for the year ended December 31, 2025.

# Management Discussion and Analysis

## Other Gains and Losses, Net

Other net gains amounted to RMB12.2 million for the year ended December 31, 2024 as compared to other net losses amounted to RMB12.8 million for the year ended December 31, 2025. The change was primarily attributable to the increase in net foreign exchange losses and the decrease in gain on fair value changes of financial assets at FVTPL.

## Other Income

Other income decreased by 4.9% from RMB49.4 million for the year ended December 31, 2024 to RMB47.0 million for the year ended December 31, 2025. Such decrease was primarily attributable to the decrease in rental income.

## Finance Costs

Finance costs increased by 39.3% from RMB8.9 million for the year ended December 31, 2024 to RMB12.4 million for the year ended December 31, 2025.

## Impairment Loss recognised on Goodwill

As at December 31, 2025, the Group did not recognise any impairment loss on goodwill (2024: RMB198.9 million). During the year ended December 31, 2024, the Company identified material challenges in the operational performance of certain subsidiaries acquired between 2018 and 2020. As a result, a total provision of impairment of RMB198.9 million was recognized for goodwill allocated to these subsidiaries. The affected subsidiaries are principally engaged in the online and offline sales of prescription drugs, over-the-counter (OTC) drugs, and healthcare products across specific cities in China.

## Impairment Loss recognised on Other Intangible Assets

As at December 31, 2025, the Group did not recognise any impairment loss on others intangible assets (2024: RMB6.8 million). As at December 31, 2024, the estimated recoverable amounts of the non-current assets were below the carrying amounts, accordingly the management of the Company recognized impairment losses on other intangible assets of the cash-generating units amounting to RMB6,845,000 during the year ended December 31, 2024.

## Income Tax Expenses

Income tax expenses increased by 116.2% from RMB9.9 million for the year ended December 31, 2024 to RMB21.4 million for the year ended December 31, 2025, which was primarily due to the increase in our taxable income.

## Loss for the Year

As a result of the above, our net loss decreased by 86.3% from RMB380.0 million for the year ended December 31, 2024 to RMB52.1 million for the year ended December 31, 2025.

## Non-IFRS Measures: Adjusted Net Profit/(Loss) and Adjusted Net Profit/(Loss) Margin

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

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

	For the year ended December 31,	
	2025	2024
	<i>(RMB'000, except for percentages)</i>	
<b>Reconciliation of net loss to adjusted net profit/(loss):</b>		
Net loss for the year	(52,111)	(379,986)
Add:		
Share-based payments	41,813	96,828
Impairment losses recognized on goodwill	–	198,917
Impairment losses recognized on other intangible assets (net of the income tax effects)	–	5,134
Amortization of other intangible assets arising from acquisitions (net of the income tax effects)	20,982	21,879
<b>Adjusted net profit/(loss) for the year (non-IFRS measure)</b>	<b>10,684</b>	<b>(57,228)</b>
<b>Adjusted net profit/(loss) margin (non-IFRS measure)</b>	<b>0.2%</b>	<b>(1.2%)</b>

## Management Discussion and Analysis

### LIQUIDITY AND CAPITAL RESOURCES

The Group financed its operations through cash reserves and internally generated cash flows. As at December 31, 2025, we had cash and cash equivalents of RMB429.3 million (2024: RMB1,218.0 million). The following table sets forth our cash flows for the years indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Operating cash flows before movements in working capital	152,631	40,008
Changes in working capital	6,344	(34,239)
Income taxes paid	(22,156)	(17,121)
Net cash from/(used in) operating activities	136,819	(11,352)
Net cash (used in)/from investing activities	(801,193)	156,959
Net cash used in financing activities	(112,078)	(121,370)
Net (decrease)/increase in cash and cash equivalents	(776,452)	24,237
Cash and cash equivalents at the beginning of the year	1,217,954	1,185,898
Effect of foreign exchange rate changes on cash and cash equivalents	(12,179)	7,819
Cash and cash equivalents at the end of the year, represented by	429,323	1,217,954

#### Net Cash From Operating Activities

For the year ended December 31, 2025, net cash from operating activities was RMB136.8 million compared to net cash used in operating activities of RMB11.4 million in the same period last year, which was primarily attributable to the loss before income tax of RMB30.7 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payments expenses of RMB41.8 million, depreciation of right-of-use assets of RMB93.1 million, and amortisation of other intangible assets of RMB33.7 million; and (ii) changes in working capital, which primarily resulted from a decrease in restricted bank deposits of RMB9.5 million, a decrease in trade and other receivables and prepayments of RMB1.1 million and an increase in trade and other payables of RMB100.1 million, partially offset by an increase in inventories of RMB83.6 million, a decrease in contract liabilities of RMB12.2 million, a decrease in amounts due to related parties of RMB4.8 million and a decrease in deferred income of RMB3.7 million.

#### Net Cash Used In Investing Activities

For the year ended December 31, 2025, net cash used in investing activities was RMB801.2 million, which was primarily attributable to purchases of financial assets at FVTPL of RMB2,324.4 million and placement of time deposits of RMB1,397.6 million and partially offset by redemption of financial assets at FVTPL of RMB2,081.9 million.

## Net Cash Used In Financing Activities

For the year ended December 31, 2025, net cash used in financing activities was RMB112.1 million, which was primarily attributable to repayments of lease liabilities of RMB86.6 million and interest paid of RMB12.4 million.

## Borrowings and Gearing

As of December 31, 2025, bank borrowings were amounted to RMB4.7 million (2024: nil). The Group's gearing ratio (calculated as total interest-bearing bank borrowings divided by total equity) was approximately 0.3% as of December 31, 2025 (2024: nil).

## Capital Expenditures

Our capital expenditures primarily consisted of purchases of property and equipment, payments for right-of-use assets and purchases of other intangible assets. Our capital expenditures were RMB35.7 million for the year ended December 31, 2025 and RMB25.1 million for the year ended December 31, 2024.

## Capital Commitments

As of December 31, 2025, we had no material capital commitment.

## Pledges of Assets

As of December 31, 2025, we did not have any material pledge of asset.

## Significant Investments Held

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at December 31, 2025) during the year ended December 31, 2025.

## Future Plans for Material Investments and Capital Assets

As of December 31, 2025, save for the "Future Plans and Use of Proceeds" disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

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

The Group did not have any material acquisitions and/or disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2025.

## Foreign Exchange Risk

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

## Management Discussion and Analysis

For further details, please refer to note 31.2(a) to the consolidated financial statements.

### CONTINGENT LIABILITIES

As of December 31, 2025, we did not have any material contingent liabilities.

### EMPLOYEES

As of December 31, 2025, we had 2,232 full-time employees, most of whom were based in China, mostly in Beijing, with the rest based in major cities across China such as Shenzhen and Shanghai.

The following table sets forth the number of our employees by function as of December 31, 2025:

Employee function	Number of employees
Sales, Marketing and Business Development	1,450
Technology, Research and Development	292
Management	292
Administration	198
<b>Total</b>	<b>2,232</b>

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

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

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

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted the Share Incentive Schemes on May 1, 2020, which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the Share Incentive Schemes shall not be more than 87,993,330 ordinary shares of the Company, representing approximately 6.8% of the total issued share capital (excluding treasury shares and shares repurchased but not yet cancelled) of the Company as of December 31, 2025. For details, please refer to "Statutory and General Information – D. ESOP Plans – Share Incentive Schemes" in Appendix IV to the Prospectus. On June 27, 2023, the Company has adopted the 2023 RSU Scheme which shall continue in effect for a term of ten (10) years since the adoption. The total number of shares subject to the 2023 RSU Scheme shall not be more than 26,829,457 ordinary shares of the Company, representing approximately 2.0% of the total issued share capital (excluding treasury shares and shares repurchased but not yet cancelled) of the Company as at the adoption date of the 2023 RSU Scheme. For details, please refer to the announcement of the Company dated June 27, 2023.

The total employee benefit expenses, including share-based payment expenses, for the year ended December 31, 2025 were RMB402.1 million, as compared to RMB493.6 million for the year ended December 31, 2024.

### USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on September 14, 2022. The net proceeds raised from the Company's Global Offering, after deduction of the underwriting commissions and other estimated expenses paid and payable by the Company in connection with the Global Offering, were approximately HK\$341.6 million. The net proceeds had been fully utilized as of December 31, 2025.

The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of December 31, 2025:

Purpose	Percentage of total net proceeds	Net proceeds incurred from the Global Offering <i>HK\$million</i>	Unutilized amount as of January 1, 2025 <i>HK\$million</i>	Amount utilized for the year ended December 31, 2025 <i>HK\$million</i>	Unutilized amount as of December 31, 2025 <i>HK\$million</i>	Expected timeline for full utilization of the remaining net proceeds
Business expansion, such as the further development of smart pharmacy network, and enhancement of user growth and engagement	45.0%	153.7	-	-	-	N/A
Optimizing of our technology systems and operating platforms	15.0%	51.2	-	-	-	N/A
Upgrading our services and business, such as building professional structure of full-time doctors and pharmacists	10.0%	34.2	-	-	-	N/A
Potential investments and acquisitions or strategic alliances along with the value chain of the healthcare industry in which we operate	20.0%	68.3	23.5	23.5	-	N/A <i>(note)</i>
Working capital and other general corporate purpose	10.0%	34.2	-	-	-	N/A
<b>Total</b>	<b>100.0%</b>	<b>341.6</b>	<b>23.5</b>	<b>23.5</b>	<b>-</b>	

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

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

# Biographies of Directors and Senior Management

## Executive Directors

**Mr. Yang Wenlong (楊文龍)**, aged 64, is the founder and Controlling Shareholder of the Company. Mr. Yang was appointed as the executive Director of the Company on August 20, 2014. Mr. Yang is also the Chairman of the Board and President of the Company, and is responsible for supervising daily operations and business development, supervising overall business planning and implementation. Mr. Yang is the chairman of the Nomination Committee of the Company.

Mr. Yang is also currently a director of several subsidiaries of the Group, including Dingdang Health Limited and Dingdang Health Technology Group (HK) Limited. Mr. Yang has over 23 years of experience in the pharmaceutical and healthcare industry in the PRC. Mr. Yang has been the chairman of the board of directors and the president of Renhe since July 2001. From January 2023, Mr. Yang has been elected as a standing member of the thirteenth session of the Chinese People's Political Consultative Conference (CPPCC) of Jiangxi Province. Mr. Yang is also currently the vice chairman of Jiangxi Federation of Industry and Commerce (General Chamber of Commerce). From March 2013 to December 2022, Mr. Yang served as a deputy officer of the Central Population, Medicine and Health Committee of China National Democratic Construction Association (CNDCA). Mr. Yang served as the chairman of Yichun Federation of Industry and Commerce, and also consecutively served as a member of the eleventh, twelfth and thirteenth session of the National Committee of the CPPCC, a member of the ninth, tenth and eleventh session of CNDCA, as well as the vice chairman of the seventh, eighth and ninth session of Jiangxi Municipal Committee of CNDCA and the vice chairman of Zhangshu Committee of the CPPCC. Mr. Yang served as the chairman of the board and the general manager of Jiangxi Kangmei Medical Health Care Products Co., Ltd. (江西康美醫藥保健品有限公司), a company engages in medical and health business, from November 1998 to July 2001.

Mr. Yang obtained an MBA from Renmin University in November 2004 in Beijing, the PRC, obtained a certificate upon completion of the fifth China CEO program of Cheung Kong Graduate School of Business in November 2010 in Beijing, the PRC and obtained a DrAPS in applied finance from the University of Geneva in Geneva, the Switzerland in November 2022. Mr. Yang holds a certificate of senior economist issued by Ministry of Personnel of Jiangxi Province, now known as Jiangxi Province Human Resources and Social Security Department, in January 2004 and a Chinese herbalist certificate issued by Zhangshu Title Reform Leading Group (樟樹市職稱改革領導小組) in October 1997.

Mr. Yang Wenlong is the father of Mr. Yang Yibin, an executive Director of the Company, and Mr. Yang Xiao, who are also the members of the Controlling Shareholders Group of the Company.

## Biographies of Directors and Senior Management

**Mr. Yang Yibin (楊益斌)**, aged 38, is one of the co-founders and a member of the Controlling Shareholders Group of the Company. Mr. Yang was appointed as the executive Director of the Company on August 25, 2023.

Mr. Yang serves as the general manager of Dingdang Medicine Express Technology and deputy director of Kuaiyi Department (快醫事業部) since September 2014. Mr. Yang is mainly responsible for daily management and in charge of the development of Internet hospital and online medical consultation businesses, including the application of innovative technology and business exploration of key clients. Previously, Mr. Yang also served as the manager and senior manager of the asset operation department, the senior manager of the product operation center and the head of the e-commerce and innovation business of Renhe from March 2010 to September 2014.

Mr. Yang Yibin is the son of Mr. Yang Wenlong, the Chairman of the Board, the President, an executive Director and the Controlling Shareholder of the Company.

**Mr. Xu Ning (徐寧)**, aged 47, was appointed as the executive Director of the Company on May 26, 2021. Mr. Xu is also the Vice President of the Company, and is responsible for assisting the President with the day-to-day operation and management of the Group.

Mr. Xu has served as the vice president and chief financial officer of Dingdang Medicine Express Technology since January 2016 and a director of Dingdang Medicine Express Technology since September 2020. Mr. Xu is also currently a director of several subsidiaries and consolidated affiliated entities of the Group, including Dingdang (Beijing) Health Management Co., Ltd. (叮嚕(北京)健康管理有限公司), Dingdang Kuaiyao (Beijing) Technology Development Co., Ltd. (叮嚕快藥(北京)技術開發有限公司), Tianjin Delight Health Investment Limited (天津健興投資有限公司) and Tianjin Ding Health Technology Limited (天津叮健科技有限公司). Before joining the Group, Mr. Xu held positions in two media companies, including serving as the chief financial officer of Dongfang Fengxing (Beijing) Media Culture Co., Ltd. (東方風行(北京)傳媒文化有限公司) from July 2009 to December 2015 and the chief financial officer of Shanghai Framedia Advertising Development Co., Ltd. (上海框架廣告發展有限公司) from April 2007 to July 2009. Mr. Xu also served as the financial manager of China Economic Herald from July 2000 to June 2006.

Mr. Xu obtained a bachelor's degree of Tax from Shanghai University of Finance and Economics in Shanghai, the PRC in July 2000. He has been an intermediate accountant since May 2007 and an associate of The Chinese Institute of Certified Public Accountants (CICPA) since September 2010 (currently non-practising). He was admitted as a Certified Practising Accountant of the CPA Australia in February 11, 2026. He was an associate of The Chartered Institute of Management Accountants (CIMA).

## Biographies of Directors and Senior Management

**Mr. Yu Qinglong (于慶龍)**, aged 41, was appointed as the executive Director of the Company on June 10, 2021. Mr. Yu is also the chief technology officer of the Company, and is responsible for overseeing the overall technology development of the Group.

Mr. Yu has been the chief technology officer of Dingdang Medicine Express Technology since January 2015. Prior to joining the Group, Mr. Yu served as a senior manager at Vipshop (China) Co., Ltd. (a company listed on the New York Stock Exchange (stock symbol: VIPS)) from July 2014 to January 2015 and a senior director at Lefeng (Shanghai) Information Technology Co., Ltd. (樂蜂網(上海)信息技術有限公司) from April 2008 to July 2014. Both of Vipshop (China) Co., Ltd. and Lefeng (Shanghai) Information Technology Co., Ltd. are participants in the e-commerce industry. Mr. Yu also serves as a consultant specially invited by Chinese General Chamber of Commerce since January 2020, a master plan design expert specially invited by the New Smart City Committee of Enterprise Information Construction Committee of the China Communication Industry Association since December 2019, and served as the expert consultant of the Global Internet Technology Conference in 2018.

Mr. Yu received a bachelor's degree in computer software application from Jilin University in Jilin, the PRC in December 2016 and a college degree (專科) in computer network technology from Harbin Vocational and Technical College (哈爾濱職業技術學院) in Heilongjiang, the PRC in January 2007. Mr. Yu was awarded as "The Most Influential Technology Leader" in the Chief Tech Director Conference held by Chief Technology Officer Alliance in 2018.

**Mr. Meng Fanzhou (孟繁周)**, aged 43, was appointed as the executive Director and the Vice President of the Company on February 16, 2026. Mr. Meng is responsible for assisting the President with the day-to-day operation and management of the Group.

Mr. Meng joined the Group in August 2015. He is the vice president of Dingdang Medicine Express Technology and a director of certain subsidiaries of the Group. He is responsible for the daily operation and management of Dingdang Medicine Express Technology. From April 2013 to February 2015, Mr. Meng served as the operation director of Lefeng.com (Shanghai) Information Technology Co., Ltd.

Mr. Meng obtained his college diploma in economics (project management) through online education from Beihang University in Beijing, the PRC, in July 2013.

## Biographies of Directors and Senior Management

### Non-executive Director

**Ms. Li Chuheng (李楚衡)**, aged 34, was appointed as the non-executive Director of the Company on May 30, 2025. Ms. Li is also a member of the Remuneration Committee and Nomination Committee of the Company.

Ms. Li joined TPG Capital in January 2022 and is recently serving as the vice president of TPG Haihua (Shanghai) Equity Investment Management Co., Ltd., responsible for healthcare investments in Greater China for TPG Capital, a leading global alternative asset firm. Ms. Li has served as a non-executive director of Shanghai Ark Biopharmaceutical Co., Ltd. since February 2025.

From August 2020 to November 2021, Ms. Li served as the senior investment manager of Shanghai Yunfeng Investment Management Co., Ltd. From January 2019 to August 2020, Ms. Li served as an investment manager of Hangzhou Shengding Jikang Equity Investment Management Co., Ltd., a healthcare investment platform under Sino-Ocean Capital. From June 2016 to June 2018, Ms. Li served as an investment manager of Shanghai Guijing Investment Management (Limited Partnership), a merger and acquisition fund under Jingfeng Pharmaceutical.

Ms. Li obtained a master's degree in chemistry from Brown University in Rhode Island, the United States in May 2016, a bachelor's degree in chemistry from University of Birmingham in the United Kingdom in July 2014, and a bachelor's degree in chemistry from Sun Yat-sen University in September 2014.

### Independent Non-executive Directors

**Mr. Zhang Shouchuan (張守川)**, aged 60, was appointed as an independent non-executive Director of the Company on June 19, 2021 and such appointment is effective from September 1, 2022. Mr. Zhang is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company, respectively.

## Biographies of Directors and Senior Management

Mr. Zhang currently serves as the executive director and general manager of Hebei Litian Longde Technology Co., Ltd. (河北力天隆德科技有限公司) since December 2019, the chairman of the board of directors of Beijing Hengtao Technology Co., Ltd. (北京恒桃科技有限公司) since February 2019, the supervisor of Beijing Zhiyan Technology Co., Ltd. (北京智研科技有限公司) since June 2017, the general manager of Beijing Tiantao Technology Co., Ltd. (北京天桃科技有限公司) since May 2017, the executive director of Henan Taogu Information Technology Co., Ltd. (河南桃穀資訊科技有限公司) since November 2016, the independent non-executive director of Hebei Tangren Pharmaceutical Co., Ltd. (河北唐人醫藥股份有限公司) since April 2016, the executive director of Hebei Taogu Technology Co., Ltd. (河北桃穀科技有限公司) since March 2016, and the chairman of the board of directors and chief executive officer of Beijing Taogu Technology Co., Ltd. (北京桃穀科技有限公司) since March 2015, respectively. The companies where Mr. Zhang is engaged mainly focus on medical services and promotion and application of technology. From August 2013 to February 2015, Mr. Zhang served as the chief operating officer of Alibaba Health Information Technology Limited (a company listed on the Stock Exchange (stock code: 00241) with a focus on medical and healthcare services). Prior to that, Mr. Zhang worked for two retail companies, including serving as the vice president of Beijing Jingdong Century Trading Co., Ltd. (北京京東世紀貿易有限公司) from December 2009 to August 2013, and the general manager of Metro AG Northern China from 1996 to September 2008, respectively.

Mr. Zhang obtained a bachelor's degree of Sanskrit Pali Language from Peking University in Beijing, the PRC in July 1989, and obtained his EMBA from Guanghua School of Management, Peking University in Beijing, the PRC in January 2015. In March 2017, Mr. Zhang was appointed by the Global Doctor Organization (China) as a senior strategic expert in the "Top-level Design and Senior Management Seminar for Chinese Internet Hospitals".

**Dr. Fan Zhenhong (樊臻宏)**, aged 58, was appointed as an independent non-executive Director of the Company on June 19, 2021 and such appointment is effective from September 1, 2022. Dr. Fan is a member of the Audit Committee and the Nomination Committee as well as the chairman of the Remuneration Committee of the Company, respectively.

Dr. Fan has rich experience working in investment management companies. He serves as the responsible officer of First Seafront Financial Limited (第一前海金融有限公司) since September 2019. Dr. Fan also serves as the chairman of Sia Venture Capital (Suzhou) Co., Ltd. (新航創業投資(蘇州)有限公司), independent director of Shanghai Guangsheng Pharmaceutical Co., Ltd. (上海光聲製藥股份有限公司), and independent director of First Seafront Asset Management Co., Ltd. (前海開源基金管理有限公司). From May 2010 to September 2019, Dr. Fan served as the general manager of Tianjin Huitong Taihe Investment Management Co., Ltd. (天津匯通太和投資管理有限公司).

## Biographies of Directors and Senior Management

Dr. Fan obtained a bachelor's degree of communication from Nanjing University of Posts and Telecommunications in Nanjing, the PRC in July 1987, a master's degree of electrical machinery from Rutgers University in New Jersey, the United States in October 1992, and a PhD in Finance and Statistics from Stern School of Business, New York University in New York, the United States in January 2000, respectively.

**Mr. Jiang Shan (姜山)**, aged 54, was appointed as an independent non-executive Director of the Company on June 19, 2021 and such appointment is effective from September 1, 2022. Mr. Jiang is a member of the Nomination Committee and the chairman of the Audit Committee of the Company.

Mr. Jiang served as the independent non-executive director of Beijing Meizhong Yihe Medical Management (Group) Co., Ltd. (北京美中宜和醫療管理(集團)股份有限公司), a company providing healthcare services. Mr. Jiang also worked in several financial institutions. From April 2018 to February 2019, Mr. Jiang served as the co-chief financial officer of China Renaissance Holdings Limited (a company listed on the Stock Exchange (stock code: 01911)). Prior to that, Mr. Jiang held various positions from July 2011 to July 2012 at Morgan Stanley Huaxin Securities, including serving as managing director of the investment banking department. Mr. Jiang worked in TPG Capital from February 2007 to January 2009, serving as director of the investment team and the chief representative of the Beijing representative office of TPG Capital China Limited from August 2007 to January 2009. Mr. Jiang was the executive director in the corporate finance department of Goldman Sachs (Asia) L. L. C. from September 2004 to January 2007, and he also held various positions at UBS from April 2000 to September 2004, including as director of the investment banking department. Mr. Jiang served as an auditor at Arthur Andersen Huaqiang CPAs from July 1994 to May 1997.

Mr. Jiang received a bachelor's degree in English from Beijing Foreign Studies University in Beijing, the PRC in July 1994 and his master's degree in business administration from Kelley School of Business, Indiana University in Indiana, the United States in May 1999. Mr. Jiang has been a member of The Chinese Institute of Certified Public Accountants since March 2002 (currently non-practising).

### Joint Company Secretaries

**Mr. Lam Yiu Por (林曉波)**, aged 49, was appointed as the chief financial officer and company secretary of the Company on January 15, 2021. Mr. Lam has more than 22 years of experience in the field of finance and accounting. Prior to joining our Group, Mr. Lam served as the vice president and chief financial officer of Greentech Technology International Limited (formerly known as L'sea Resources International Holdings Ltd., a company listed on the Stock Exchange (stock code: 00195)) from November 2013 to July 2020, the chief financial officer and company secretary of SSY Group Limited (formerly known as Lijun International Pharmaceutical (Holding) Co., Ltd., a company listed on the Stock Exchange (stock code: 02005)) from December 2005 to May 2008. Mr. Lam also worked at several private companies and firms serving in positions in accounting and finance since 1997.

## Biographies of Directors and Senior Management

Mr. Lam is currently an independent non-executive director of each of JNBY Design Limited (a company listed on the Stock Exchange (stock code: 03306)), Xiamen Yan Palace Bird's Nest Industry Co., Ltd. (a company listed on the Stock Exchange (stock code: 01497)), BrainAurora Medical Technology Limited (a company listed on the Stock Exchange (stock code: 06681)) and Herbs Generation Group Holdings Limited (a company listed on the Stock Exchange (stock code: 02593)). Mr. Lam served as an independent non-executive director and a member of the audit committee of Tian Ge Interactive Holdings Limited (a company listed on the Stock Exchange (stock code: 01980)) from January 2021 to June 2022, an independent non-executive director and a member of the audit committee of China Tontine Wines Group Limited (a company listed on the Stock Exchange (stock code: 00389)) from November 2016 to November 2018, an independent non-executive director and a member of the audit committee of Denox Environmental & Technology Holdings Limited (a company listed on the Stock Exchange (stock code: 01452)) from October 2015 to June 2020, a non-executive director of Zhong Ao Home Group Limited (a company listed on the Stock Exchange (stock code: 01538)) from April 2015 to May 2017, an independent non-executive director and a member of the audit committee of China Supply Chain Holdings Ltd (formerly known as Yat Sing Holdings Limited, a company listed on the Stock Exchange (stock code: 03708)) from December 2014 to March 2016, and an independent non-executive director of GR Life Style Company Limited (formerly known as GR Properties Limited, a company listed on the Stock Exchange (stock code: 00108)) from June 2012 to February 2014.

Mr. Lam received a bachelor's degree of arts in accountancy from the Hong Kong Polytechnic University in Hong Kong in November 1997 and a master's degree in professional accountancy from University of London in 2024. Mr. Lam has been a member of The Hong Kong Institute of Certified Public Accountants, an associate member of The Hong Kong Chartered Governance Institute, a chartered financial analyst of the CFA Institute and a fellow member of The Association of Chartered Certified Accountants since October 2004, March 2006, September 2006 and November 2007, respectively.

Mr. Liu Zhenxuan (劉振軒), aged 39, was appointed as the joint company secretary of the Company on September 30, 2023. Mr. Liu has been the investment and financing director of the Company's capital operation division since September 2019. Mr. Liu has over 14 years of experience in the capital market. Prior to joining the Group, Mr. Liu served as vice investment president in asset management of Hongtai Capital Holdings Co., Ltd. (洪泰資本控股有限公司) from May 2018 to June 2019. He also previously served at Shaanxi Investment Fund Management Co., Ltd (陝西投資基金管理有限公司) and served as the head of investment banking division of Shaanxi Financial Holdings Group Co., Ltd. (陝西金融控股集團有限公司) from November 2015 to May 2018. Mr. Liu worked in the board office of Financial Street Securities Co., Limited (formerly known as HengTai Securities Co., Ltd. (恒泰證券股份有限公司)) "HengTai Securities" and carrying on business in Hong Kong as "恒投證券" (in Chinese) and "HENGTOU SECURITIES" (in English) as formerly known, a company listed on the Stock Exchange (stock code: 01476), from March 2011 to July 2013, and also served as the deputy managing director and senior manager of Hengtai Changcai Securities Co., Ltd. (恒泰長財證券有限責任公司), a subsidiary of HengTai Securities from July 2013 to December 2015.

Mr. Liu received a bachelor's degree in securities investment and banking from University of Reading in 2008, a master's degree in financial accounting from University of Bath in 2010 and a master's degree in corporate governance and compliance from Hong Kong Metropolitan University in 2024, respectively. Mr. Liu holds qualifications of securities practitioner (證券從業人員) and asset management practitioner (基金從業人員) in the PRC. Mr. Liu is an intermediate economist and a fellow member of The Hong Kong Chartered Governance Institute.

# Report of the Directors

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

## GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its Shares have been listed on the Main Board of the Stock Exchange since September 14, 2022.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of pharmaceutical and healthcare business in the PRC.

The Group has only one reportable segment as set out in Note 5A to the consolidated financial statements. The Group does not distinguish between markets or segments for the purpose of reporting. No geographical information is presented.

## BUSINESS REVIEW

The business review of the Group for the year ended December 31, 2025 is set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” from pages 11 to 12 and pages 13 to 23 of this annual report. Description of principal risks and uncertainties that the Group may be facing can be found in the sections headed “Report of the Directors – Principal risks and uncertainties” and “Report of the Directors – Risks relating to the Contractual Arrangements” on page 33 and page 62 of this annual report. In addition, discussions on the key relationships with the stakeholders, compliance with relevant laws and regulations, environmental policies and performance are set out in page 32 of this annual report and will also be set out in the Environmental, Social and Governance (“ESG”) Report that will be published separately on the website of the Stock Exchange and the Company.

## RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 95 of this annual report.

## FINANCIAL SUMMARY

A summary of the Group’s results, assets and liabilities for the last five years are set out on page 10 of this annual report. This summary does not form part of the audited financial statements.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2025 are set out in Note 27 to the consolidated financial statements.

## SUBSIDIARIES

Particulars of the Company’s principal subsidiaries and Consolidated Affiliated Entities are set out in Note 35.1 to the consolidated financial statements.

# Report of the Directors

## MAJOR CUSTOMERS AND SUPPLIERS

### Customers

We have a broad base of customers. The Group's customers primarily include users who purchase our offerings through our online and offline channels, and our distributors. For the year ended December 31, 2025, the Group's five largest customers accounted for less than 30% of the Group's total revenue.

Save for disclosed in this annual report, none of the Directors, their close associates or any Shareholders (which, to the knowledge of the Directors, owns more than 5% of the number of issued share (excluding treasury shares) of the Company) had any interests in the five largest customers of the Group.

### Suppliers

The Group's suppliers primarily include pharmaceutical enterprises and pharmaceutical distribution enterprises that provide us with products we sell. For the year ended December 31, 2025, the Group's largest supplier and five largest suppliers accounted for approximately 16.8% and 47.4% of the Group's total purchases respectively.

Renhe Pharmacy Group, a related company significantly influenced by one of our Controlling Shareholders, was among our five largest suppliers for the year ended December 31, 2025. Purchases from Renhe Pharmacy Group for the year ended December 31, 2025 amounted to RMB146.9 million, accounting for approximately 4.4% of the total purchases of the Group for the year.

Save for disclosed in this annual report, none of the Directors, their close associates or any Shareholders (which, to the knowledge of the Directors, owns more than 5% of the number of issued share (excluding treasury shares) of the Company) had any interests in the five largest suppliers of the Group.

## KEY RELATIONSHIP WITH STAKEHOLDERS

The Company is committed to maintaining a good relationship with stakeholders that have a significant impact on the Company and on which the Company's success depends. Further details will be set out in the Environmental, Social and Governance Report that will be published separately on the website of the Stock Exchange and the Company.

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, the Group has, in all material aspects, complied with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Further details will be set out in the Environmental, Social and Governance Report that will be published separately on the website of the Stock Exchange and the Company.

### PRINCIPAL RISKS AND UNCERTAINTIES

Our operations involve certain risks and uncertainties, which are set out in the section headed “Risk Factors” of the Prospectus. Some of the major risks we face relate to:

- our ability to provide superior user experience and maintain users’ trust in our brand, our product and service offerings;
- the development of digital health and wellness market and our ability to drive user engagement;
- the fact that we are subject to extensive and evolving regulatory requirements, and sales of prescription drugs are subject to stringent scrutiny;
- the fact that we are in the early stage of development with a limited operating history in an emerging and dynamic industry;
- our ability to compete effectively;
- the fact that our sales of pharmaceutical and healthcare products are subject to a variety of risks;
- our ability to manage the growth of our business and operations or implement our business strategies successfully;
- our ability to continue to attract and retain users;
- our ability to handle and secure data;
- the possible impairment losses of goodwill; and
- potential tax exposure to the Group arising from the difference of PRC enterprise income tax and VAT rate between Dingdang Medicine Express Technology and the WFOE under the Contractual Arrangements.

### DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: nil).

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

### RESERVES

As of December 31, 2025, the Company had distributable reserves of RMB4,817,059,000.

Details of movements in the reserves of the Company during the year ended December 31, 2025 are set out in Note 36.2 of the consolidated financial statements.

# Report of the Directors

## BORROWINGS

As of December 31, 2025, the Group had outstanding bank borrowings of RMB4,651,000. Details of the Group's borrowings are set out in Note 25 of the consolidated financial statements.

## DEBENTURE ISSUED

The Group has not issued any debentures during the year ended December 31, 2025.

## EQUITY-LINKED AGREEMENTS

Save as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed during the year ended December 31, 2025.

## DIRECTORS

The Directors who held office during the year ended December 31, 2025 and up to the date of this annual report are as follows:

### Executive Directors

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

### Non-executive Directors

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

### Independent Non-executive Directors

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

Ms. Li Chuheng was appointed as a non-executive Director on May 30, 2025 when Rule 3.09H of the Listing Rules was not effective. After appointment, Ms. Li Chuheng had obtained legal advice from the Company's legal adviser on May 30, 2025 pursuant to Rule 3.09D of the Listing Rules regarding all requirements under the Listing Rules that are applicable to her as a Director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and had confirmed that she understands her obligations as a Director of the Company.

Mr. Meng Fanzhou was appointed as an executive Director on February 16, 2026 after Rule 3.09H of the Listing Rules was effective. After appointment, Mr. Meng Fanzhou had obtained legal advice from the Company's legal adviser on February 16, 2026 pursuant to Rule 3.09D of the Listing Rules regarding all requirements under the Listing Rules that are applicable to him as a Director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and had confirmed that he understands his obligations as a Director of the Company.

In accordance with the Articles, one-third of the Directors for the time being (or, if their number is not three or multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which such Director retires and shall be eligible for re-election at such meeting. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors. A new Director is subject to re-election by the Shareholders at the first annual general meeting after his or her appointment in accordance with the Articles.

In accordance with Article 26.3 of the Articles, Ms. Li Chuheng and Mr. Meng Fanzhou will hold office until the first annual general meeting after their appointment and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Article 26.4 of the Articles, Mr. Yang Yibin, Mr. Zhang Shouchuan and Mr. Jiang Shan will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Details of the Directors standing for re-election at the forthcoming annual general meeting are set out in the circular, to the Shareholders.

### **DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the Directors and the senior management of the Group are set out on pages 24 to 30 of this annual report.

### **CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER**

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

Mr. Yu Lei resigned as an executive Director and the vice president of the Company and all positions in the Group with effect from February 16, 2026.

Mr. Meng Fanzhou has been appointed as an executive Director and the vice president of the Company with effect from February 16, 2026.

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

## Report of the Directors

### PERMITTED INDEMNITY

Pursuant to the Articles and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

### DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors, non-executive Director and independent non-executive Directors has entered into a service contract with the Company for an initial term of three years from the date of appointment of Directors and be automatically renewed (unless terminated in advance according to the provisions of the service contract) for a successive period of three years, subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with members of the Group that is not determinable by the Group 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 nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries and the Consolidated Affiliated Entities was a party subsisting during or at the end of the year ended December 31, 2025.

### MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended December 31, 2025.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended December 31, 2025 was the Company or any of its subsidiaries and the Consolidated Affiliated Entities a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

### CONTRACTS AND RELATIONSHIP WITH CONTROLLING SHAREHOLDERS GROUP

Save as disclosed in the Prospectus and in this annual report, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Consolidated Affiliated Entities and the Controlling Shareholders during the year ended December 31, 2025.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in the Prospectus and in this annual report, none of the Directors had interests in business, which competes or is likely to compete, either directly or indirectly with our business which would otherwise require disclosure under Rule 8.10(2) of the Listing Rules.

### NON-COMPETITION UNDERTAKING

On August 26, 2022, Mr. Yang Wenlong signed a non-competition undertaking (the "Non-competition Undertaking") in favor of the Group, pursuant to which, Mr. Yang Wenlong has unconditionally and irrevocably undertaken that as long as the Shares of the Company are listed on the Stock Exchange and he remains as the Controlling Shareholder, he will not, and will reasonably procure the entities where he is substantial shareholders not to compete with the Group's business. Details of the Non-competition Undertaking are set out in the section headed "Relationship with our Controlling Shareholders Group – Non-competition Undertaking" in the Prospectus.

Mr. Yang confirmed that he has complied with the Non-competition Undertaking for the year ended December 31, 2025. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Non-competition Undertaking have been complied with by the Controlling Shareholders and duly complied with during the Reporting Period.

## Report of the Directors

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

As at December 31, 2025, so far as the Directors were aware, the following persons (other than Directors and chief executive of the Company) who had interests and/or short position in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO (save as otherwise defined, capitalized terms used herein shall have the same meaning as defined in the Prospectus):

		Total number of Shares held in the Company	Approximate percentage of relevant Shares in the issued share capital of the Company (%)
Delight Health Limited <sup>(1) (8)</sup>	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Delight Faith Limited <sup>(1) (2) (8)</sup>	Interest in controlled corporation, interest held jointly with other persons	660,205,360 (L)	50.04%
Future Health Limited <sup>(3) (8)</sup>	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Go Far Limited <sup>(3) (4) (8)</sup>	Interest in controlled corporation, interest held jointly with other persons	660,205,360 (L)	50.04%
Excel Returns Group Limited <sup>(5) (8)</sup>	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Go Prosper Enterprises Corporation <sup>(6) (8)</sup>	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Much Premium Investment Limited <sup>(6) (8)</sup>	Beneficial owner, interest held jointly with other persons	660,205,360 (L)	50.04%
Mr. Yang Wenlong <sup>(1) (2) (3) (4) (5) (6) (7) (8)</sup>	Beneficial owner, interest in controlled corporation, interest through voting rights entrustment arrangements, interest held jointly with other persons	660,205,360 (L)	50.04%
Mr. Yang Yibin <sup>(1) (2) (8)</sup>	Interest held jointly with other persons	660,205,360 (L)	50.04%
Mr. Yang Xiao <sup>(3) (4) (8)</sup>	Interest held jointly with other persons	660,205,360 (L)	50.04%

		Total number of Shares held in the Company	Approximate percentage of relevant Shares in the issued share capital of the Company (%)
Tianjin Shanhaiyihao Business Management Consulting Partnership (Limited Partnership) (“Shanhaiyihao”) <sup>(9)</sup>	Beneficial owner	92,567,623 (L)	7.02%
CMB Financial Holdings (Shenzhen) Co., Ltd. <sup>(9)</sup>	Interest in controlled corporation	95,267,130 (L)	7.10%
CMB International Capital Corporation Limited <sup>(9) (10)</sup>	Interest in controlled corporation	95,267,130 (L)	7.10%
CMB International Capital Holdings Corporation Limited <sup>(9) (10) (11)</sup>	Interest in controlled corporation	95,267,130 (L)	7.10%
China Merchants Bank Co., Ltd. <sup>(9) (10) (11) (12)</sup>	Interest in controlled corporation	95,267,130 (L)	7.10%
TPG Asia VII SF Pte. Ltd. <sup>(13)</sup>	Beneficial owner	82,897,346 (L)	6.18%
TPG Capital <sup>(13)</sup>	Interest in controlled corporation	82,897,346 (L)	6.18%

Notes:

- (1) Delight Health Limited directly holds 276,712,555 Shares in the Company and is wholly owned by Delight Faith Limited.
- (2) Delight Faith Limited is owned by Mr. Yang Wenlong as to 60% of its equity interests and Mr. Yang Yibin as to 40% of its equity interests.
- (3) Future Health Limited directly holds 295,499,475 Shares in the Company and is wholly owned by Go Far Limited.
- (4) Go Far Limited is owned by Mr. Yang Wenlong as to 60% of its equity interests and Mr. Yang Xiao as to 40% of its equity interests.
- (5) Excel Returns Group Limited directly holds 11,760,000 Shares in the Company and is wholly-owned by Delight Faith Limited. Excel Returns Group Limited functions as the platform to hold Shares subject to the Pre-IPO Share Option Scheme and the 2020 RSU Scheme. It will transfer the Shares to the relevant grantees upon exercise of the options under the Pre-IPO Share Option Scheme and/or the vesting of RSUs under the 2020 RSU Scheme, and the grantee will in turn irrevocably delegate the voting rights attached to such Shares owned by him/her upon vesting to Mr. Yang Wenlong or such other person as designated by Mr. Yang Wenlong. Each of Mr. Yang Wenlong and Excel Returns Group Limited undertakes that, upon the Listing, he/it will not exercise voting rights attached to any Shares held by Excel Returns Group Limited in relation to options or RSUs which have not been exercised or vested.
- (6) Go Prosper Enterprises Corporation and Much Premium Investment Limited directly hold 54,400,000 and 21,833,330 Shares in the Company, respectively, and function as the platforms of the Restricted Share Scheme. Go Prosper Enterprises Corporation and Much Premium Investment Limited are wholly-owned by Restricted Share Scheme participants.

## Report of the Directors

- (7) Mr. Yang Wenlong is indirectly interested in a total of 660,205,360 Shares in the Company, representing approximately 50.04% of the Company's total issued Shares, including (i) 288,472,555 Shares being held through Delight Faith Limited and its subsidiaries, (ii) 295,499,475 Shares being held through Go Far Limited and its subsidiaries, and (iii) 76,233,330 Shares being held or controlled through voting right entrustment arrangements with Go Prosper Enterprises Corporation and Much Premium Investment Limited.
- (8) Mr. Yang Wenlong, Mr. Yang Yibin and Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited, and Go Far Limited formed the Controlling Shareholders Group of the Company. As such, each of Mr. Yang Wenlong, Mr. Yang Yibin, Mr. Yang Xiao, Excel Returns Group Limited, Go Prosper Enterprises Corporation, Much Premium Investment Limited, Delight Health Limited, Future Health Limited, Delight Faith Limited and Go Far Limited are deemed to be interested in the Shares held by other members of the Controlling Shareholders Group for purpose of Part XV of the SFO.
- (9) CMB Financial Holdings (Shenzhen) Co., Ltd. indirectly controls 95,267,130 Shares of the Company, representing 7.1% of the Company's voting rights, including 92,567,623 Shares through Shanhaiyihao and 2,699,507 Shares through Nanjing Zhaoyin Gongying. The general partner of Shanhaiyihao is CMB International Financial Holdings (Shenzhen) Co., Ltd., a wholly-owned subsidiary of CMB Financial Holdings (Shenzhen) Co., Ltd. The general partner of Nanjing Zhaoyin Gongying is Jiangsu Zhaoyin Industrial Fund Management Co., Ltd., a wholly-owned subsidiary of CMB International Capital Management (Shenzhen) Ltd., which in turn is a wholly-owned subsidiary of CMB Financial Holdings (Shenzhen) Co., Ltd. As such, CMB Financial Holdings (Shenzhen) Co., Ltd. is deemed to be interested in the Shares held by Shanhaiyihao and Nanjing Zhaoyin Gongying for purpose of Part XV of the SFO.
- (10) CMB Financial Holdings (Shenzhen) Co., Ltd. is wholly-owned by CMB International Capital Corporation Limited. As such, CMB International Capital Corporation Limited is deemed to be interested in the Shares controlled by CMB Financial Holdings (Shenzhen) Co., Ltd. for purpose of Part XV of the SFO.
- (11) CMB International Capital Corporation Limited is held as to 83.2% by CMB International Capital Holdings Corporation Limited. As such, CMB International Capital Holdings Corporation Limited is deemed to be interested in the Shares controlled by CMB International Capital Corporation Limited for purpose of Part XV of the SFO.
- (12) CMB International Capital Holdings Corporation Limited is wholly-owned by China Merchants Bank Co., Ltd. As such, China Merchants Bank Co., Ltd is deemed to be interested in the Shares controlled by CMB International Capital Holdings Corporation Limited for purpose of Part XV of the SFO.
- (13) TPG Asia VII SF Pte. Ltd. is an affiliate of TPG Capital. TPG Asia VII SF Pte. Ltd. is controlled by TPG Asia VII Finance, Limited Partnership and a series of intermediate holding entities, namely TPG Asia GenPar VII, L. P., TPG Asia GenPar VII Advisors, Inc., TPG Operating Group III, L. P., TPG Holdings III-A, L. P., TPG Holdings III-A, LLC, and TPG Operating Group II, L. P.. By virtue of the SFO, each of the abovementioned entities, TPG Operating Group II, L. P. was deemed to be interested in the 82,897,346 Shares held by TPG Asia VII SF Pte. Ltd.
- (14) "L" stands for long position.
- (15) In the above table, the information on the companies in which the interests are held, the capacity/nature of such interests and the number of Shares or underlying Shares is based on information available on the website of the Stock Exchange (<http://www.hkexnews.hk/>).

Save as disclosed above, as at December 31, 2025, the Directors were not aware of any other person (other than Directors and chief executive of the Company) who had any interest and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

As at December 31, 2025, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

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

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

Notes:

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

## Report of the Directors

- (4) Mr. Yu Lei is interested in the 10,000,000 restricted Shares granted to him under the Restricted Share Scheme and 900,000 RSU Shares granted to him under the 2023 RSU Scheme.
- (5) Mr. Yu Qinglong is interested in the 8,000,000 restricted Shares granted to him under the Restricted Share Scheme and 640,000 RSU Shares granted to him under the 2023 RSU Scheme.
- (6) "L" stands for long position.

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

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

#### Notes:

- (1) Dingdang Medicine Express Technology is a Consolidated Affiliated Entity.
- (2) As at December 31, 2025, Mr. Yang Wenlong controls 100% of the equity interest in Dingdang Medicine Express Technology, including (i) directly holds 24.44% of the equity interest, (ii) indirectly controls 37.78% of the equity interest through Dingdang No. 4, and (iii) indirectly controls 37.78% of the equity interests through Dingdang No. 1, Dingdang No. 2 and Dingdang No. 3, as all the limited partners of Dingdang No. 1, Dingdang No. 2 and Dingdang No. 3 have authorized Mr. Yang Wenlong to exercise the voting rights directly held by them in Dingdang Medicine Express Technology.
- (3) All interests stated are long positions.
- (4) The calculation is based on the registered capital of Dingdang Medicine Express Technology.

Save as disclosed above, as at December 31, 2025, none of the Directors or chief executives of the Company had any interests and/or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the ESOP Plans. Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Note 11, Note 12 and Note 33, respectively, to the consolidated financial statements.

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

### ESOP PLANS

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted a series of employee incentive schemes, including Pre-IPO Share Option Scheme, Restricted Share Scheme and 2020 RSU Scheme on May 1, 2020, the Restricted Share Agreement on May 31, 2021 and 2023 RSU Scheme on June 27, 2023. Save as otherwise defined, capitalized terms used herein shall have the same meaning as defined in the Prospectus and announcement dated June 27, 2023. For further details, please refer to Note 28 to the consolidated financial statements.

### SHARE INCENTIVE SCHEMES

In order to provide incentives and rewards to members of the Board, employees and consultants of the Group, the Company adopted the Share Incentive Schemes on May 1, 2020, which shall continue in effect for a term of ten (10) years since the adoption. The total number of Shares issued or issuable pursuant to the Share Incentive Schemes shall not be more than 87,993,330 Shares, representing approximately 6.8% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this report.

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

- (i) 11,760,000 Shares issued to Excel Returns Group Limited subject to the Pre-IPO Share Option Scheme and the 2020 RSU Scheme, representing approximately 0.9% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this annual report, among which the corresponding options (the "Option(s)") to subscribe for 10,474,000 Shares have been granted to 87 grantees (the "Grantee(s)") under the Pre-IPO Share Option Scheme and 810,000 Shares in the form of RSUs have been granted to an employee on September 30, 2022. No further Option will be granted by the Company under the Pre-IPO Share Option Scheme after the Listing. In the event where any Option was subsequently terminated or forfeited, the underlying Shares of which will be available for future grant in the form of RSUs in accordance with the terms of the 2020 RSU Scheme, subject to the then applicable Listing Rules in effect (including Chapter 14A and Chapter 17 of the Listing Rules) from time to time; and

## Report of the Directors

- (ii) 76,233,330 Shares (“**Restricted Shares**”), representing approximately 5.9% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this annual report, issued to the 17 participants of the 2016 employee stock ownership plan through Go Prosper Enterprises Corporation and Much Premium Investment Limited. The beneficiary interests of all Restricted Shares granted have been entitled by each of the participants, respectively, as at December 31, 2025.

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

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

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

### Purpose of the Share Incentive Schemes

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

### Eligible participants

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

#### 1. *Pre-IPO Share Option Scheme*

##### *Grant of Options*

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

### *Exercise Price*

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

### *Maximum Entitlement for Each Participant*

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

### *Vesting Period*

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

### *Remaining Life of the Pre-IPO Share Option Scheme*

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

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

As at December 31, 2025, the Company had granted Options under the Pre-IPO Share Option Scheme to an aggregate of 87 Grantees to subscribe for a total of 10,474,000 Shares, including 3,100,000 Shares which had been granted to common Grantees, and the remaining Shares had been granted to special Grantees, representing 0.8% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this annual report, being the aggregated number of Shares that may be issued upon exercise of all Options granted as at December 31, 2025 under the Pre-IPO Share Option. No Options were available for grant under the Pre-IPO Share Option Scheme as at January 1, 2025 and December 31, 2025. All of the Grantees are employees within the Group. As of December 31, 2025, no Options were granted to any Directors, members of the senior management of the Company, the connected persons of our Group or the five highest paid individuals of the Group under the Pre-IPO Share Option Scheme.

## Report of the Directors

Details of the outstanding Options granted to the Grantees under the Pre-IPO Share Option Scheme during the year ended December 31, 2025 are set out below:

Grantee	Exercise Price (RMB)	Grant Date	Exercise Period	Outstanding as of January 1, 2025	Granted, exercised, or cancelled during the Reporting Period	Lapsed/ forfeited during the Reporting Period	Outstanding as of December 31, 2025
Employees other than Directors and five highest paid individuals of the Group	0.1	May 30, 2020	10 years from grant date	10,474,000	–	–	10,474,000 <sup>(Note)</sup>

Note: Among the 10,474,000 outstanding Options, all Options were vested and were exercisable as of December 31, 2025.

As at December 31, 2025, none of the Options has been exercised. No further Option will be granted by the Company under the Pre-IPO Share Option Scheme after the Listing.

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

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

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

### *Equity-settled Share-based Payment Transactions*

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

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

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

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

## 2. 2020 RSU Scheme

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

### *Grant of RSUs*

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

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

### *Vesting Schedule*

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

## Report of the Directors

### *Form and Timing of Payment of RSUs*

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

### *Maximum Entitlement for Each Participant*

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

### *Remaining Life of the 2020 RSU Scheme*

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

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

For details on the 2020 RSU Scheme, please refer to "Appendix IV – Statutory and General Information – D. ESOP Plans – Share Incentive Schemes – 4. RSU Scheme" of the Prospectus. For the accounting standard and policy adopted and fair value of the RSUs on the grant date, please refer to Note 3.5 and Note 28, respectively, to the consolidated financial statements.

### **3. Restricted Share Scheme**

Pursuant to the Restricted Share Scheme, a total of 76,233,330 Restricted Shares, representing approximately 5.9% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this annual report, have been issued to the 17 participants (the "**Restricted Share Scheme Participants**") of the 2016 ESOP Plan through Go Prosper Enterprises Corporation and Much Premium Investment Limited, the beneficiary interests of all Restricted Shares granted have been entitled by each of the Restricted Share Scheme Participants, respectively, as at December 31, 2025, but remain subject to certain unlock conditions.

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

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

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

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

Details of the Restricted Shares as at December 31, 2025 are set out below:

Name of Grantee	Relationship with the Company	Date of grant	Number of Restricted Shares granted	Outstanding and subject to unlock conditions as of January 1, 2025 and December 31, 2025
<b>Directors of the Company or its subsidiaries</b>				
Xu Ning (徐寧)	Executive Director and Vice President	September 13, 2016	5,000,000	5,000,000
Yu Lei (俞雷) <sup>(1)</sup>	Executive Director and Vice President	September 13, 2016	10,000,000	10,000,000
Yu Qinglong (于慶龍)	Executive Director and Chief Technology Officer	September 13, 2016	8,000,000	8,000,000
Meng Fanzhou (孟繁周) <sup>(1)</sup>	Executive Director and Vice President	September 13, 2016	2,000,000	2,000,000
Xiong Zhonghua (熊忠華)	Director and chief executive of the subsidiaries	September 13, 2016	10,916,665	10,916,665
Hua Chunguo (化春國)	Director and chief executive of the subsidiaries	September 13, 2016	5,000,000	5,000,000
Feng Gang (馮鋼)	Director and chief executive of the subsidiaries	September 13, 2016	7,000,000	7,000,000
Wang Xianzhong (汪獻忠)	Director and chief executive of the subsidiaries	September 13, 2016	5,000,000	5,000,000
Employees other than the Directors of the Company, the connected persons or the five highest paid individuals of the Group		September 13, 2016	23,316,665	23,316,665

Note:

- 1) On February 16, 2026, Mr. Yu Lei resigned as an executive Director and the vice president of the Company and Mr. Meng Fanzhou was appointed as an executive Director and the vice president of the Company.

## Report of the Directors

Save as disclosed above, no Restricted Shares were granted to the Directors of the Company or any other connected persons of the Company as of December 31, 2025. For details on the Restricted Share Scheme, please refer to “Appendix IV – Statutory and General Information – D. ESOP Plans – Share Incentive Schemes – 5. Restricted Share Scheme” of the Prospectus.

### RESTRICTED SHARE AGREEMENT

The following is a summary of the principal terms of the Restricted Share Agreement entered into by the Company, Mr. Yang Wenlong and Future Health Limited, a company held as to 60% of its equity interests by Mr. Yang Wenlong on May 31, 2021 (the “**Date of Grant**”) which has been approved by the Shareholders on May 25, 2021. Pursuant to the Restricted Share Agreement, 130,793,590 ordinary Shares, representing 10.1% of the total issued share capital (excluding treasury shares and Shares repurchased but not yet cancelled) of the Company as at the date of this report (the “**Founder Incentive Shares**”), were issued to Future Health Limited. No consideration is required to be paid by Mr. Yang Wenlong and Future Health Limited for the grant of any Founder Incentive Shares under the Restricted Share Agreement. The remaining life of the Restricted Share Agreement is over 5 years. No further Shares will be granted by the Company under the Restricted Share Agreement after the Listing.

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

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

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

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

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

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

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

### 2023 RSU SCHEME

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

#### Purposes

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

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

#### Eligible Participants of 2023 RSU Scheme

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

#### Maximum Entitlement for Each Participant

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

## Report of the Directors

### Duration and Termination

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

### Operation

#### *Contribution to the Trust*

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

#### *Grant of Awards*

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

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

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

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

### *Vesting of 2023 RSU Scheme*

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

### *Scheme Limit*

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

### *Lapse of Awards*

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

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

### *Remaining Life of the 2023 RSU Scheme*

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

## Report of the Directors

During the Reporting Period, in accordance with the terms of the 2023 RSU Scheme, the Company instructed the Trustee to purchase a total of 3,000,000 Shares on the Stock Exchange at a total consideration of HK\$3,435,000 (equivalent to RMB3,131,000). Such Shares are held by the Trustee and will be granted to the eligible participants at the sole discretion of the 2023 RSU Scheme Administrator. During the Reporting Period, no Shares were granted to the 2023 RSU Scheme Participants pursuant to the 2023 RSU Scheme. As at January 1, 2025, 6,729,457 Shares were available for grant under the 2023 RSU Scheme, and as at December 31, 2025, 7,299,457 Shares were available for grant under the 2023 RSU Scheme (of which 570,000 RSU Shares previously granted to the eligible participants under the 2023 RSU Scheme were forfeited at the date of their resignation). Details of the 2023 RSU Scheme as at December 31, 2025 are set out below:

Name of 2023 Grantee	Relationship with the Company	Date of grant	Closing prices of Shares immediately before the granted during the Reporting Period	Fair value of RSU Shares at the date of grant <sup>(1)</sup>	Purchase price	Outstanding as of January 1, 2025	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2025	Vesting Period
Directors of the Company or its subsidiaries												
Xu Ning (徐寧)	Executive Director and Vice President	December 13, 2023	HK\$2.24	HK\$2.11	Nil	560,000	-	-	-	-	560,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Yu Lei (俞雷) <sup>(2)</sup>	Executive Director and Vice President	December 13, 2023	HK\$2.24	HK\$2.11	Nil	900,000	-	-	-	-	900,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Yu Qinglong (于慶龍)	Executive Director and Chief Technology Officer	December 13, 2023	HK\$2.24	HK\$2.11	Nil	640,000	-	-	-	-	640,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.

Name of 2023 Grantee	Relationship with the Company	Date of grant	Closing prices of Shares immediately before the granted during the Reporting Period	Fair value of RSU Shares at the date of grant <sup>(1)</sup>	Purchase price	Outstanding as of January 1, 2025	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2025	Vesting Period
Meng Fanzhou (孟繁周) <sup>(2)</sup>	Executive Director and Vice President	December 13, 2023	HK\$2.24	HK\$2.11	Nil	300,000	-	-	-	-	300,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Hua Chunguo (化春國)	Director and chief executive of the subsidiaries	December 13, 2023	HK\$2.24	HK\$2.11	Nil	350,000	-	-	-	-	350,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Feng Gang (馮鋼)	Director and chief executive of the subsidiaries	December 13, 2023	HK\$2.24	HK\$2.11	Nil	560,000	-	-	-	-	560,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Wang Xianzhong (汪獻忠)	Director and chief executive of the subsidiaries	December 13, 2023	HK\$2.24	HK\$2.11	Nil	200,000	-	-	-	-	200,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Liu Ying (劉英)	Director and chief executive of the subsidiaries	April 2, 2024	HK\$1.15	HK\$1.17	Nil	130,000	-	-	-	-	130,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.

## Report of the Directors

Name of 2023 Grantee	Relationship with the Company	Date of grant	Closing prices of Shares immediately before the granted during the Reporting Period	Fair value of RSU Shares at the date of grant <sup>(1)</sup>	Purchase price	Outstanding as of January 1, 2025	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2025	Vesting Period
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		December 13, 2023	HK\$2.24	HK\$2.11	Nil	3,190,000	-	-	-	-	3,190,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results.
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		January 18, 2024	HK\$1.73	HK\$1.70	Nil	6,700,000	-	-	-	-	6,700,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results
Employees other than the Directors of the Company, the connected persons or five highest paid individuals of the Group		April 2, 2024	HK\$1.15	HK\$1.17	Nil	6,570,000	-	-	-	(570,000)	6,000,000	up to 30% by May 31, 2026; up to 30% by May 31, 2027 and up to 40% by May 31, 2028, subject to the corresponding performance appraisal results
						20,100,000	-	-	-	(570,000)	19,530,000	

### Notes:

- 1) For the accounting standard and policy adopted, please refer to Note 28 of the consolidated financial statements.
- 2) On February 16, 2026, Mr. Yu Lei resigned as an executive Director and the vice president of the Company and Mr. Meng Fanzhou was appointed as an executive Director and the vice president of the Company.

Save as disclosed above, there was no Shares under the 2023 RSU Scheme were granted to the Directors of the Company or any other connected persons of the Company as of December 31, 2025. For details on the 2023 RSU Scheme, please refer to the announcement of the Company dated June 27, 2023.

## CONTINUING CONNECTED TRANSACTIONS

### Connected Persons

The following persons are the connected persons of the Group that had transactions with the Group during the Reporting Period:

Name of connected persons	Relationship
Mr. Yang Wenlong	The Controlling Shareholder
Renhe	Related companies controlled by the Controlling Shareholder

During the year ended December 31, 2025, the Group had the following continuing connected transactions, details of which were disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

#### 1. *2025 Products Procurement Framework Agreement – Trademark License for Renhe-branded Products Procured by the Group*

The Company entered into a products procurement framework agreement with Renhe on August 26, 2022 (the “**Products Procurement Framework Agreement**”), under which, among other things, Renhe has agreed to, and shall procure its associates to, provide self-branded OTC drugs, prescription drugs, and other healthcare products produced by Renhe and its associates (the “**Relevant Products**”) to the Group from time to time (the “**Procurement of Products**”).

With a view to better catering for diversified need of customers and users based on their purchase patterns through the Group’s retail channels, we may be in demand, from time to time, for certain self-branded products of Renhe with customized specifications; while Renhe and its associates may not have production capacity to develop and manufacture such customized products.

As such, we agreed with Renhe, among other things, under the Products Procurement Framework Agreement, that where Renhe and its associates are in lack of production capacity to produce such customized products, Renhe will grant our Group a licence, on a non-exclusive basis, to use certain trademarks registered by Renhe in the PRC (the “**Trademark License**”) under separate trademark license agreements, which authorizes and enables us to procure its self-branded products from independent third-party manufacturers. The number of products to be produced by independent third-party manufacturers under the Trademark License, together with product specifications, and product package is subject to Renhe’s prior approval.

The initial term of the Products Procurement Framework Agreement commenced on the Listing Date and would end on December 31, 2024 and can be renewed upon its expiry as agreed by relevant parties to the Products Procurement Framework Agreement for another term of three years.

## Report of the Directors

On December 13, 2024, our Company entered into an agreement with Renhe to renew the Products Procurement Framework Agreement (the “2025 Products Procurement Framework Agreement”) and set new annual caps for each of the transactions contemplated thereunder for the three years ending December 31, 2027. The term of the 2025 Products Procurement Framework Agreement commenced on January 1, 2025 and will end on December 31, 2027. Further details of the new annual caps are set out in the announcement of the Company dated December 13, 2024.

The royalty fee payable by the Group to Renhe in relation to the Trademark License is charged based on the retail prices (before tax) of the Renhe-branded products procured by us from independent third-party manufacturers using the Trademark License, multiply by predetermined royalty rates as prescribed under the 2025 Products Procurement Framework Agreement. The royalty rate for Trademark License is determined based on arm’s length discussion between the Group and Renhe, with reference to the market average royalty rates, no less favourable than the rates offered by Renhe to Independent Third Parties or those offered by Independent Third Parties to the Group.

The following table sets forth the annual caps and actual transaction amounts for the Trademark License contemplated under the 2025 Products Procurement Framework Agreement for the Reporting Period:

	Proposed Annual Cap in 2025 <i>RMB’000</i>	Actual Transaction Amount in 2025 <i>RMB’000</i>
Trademark license royalty fees	6,000	2,389

Mr. Yang Wenlong (by himself and together with his close associate) directly controls 100% of the equity interests of Renhe. In respect of the Trademark License transactions contemplated under the 2025 Products Procurement Framework Agreement, as the highest applicable percentage ratio for each of the three years ending December 31, 2025, 2026 and 2027 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 0.1% but less than 5%, such transaction will constitute continuing connected transaction of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

### *Confirmation from the Independent Non-executive Directors*

The independent non-executive Directors have reviewed the continuing connected transactions contemplated under the 2025 Products Procurement Framework Agreement, and confirmed that such transactions have been entered into:

- in the ordinary and usual course of business of the Group;
- on normal commercial terms or better; and
- according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

During the year ended December 31, 2025, save as disclosed in the section headed “Continuing Connected Transactions” of this annual report, no transactions with related parties (the “**Related Party Transactions**”) disclosed in Note 33 to the financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules.

### *Confirmation from the Auditor*

Deloitte Touche Tohmatsu, the Auditor of the Company, has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended December 31, 2025:

- (a) nothing has come to their attention that causes Deloitte Touche Tohmatsu to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) nothing has come to their attention that causes Deloitte Touche Tohmatsu 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 aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes Deloitte Touche Tohmatsu to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

## **2. Contractual Arrangements**

As foreign investment in certain areas of the industry in which we currently operate is subject to restrictions under current PRC laws and regulations as outlined in further detail in the section headed “Contractual Arrangements” in the Prospectus, we do not directly own any equity interests in the Consolidated Affiliated Entities. Dingdang Medicine Express Technology is held by Mr. Yang Wenlong as to 24.44%, Dingdang No. 1 as to 9.44%, Dingdang No. 2 as to 9.44%, Dingdang No. 3 as to 18.89% and Dingdang No. 4 as to 37.79%.

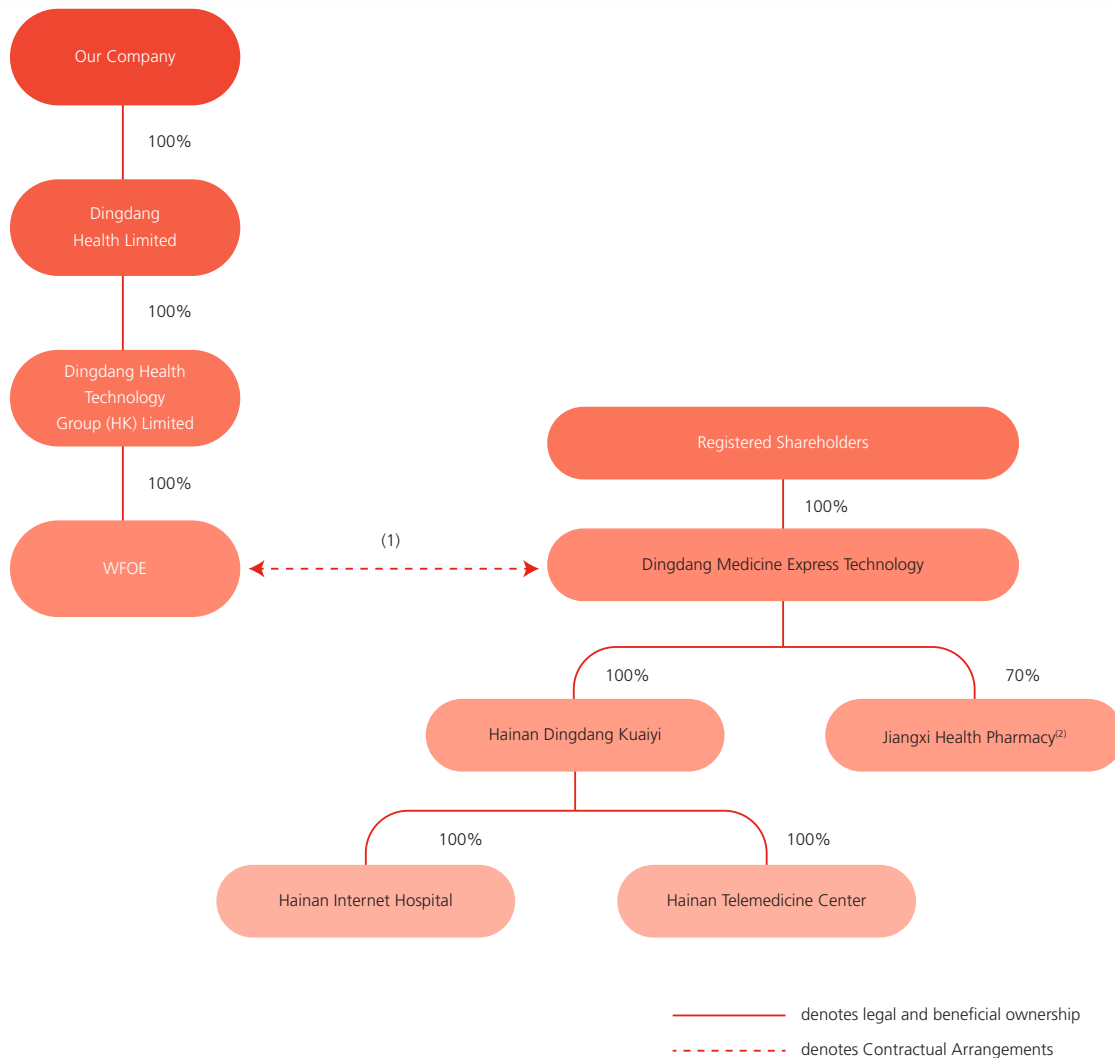
In view of the aforementioned PRC regulatory background and verbal consultations with competent authorities, after consultation with the PRC Legal Advisors, we determined that it was not viable for the Company to hold the Consolidated Affiliated Entities through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by the Consolidated Affiliated Entities through the Contractual Arrangements.

## Report of the Directors

In order to comply with PRC laws and regulations while availing ourselves of international capital markets and maintaining effective control over all of our operations, we acquired equity interests in entities whose businesses are not subject to foreign investment restrictions and entered into Contractual Arrangements between the WFOE, and Dingdang Medicine Express Technology (which holds the remaining Consolidated Affiliated Entities) and the Registered Shareholders on May 25, 2021. The Contractual Arrangements allowed the results of operations and assets and liabilities of the Consolidated Affiliated Entities to be consolidated into the results of operations and assets and liabilities under IFRS as if they were subsidiaries of the Group. Total revenue of the Group's Consolidated Affiliated Entities was RMB378 million for the year ended December 31, 2025 (for the year ended December 31, 2024: RMB344 million), and these amounts have been reflected in the Group's consolidated financial statements with intercompany balances and transactions between the Consolidated Affiliated Entities, the subsidiaries of the Consolidated Affiliated Entities and other entities within the Group eliminated. The total assets of the Group's Consolidated Affiliated Entities were RMB408 million as of December 31, 2025 (As of December 31, 2024: RMB432 million), and such balances have been reflected in the Group's consolidated financial statements with intercompany balances and transactions between the Consolidated Affiliated Entities, the subsidiaries of the Consolidated Affiliated Entities and other entities within the Group eliminated. Based on the above and as set out in the section headed "Contractual Arrangements" in the Prospectus, we believe that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations.

Our Directors believe that the Contractual Arrangements are fair and reasonable because (i) the Contractual Arrangements were freely negotiated and entered into among the WFOE, the Consolidated Affiliated Entities and the Registered Shareholders; (ii) by entering into the Exclusive Business Cooperation Agreement with the WFOE, which is the indirect subsidiary incorporated in the PRC, the Consolidated Affiliated Entities shall enjoy better economic and technical support from us, as well as a better market reputation after the Listing, and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

The diagram below illustrates the relationships among the entities under the Contractual Arrangements:



- (1) The WFOE provides business support, technical and consulting services in exchange for service fees from Dingdang Medicine Express Technology. For details, please refer to “Contractual Arrangements – Our Contractual Arrangements – Summary of Material Terms under the Contractual Arrangement” in the Prospectus.
- (2) The remaining 30% equity interest of Jiangxi Health Pharmacy is held by Zhang Zhe (張喆), who serves as the executive director and general manager of Dingdang Good Health Technology (Beijing) Co., Ltd. (叮嚀好健康科技(北京)有限公司).
- (3) Dingdang Medicine Express Technology and Jiangxi Health Pharmacy primarily engage in providing express digital healthcare service. Hainan Dingdang Kuaiyi, Hainan Internet Hospital and Hainan Telemedicine Center primarily engages in the provision of online hospital services. The businesses operated by such entities constitute the principal business of the Company.

### Risks relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 100 to 105 of the Prospectus.

- If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in our Consolidated Affiliated Entities.
- The Contractual Arrangements may not be as effective in providing operational control as direct ownership, and Dingdang Medicine Express Technology or the Registered Shareholders may fail to perform their obligations under the Contractual Arrangements.
- We may lose the ability to use and enjoy assets held by the Consolidated Affiliated Entities that are material to the business operations if the Consolidated Affiliated Entities declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.
- The Registered Shareholders may have conflicts of interest with us, which may materially and adversely affect our business.
- We conduct the business operations in the PRC through the Consolidated Affiliated Entities by way of the Contractual Arrangements, but certain terms of the Contractual Arrangements may not be enforceable under PRC laws.
- If we exercise the option to acquire equity ownership and assets of the Consolidated Affiliated Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.
- Our current corporate structure and business operations may be affected by the Foreign Investment Law.
- The Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.
- The difference of PRC enterprise income tax and VAT rate between Dingdang Medicine Express Technology and the WFOE may incur additional tax expenses to the Group under the Contractual Arrangements.

To mitigate the risks associated with the Contractual Arrangements, the Board will conduct annual review on the implementation and compliance of the Contractual Arrangements, and the Group will work closely with the Registered Shareholders and our external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Contractual Arrangements.

### *Summary of the material terms under the Contractual Arrangements*

The Contractual Arrangements which were in place during the year ended December 31, 2025 and a description of the specific agreements that comprise the Contractual Arrangements is set out below:

#### **Exclusive Business Cooperation Agreement**

Pursuant to the exclusive business cooperation agreement dated May 25, 2021 between Dingdang Medicine Express Technology and the WFOE (the “**Exclusive Business Cooperation Agreement**”), Dingdang Medicine Express Technology agreed to engage the WFOE as its exclusive provider of comprehensive business support, technical services and consultation services, including but not limited to, the following services: technology development, technology promotion, technology transfer, technology services; basic software services; application software services; software development; software consulting; product design; model design; market research; and business management consulting.

Under the Exclusive Business Cooperation Agreement, the service fee shall consist of 100% of the total consolidated profit. Notwithstanding the foregoing, the WFOE may adjust the service fees at its own discretion without the consent of Dingdang Medicine Express Technology.

In addition, absent the prior written consent of the WFOE, during the term of the Exclusive Business Cooperation Agreement, with respect to the matters set forth in the Exclusive Business Cooperation Agreement, Dingdang Medicine Express Technology shall not accept any consulting and/or services provided by any third party, establish cooperation relationships with any third party, or on its own initiative perform any acts which might affect the confidentiality of the technology and secrets involved in the service provided by the WFOE or the effectiveness and efficiency of the technical supports or allow any third party to do the same. The WFOE may appoint other parties, who may enter into certain agreements with Dingdang Medicine Express Technology, to provide Dingdang Medicine Express Technology with the services under the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement also provides that the WFOE has the exclusive proprietary rights to and interests in any and all intellectual property rights whether developed or created by Dingdang Medicine Express Technology or the WFOE during the performance of the Exclusive Business Cooperation Agreement.

The validity period of the Exclusive Business Cooperation Agreement shall start from the execution date and it shall remain effective for 20 years unless terminated (a) by agreement between the WFOE and Dingdang Medicine Express Technology; or (b) by a written notice from the WFOE at least 30 days before termination. Dingdang Medicine Express Technology is not entitled to unilaterally terminate the agreement, unless Dingdang Medicine Express Technology has sufficient evidence to prove that the WFOE has material negligence or fraudulent conducts to Dingdang Medicine Express Technology. The term of the agreement may be extended prior to its expiration upon written confirmation by the WFOE. The period of extension shall be determined by the WFOE, and Dingdang Medicine Express Technology shall accept the period of extension without conditions.

### Exclusive Purchase Option Agreement

Pursuant to the exclusive purchase option agreement dated May 25, 2021 among Dingdang Medicine Express Technology, the WFOE and each of the Registered Shareholders (the “**Exclusive Purchase Option Agreement**”), the WFOE has been granted an irrevocable, unconditional and exclusive right to require the Registered Shareholders to transfer any or all their equity interests in Dingdang Medicine Express Technology to the WFOE and/or a third party designated by it, in whole or in part at any time and from time to time. Dingdang Medicine Express Technology and the Registered Shareholders, among other things, have covenanted that:

- without the prior written consent of the WFOE, they shall not in any manner supplement, change or amend the constitutional documents of Dingdang Medicine Express Technology, increase or decrease their registered capital, or change the structure of their registered capital in other manner;
- they shall maintain Dingdang Medicine Express Technology’s corporate existence and operation in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating their business and handling their affairs, and procure Dingdang Medicine Express Technology to perform its obligations under the Exclusive Business Cooperation Agreement;
- without the prior written consent of the WFOE, they shall not and shall procure its subsidiaries not, at any time following the date when the Exclusive Purchase Option Agreement came into effect sell, transfer, pledge or dispose of in any manner any assets or the legal or beneficial interest in the business or revenues of Dingdang Medicine Express Technology or allow the encumbrance thereon of any security interest;
- without the prior written consent of the WFOE, Dingdang Medicine Express Technology shall not incur, inherit, guarantee or assume any debt, except for payables incurred in the ordinary course of business not generated from loans and debts which have been disclosed to and approved by WFOE;
- Dingdang Medicine Express Technology shall always operate all of their businesses during the ordinary course of business to maintain their asset value and refrain from any action/omission that may adversely affect their operating status and asset value;
- without the prior written consent of the WFOE, they shall not cause Dingdang Medicine Express Technology to execute any material contract with a value of more than RMB100,000, except the contracts executed in the ordinary course of business;
- without the prior written consent of the WFOE, they shall not cause Dingdang Medicine Express Technology to provide any person with any loan or credit, or guarantee for any third-party debt;
- they shall provide the WFOE with information on Dingdang Medicine Express Technology’s business operations and financial condition at the request of the WFOE;

- if requested by the WFOE, they shall procure and maintain insurance in respect of Dingdang Medicine Express Technology's assets and business from an insurance carrier acceptable to the WFOE, at an amount and type of coverage typical for companies that operate similar businesses;
- without the prior written consent of the WFOE, they shall not cause or permit Dingdang Medicine Express Technology to merge, consolidate with, acquire or invest in any person, or procure or permit Dingdang Medicine Express Technology to sell the assets with a value of more than RMB100,000;
- they shall immediately inform the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Dingdang Medicine Express Technology's assets, business or revenue;
- to maintain the ownership by Dingdang Medicine Express Technology of all of their assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims;
- without the prior written consent of the WFOE, Dingdang Medicine Express Technology shall not in any manner distribute profits or dividends to their shareholders, provided that upon the request of the WFOE, Dingdang Medicine Express Technology shall immediately distribute all distributable profits to their shareholders;
- at the request of the WFOE, they shall appoint any persons designated by the WFOE as the directors of Dingdang Medicine Express Technology, replace or remove the directors of Dingdang Medicine Express Technology;
- unless otherwise mandatorily required by PRC laws, Dingdang Medicine Express Technology shall not be dissolved or liquidated without the prior written consent by the WFOE;
- in the event of bankruptcy, dissolution, liquidation, death or loss of legal capacity (if applicable) of any of Consolidated Affiliated Entities' shareholders, or other circumstances that may affect Dingdang Medicine Express Technology's equity interests, any successor of an existing shareholder shall be deemed to be a party to the Exclusive Purchase Option Agreement. The Exclusive Purchase Option Agreement and other contractual arrangements shall prevail over any form of agreements relating to the disposition of interests in Dingdang Medicine Express Technology unless prior written consent from the WFOE is obtained;
- if the execution and performance of the Exclusive Purchase Option Agreement and the stock transfer options granted under the Exclusive Purchase Option Agreement shall require any third party's consent, permission, waiver, authorization or any governmental agency's approval, license, immunity, registration or filing in accordance with the law, Dingdang Medicine Express Technology shall make every endeavour to help satisfy the above conditions.

## Report of the Directors

In addition, the Registered Shareholders, among other things, have covenanted that:

- without the written consent of the WFOE, they shall not sell, transfer, pledge or dispose of in any other manner the legal or beneficial interest in Dingdang Medicine Express Technology, or allow the encumbrance thereon of any security interest, except for the Equity Pledge Agreement;
- for each exercise of the equity purchase option, they shall cause the shareholders' meeting and/or the board of directors of Dingdang Medicine Express Technology to vote on the approval of the transfer of equity interests and any other action requested by the WFOE;
- Registered Shareholders whose equity interest has not been transferred shall relinquish the pre-emptive right (if any) they are entitled to in relation to the transfer of equity interest by any other shareholders to the WFOE and/or any entity or individual appointed by the WFOE pursuant to Exclusive Purchase Option Agreement;
- without the written consent of the WFOE, each of the Registered Shareholders shall not request Dingdang Medicine Express Technology to distribute dividends or profits in any form, propose resolutions in relation to this at a general meeting, or vote to pass such resolutions. In any event, unless decided otherwise by the WFOE, if any Registered Shareholder receives corporate income, profits or dividends from Dingdang Medicine Express Technology, they shall pay or transfer the received income, profits, dividends to the WFOE or any party designated by the WFOE to the extent allowed by the PRC laws; and
- Registered Shareholders shall also strictly comply with the provisions of the Exclusive Purchase Option Agreement between Registered Shareholders, Dingdang Medicine Express Technology and the WFOE, and shall faithfully perform the obligations under such agreements and shall not conduct any act and/or omission which shall affect the validity and enforceability of such agreements. If any Registered Shareholder retains any rights on the equities as in the Equity Pledge Agreement, it shall not exercise such rights unless instructed in writing by the WFOE.

The validity period of the Exclusive Purchase Option Agreement shall be 20 years starting from the execution date. The WFOE may choose to renew the Exclusive Purchase Option Agreement. If the WFOE fails to confirm the renewal of the agreement upon the expiration of its term, the agreement shall be automatically renewed until the WFOE delivers a confirmation letter to determine the renewal term of the agreement.

If the Registered Shareholders or Dingdang Medicine Express Technology materially breach any obligation under the Exclusive Purchase Option Agreement, the WFOE shall be entitled to terminate the agreement and/or claim damages from Registered Shareholders or Dingdang Medicine Express Technology. Unless otherwise provided by PRC laws, neither Registered Shareholders nor Dingdang Medicine Express Technology shall have the right to terminate the Exclusive Purchase Option Agreement under any circumstances.

### Equity Pledge Agreement

Pursuant to the equity pledge agreement dated May 25, 2021 entered into among Dingdang Medicine Express Technology, the WFOE, and each of the Registered Shareholders (the “**Equity Pledge Agreements**”), the Registered Shareholders agreed to pledge all their respective equity interests in Dingdang Medicine Express Technology that they own, including any interest or dividend paid for the shares, to the WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

The pledge in favour of the WFOE takes effect upon the completion of 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 and Dingdang Medicine Express Technology under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of the Registered Shareholders and Dingdang Medicine Express Technology under the relevant Contractual Arrangements have been fully paid.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreements), unless such default is cured following the Registered Shareholders or Dingdang Medicine Express Technology’s receipt of the written notice which requests the cure of such default, the WFOE shall have the right to exercise all such rights as a secured party under any applicable PRC law and the Equity Pledge Agreement, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the Registered shareholders.

The equity pledge registrations under the Equity Pledge Agreements as required by the relevant laws and regulations have been completed in accordance with the Equity Pledge Agreements and PRC laws and regulations.

### Proxy Agreement

Pursuant to the proxy agreement dated May 25, 2021 issued by the each of the Registered Shareholders (collectively, the “**Proxy Agreement**”), pursuant to which, each of the Registered Shareholders irrevocably and exclusively appointed the WFOE or any entity or persons designated by the WFOE as its attorneys-in-fact to exercise on its behalf, any and all right that it has in respect of its equity interests in Dingdang Medicine Express Technology, including without limitation:

- to propose to convene and to attend shareholders’ meetings of Dingdang Medicine Express Technology and to receive any notice of shareholders’ meetings and the convening of proceedings;
- to exercise all shareholder’s rights and shareholder’s voting rights in accordance with law and the constitutional documents of Dingdang Medicine Express Technology, including but not limited to the sale, transfer, pledge or disposal of any or all of the equity interests in Dingdang Medicine Express Technology, the signature of the minutes of meetings of Dingdang Medicine Express Technology in the name and on behalf of the shareholders, the approval of Dingdang Medicine Express Technology to file the documents with the relevant corresponding registration and filing department;
- to designate or appoint the legal representative (chairman), directors, supervisors, chief executive officer (or manager) and other senior management of Dingdang Medicine Express Technology.

## Report of the Directors

### Loan Agreement

The WFOE entered into a loan agreement with each of the Registered Shareholders dated May 25, 2021 (the “**Loan Agreement**”), pursuant to which the WFOE agreed to provide loan to the Registered Shareholders for the management, operation and business development in Dingdang Medicine Express Technology. All the equity interests in Dingdang Medicine Express Technology held by the Registered Shareholders will be pledged to the WFOE. The term of the Loan Agreement shall be 20 years from the date of the agreement, which may be extended upon mutual consent of the Parties. When the Registered Shareholders transfer the equity interests to the WFOE or the WFOE’s designated person(s), in the event that the transfer price of such equity interests equals or is lower than the principal of the loan under the Loan Agreement, the loan under this agreement shall be deemed an interest-free loan. In the event that the transfer price of such Acquired Interests exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the loan under this agreement payable by the Registered Shareholders to the WFOE.

The WFOE and the Registered Shareholders agree and acknowledge that the method of repayment shall be at the sole discretion of the WFOE and may take the form of: (i) transferring the equity Interest of the Registered Shareholders in whole to the WFOE or the WFOE’s designated persons (legal or natural persons) pursuant to the WFOE’s exercise of its right to acquire the equity interest under the Exclusive Purchase Option Agreement, and (ii) any property legally distributed after liquidation of the Dingdang Medicine Express Technology shall be used by the Registered Shareholders to repay the loan to the WFOE or the WFOE’s designated party in the event of liquidation of the Dingdang Medicine Express Technology.

### LP Undertaking

Each of the limited partners of the LPs (namely, Dingdang No.1, Dingdang No.2, Dingdang No.3 and Dingdang No. 4), general partners (namely, Dingdang Wisdom) of the LPs and Mr. Yang Wenlong, as the controlling shareholder of Dingdang Wisdom has signed an unconditional and irrevocable undertaking dated May 25, 2021 (the “**LP Undertaking**”) to the effect, among others, that each of them undertakes:

- to procure the LPs to continuously comply with the Contractual Arrangements and will not initiate or adopt any claims which will contradict the Contractual Arrangements;
- their interests in Dingdang Medicine Express Technology through the LPs are beneficially owned by the WFOE and he/she/it will not claim on such interests;
- without prior written consent of the WFOE or its designated person, he/she/it will not, and will procure the LPs not to, amend the partnership agreement, partnership composition or dispose any interests in the LPs;
- to transfer his/her/its interests in the LPs to the designated person in accordance with the instruction of the WFOE or its designated person to the extent permissible by applicable laws, and to remit the consideration (if any) to the WFOE or its designated person;
- to procure the LPs not to raise any proposition or take any action against the Contractual Arrangements based on theirs shares in Dingdang Medicine Express Technology;

- if the WFOE or any individual designated by it requires amendments on relevant items of the LPs in accordance with the Contractual Arrangements, to facilitate and accomplish such requirements as requested; and
- if he/she/it breaches any of the undertakings, to bear liability of such breach in the same way as a breaching party does under the Contractual Arrangements and compensate for losses.

### Spouse Undertaking

The spouse of each of Mr. Yang Wenlong and the limited partners of LPs has signed an undertaking (the “**Spouse Undertaking**”), to the effect, among others, that each of them unconditionally and irrevocably:

- confirmed and agreed that any equity interests (together with any other interests therein) held by their respective spouse as a Registered Shareholder or as a limited partners of the LPs, as the case may be, are separate properties of their spouse and do not fall within the scope of communal properties; their respective spouse and LPs are entitled to deal with the respective spouse’s equity interests and any interests therein in Dingdang Medicine Express Technology in accordance with the Contractual Arrangements without the prior consent of them;
- confirmed that the respective spouse may further amend or terminate the Contractual Arrangements without the need for authorization or consent by him/her;
- will not raise any proposition or take any action against the Contractual Arrangements based on the shares in Dingdang Medicine Express Technology held by their respective spouse;
- if all or part of the shares held by their respective spouse are transferred to him/her, to pledge, sell or dispose such shares in accordance with the provisions and requirements prescribed in the Contractual Arrangements, to observe obligations of their respective spouse or the LPs as a shareholder of Dingdang Medicine Express Technology under the Contractual Arrangements, and to sign all necessary documents and take all necessary actions to ensure the Contractual Arrangements to be properly performed;
- promised that he/she has never and does not intend to participate in the operation, management or voting matters of the Dingdang Medicine Express Technology; and
- waives, unconditionally and irrevocably, any shareholding rights or any other rights related to the equities that may be vested in him/her in accordance with applicable laws.

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

### The extent to which the Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the Contractual Arrangements are subject to the restrictions as set out on pages 287 to 305 of the Prospectus. During the year ended December 31, 2025, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and none of the Contractual Arrangements had been unwound as the regulatory restrictions that led to their adoptions were not removed.

## Report of the Directors

### Listing Rule Implications

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules as Mr. Yang Wenlong, a party to the Contractual Arrangements, is the connected person.

The Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to the Group's legal structure and business, that such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.

### Waiver from the Stock Exchange and Annual Review

The Stock Exchange has granted the Company a waiver from strict compliance with (i) the announcement and independent Shareholders' approval requirements under Rules 14A.04 and 14A.105 of the Listing Rules, and (ii) the requirement of setting an annual cap for the transaction under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange, subject, however, to the following conditions:

- (a) no change without independent non-executive Directors' approval;
- (b) no change without independent Shareholders' approval;
- (c) the Contractual Arrangements shall continue to enable the Group to receive the economic benefits derived by the Consolidated Affiliated Entities;
- (d) the Contractual Arrangements may be renewed and/or reproduced upon expiry or when justified by business expediency, without obtaining Shareholders' approval, on substantially the same terms and conditions as the Contractual Arrangements; and
- (e) the Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

### CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE OF DIRECTORS

The independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried during the year ended December 31, 2025 have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of their equity interests which are not otherwise subsequently assigned or transferred to the Group during the year ended December 31, 2025, (iii) no new contracts were entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the year ended December 31, 2025, and (iv) the Contractual Arrangements were entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the relevant agreement governing the Contractual Arrangements on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

### CONFIRMATION FROM THE COMPANY'S INDEPENDENT AUDITOR

The Auditor of the Company has confirmed in a letter to the Board that, with respect to the Contractual Arrangements entered into in the year ended December 31, 2025:

- (a) nothing has come to their attention that causes Deloitte Touche Tohmatsu to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) nothing has come to their attention that causes Deloitte Touche Tohmatsu 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 Consolidated Affiliated Entities under the Contractual Arrangements, nothing has come to their attention that causes Deloitte Touche Tohmatsu to believe that dividends or other distributions have been made by Consolidated Affiliated Entities to the holders of the equity interests of Consolidated Affiliated Entities which are not otherwise subsequently assigned or transferred to the Group.

### PRE-EMPTIVE RIGHTS

There are no provisions 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 the existing Shareholders.

### TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

### AUDITOR

The consolidated financial statements of the Group have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

The Company did not change its Auditor in the previous three financial years.

## Report of the Directors

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

During the year ended December 31, 2025, the Company repurchased a total of 9,256,500 Shares on the Stock Exchange for an aggregate consideration of approximately HK\$10.0 million (including all the relevant expenses). The repurchased Shares were for cancellation but not yet cancelled subsequently by the date of this report. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of purchase in 2025	No. of Shares purchased	Purchase Consideration per share		Aggregate consideration paid (including all the relevant expenses) HK\$
		Highest price paid HK\$	Lowest price paid HK\$	
November	900,000	1.09	1.02	959,497.66
December	8,356,500	1.13	1.02	8,999,506.44
	9,256,500			9,959,004.10

Save as disclosed above and in Note 27 to the consolidated financial statements, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended December 31, 2025. As of December 31, 2025, the Company did not hold any treasury shares.

### PUBLIC FLOAT

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

### EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events subsequent to December 31, 2025.

### CORPORATE GOVERNANCE

A detailed corporate governance report is set out in pages 73 to 89 in this annual report.

By the order of the Board  
**Yang Wenlong**  
*Chairman & President*

Hong Kong, March 20, 2026

# Corporate Governance Report

The Board is pleased to present the corporate governance report for the year ended December 31, 2025.

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the code provisions (the “Code Provisions”) of the CG Code. The corporate governance principles of the Company emphasise a quality board, sound internal controls, and transparency and accountability to all Shareholders. During the Reporting Period, the Company has complied with the Code Provisions as set out in the CG Code except for the deviation from code provision C.2.1 as discussed below.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

## CORPORATE CULTURE

As a pioneer in providing express digital healthcare service in China, the Company is transforming and reshaping China’s healthcare industry by pioneering on-demand pharmaceutical retail and medical consultation, primarily with online-to-offline solutions. Innovation empowers the business model of the Company. The Company will continue to expand its investment in research and development, which will continue to create value for the medical industry and the society. The purpose, values, corporate culture and strategy of the Company are as follows:

Mission: To provide users with fast, professional and comprehensive medical and health on-demand services

Goal/Vision: To build a scientific, professional and open health platform

Core value: To put users on priority, to lead with innovation, to uphold our beliefs, to share our results

Corporate culture: Ultimate, leading and professional service with open ecology

Corporate strategies: As the pioneer and leader of on-demand to-home health service in China, we prioritize users and dive business and technological innovation with digital strategies, build a new mode of “multi-functional smart pharmacy with deep integration of digital and physical pharmacies”, and establish a comprehensive and professional to-home health ecology and service platform with one-stop “Treatment, Diagnosis, Pharmaceutical Products and Medical Insurance” services.

## BOARD OF DIRECTORS

### Board Composition

During the Reporting Period and up to the date of this annual report, the Board comprises the following Directors:

#### Executive Directors

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

Mr. Yang Yibin (楊益斌)

Mr. Xu Ning (徐寧)

Mr. Yu Qinglong (于慶龍)

Mr. Meng Fanzhou (孟繁周) (*Appointed on February 16, 2026*)

Mr. Yu Lei (俞雷) (*Resigned on February 16, 2026*)

#### Non-executive Directors

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

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

#### Independent Non-executive Directors

Mr. Zhang Shouchuan (張守川)

Dr. Fan Zhenhong (樊臻宏)

Mr. Jiang Shan (姜山)

The biographies of the Directors are set out in the section headed “Biographies of Directors and Senior Management” on pages 24 to 30 of this annual report.

Mr. Yang Wenlong is the father of Mr. Yang Yibin. Save as aforesaid, there is no relationship (including financial, business, family or other material or relevant relationship) between each Director (including independent non-executive Director) and the other members of the Board or the senior management and between the Chairman and the chief executive.

## CHAIRMAN AND CHIEF EXECUTIVE

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

### INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers each of the independent non-executive Directors to be independent.

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, non-executive Director and independent non-executive Directors has entered into a service contract with the Company for an initial term of three years from the date of appointment of Directors and be automatically renewed for a successive period of three years, subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association.

Subsequent to the Reporting Period, Mr. Yu Lei tendered his resignation due to his personal career development plans and related reasons with effective from February 16, 2026. The Nomination Committee therefore nominated Mr. Meng Fanzhou as new executive Director effective from the same day. The relevant announcement was published on the websites of the Company and the Stock Exchange on February 16, 2026.

In accordance with the Articles, all the directors are subject to retirement by rotation at least once every three years. Any new director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting.

### RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

## Corporate Governance Report

All Directors, including non-executive Directors and 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. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the business of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and senior management's liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

### CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for the Directors would be arranged and reading materials on relevant topics would be provided to the Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended December 31, 2025, all of the following Directors participated in continuous professional development by attending trainings related to the Group's businesses, Listing Rules, legal and regulatory requirements and corporate governance practices, and by reading relevant materials to keep themselves abreast of regulatory developments and changes, to develop and refresh their knowledge and skills:

Name of Director	Participated in continuous professional training
<b>Executive Directors</b>	
Mr. Yang Wenlong (楊文龍) ( <i>Chairman &amp; President</i> )	✓
Mr. Yang Yibin (楊益斌)	✓
Mr. Xu Ning (徐寧)	✓
Mr. Yu Lei (俞雷)	✓
Mr. Yu Qinglong (于慶龍)	✓
<b>Non-executive Directors</b>	
Ms. Li Chuheng (李楚衡) ( <i>Appointed on May 30, 2025</i> )	✓
Ms. Cai Li (蔡俐) ( <i>Resigned on May 30, 2025</i> )	-
<b>Independent Non-executive Directors</b>	
Mr. Zhang Shouchuan (張守川)	✓
Dr. Fan Zhenhong (樊臻宏)	✓
Mr. Jiang Shan (姜山)	✓

## BOARD MEETINGS, GENERAL MEETINGS AND COMMITTEE MEETINGS

Code Provision C.5.1 of the CG Code stipulates that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. Notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend. For all other board meetings, reasonable notice should be given. An agenda and accompanying board papers should be sent, in full, to all directors at least 3 days before the date of board/board committee meeting so as to ensure directors are given opportunity to include matters in the agenda for the board/board committee meeting.

The Board will make arrangements for holding at least four regular Board meetings and a meeting between the Chairman and the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors once a year.

## ATTENDANCE RECORD OF DIRECTORS

During the year ended December 31, 2025, five Board meetings and one annual general meeting were held. The attendance record of each Directors at the Board and committee meetings are set out as follows:

	Attendance/Number of meetings				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting <sup>(1)</sup>
<b>Executive Directors</b>					
Mr. Yang Wenlong (楊文龍) (Chairman & President)	5/5	N/A	N/A	4/4	1/1
Mr. Yang Yibin (楊益斌)	5/5	N/A	N/A	N/A	1/1
Mr. Xu Ning (徐寧)	5/5	N/A	N/A	N/A	1/1
Mr. Yu Lei (俞雷) <sup>(2)</sup>	5/5	N/A	N/A	N/A	1/1
Mr. Yu Qinglong (于慶龍)	5/5	N/A	N/A	N/A	1/1
<b>Non-executive Directors</b>					
Ms. Li Chuheng (李楚衡) <sup>(3)</sup>	4/4	N/A	N/A	2/2	N/A
Ms. Cai Li (蔡俐) <sup>(4)</sup>	1/1	N/A	1/1	N/A	1/1
<b>Independent Non-executive Directors</b>					
Mr. Zhang Shouchuan (張守川)	5/5	3/3	1/1	4/4	1/1
Dr. Fan Zhenhong (樊臻宏)	5/5	3/3	1/1	4/4	1/1
Mr. Jiang Shan (姜山) <sup>(5)</sup>	5/5	3/3	N/A	2/2	1/1

Notes:

- (1) The annual general meeting of the Company was held on May 28, 2025.
- (2) Mr. Yu Lei (俞雷) was resigned as an executive Director on February 16, 2026.
- (3) Ms. Li Chuheng (李楚衡) was appointed as a non-executive Director and a member of the Remuneration Committee and Nomination Committee on May 30, 2025. No Remuneration Committee meetings were held since her appointment during the year ended December 31, 2025.
- (4) Ms. Cai Li (蔡俐) was resigned as a non-executive Director and a member of the Remuneration Committee on May 30, 2025.
- (5) Mr. Jiang Shan (姜山) was appointed as a member of the Nomination Committee on May 30, 2025.

Apart from the regular Board meetings above, the Chairman of the Board also held meetings with the independent non-executive Directors without the presence of executive Directors during the Reporting Period.

## BOARD COMMITTEES

The Board has established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing specific aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

### Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and provide advice and comments to the Board.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Jiang Shan, Mr. Zhang Shouchuan and Dr. Fan Zhenhong. Mr. Jiang Shan is the chairman of the Audit Committee.

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

The main duties of the Audit Committee include, but are not limited to:

- monitoring the integrity of the Company's financial statements, annual and interim financial reports, and to review significant financial reporting judgments and accounting policies contained therein;
- satisfying themselves as to the effectiveness of the risk management and internal control systems of the Group and as to the adequacy of the external and internal audits;
- making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and effectiveness of the audit process under applicable standard; and
- reporting the findings and making recommendations to the Board on a regular basis.

## Corporate Governance Report

The Audit Committee held three meetings during the Reporting Period. The following is a summary of work performed by the Audit Committee during the Reporting Period:

- reviewed the annual and interim financial statements, reports and results announcements for presentation to the Board for approval;
- reviewed the significant issues on the financial reporting, operational and compliance matters;
- reviewed the risk management and internal control systems and internal audit function;
- reviewed the auditor's audit plan for the year ended December 31, 2025; and
- discussed the re-appointment of the external auditor.

### Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management.

The Remuneration Committee comprises two independent non-executive Directors, namely Dr. Fan Zhenhong and Mr. Zhang Shouchuan, and one non-executive Director, namely Ms. Li Chuheng, Dr. Fan Zhenhong is the chairman of the Remuneration Committee.

During the Reporting Period, Ms. Cai Li ceased to be a member of the Remuneration Committee upon her resignation as non-executive Director with effect from May 30, 2025. Ms. Li Chuheng has been appointed as a non-executive Director and a member of the Remuneration Committee with effect from May 30, 2025.

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

The main duties of the Remuneration Committee include, but are not limited to:

- reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- reviewing and making recommendations to the Board on the remuneration of the non-executive Directors;
- reviewing and making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management;
- establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration; and
- to review and/or approve matters relating to share scheme under Chapter 17 of the Listing Rule.

The Remuneration Committee held one meeting during the Reporting Period. The following is a summary of work performed by the Remuneration Committee during the Reporting Period:

- reviewed and made recommendation to the Board regarding the policy and structure for the remuneration of the Directors and senior management; and
- reviewed and made recommendation to the Board regarding the remuneration of the Directors and senior management.

Before making recommendation to the Board, the Remuneration Committee has reviewed and assessed the remuneration package of the Directors with reference to the Group's operating results, duties and level of responsibility of the Directors and the prevailing market conditions.

The remuneration of the members of senior management (including the executive Directors) by band for the year ended December 31, 2025 is set out below:

Remuneration bands (HKD)	Number of members of senior management
Below HKD1,000,000	2
HKD1,000,001 to HKD2,000,000	3
More than HKD2,000,000	2

Details of the remuneration payable to the Directors and five highest paid employees for the year ended December 31, 2025 are set out in Note 11 and Note 12 respectively to the audited consolidated financial statements contained in this annual report.

# Corporate Governance Report

## Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG Code set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession.

The Nomination Committee comprises one executive Director, namely Mr. Yang Wenlong, one non-executive Director, namely Ms. Li Chuheng and three independent non-executive Directors, namely Dr. Fan Zhenhong, Mr. Zhang Shouchuan and Mr. Jiang Shan. Mr. Yang Wenlong is the chairman of the Nomination Committee.

During the Reporting Period, Ms. Li Chuheng has been appointed as a non-executive Director and a member of the Nomination Committee with effect from May 30, 2025. Mr. Jiang Shan, an independent non-executive Director, has been appointed as a member of the Nomination Committee with effect from May 30, 2025.

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

The main duties of the Nomination Committee include, but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, to assist the Board in maintaining a Board skills matrix and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- developing and formulating relevant procedures for the nomination and appointment of Directors;
- supporting the Company's regular evaluation of the Board's performance;
- making recommendations to the Board on the appointment and succession planning of Directors; and
- assessing the independence of independent non-executive Directors.

The Nomination Committee held four meetings during the Reporting Period. The following is a summary of work performed by the Nomination Committee during the Reporting Period:

- reviewed the Terms of Reference of the Nomination Committee and made recommendations for the Board's approval;
- reviewed the Board structure, size, composition and Board diversity (including skills, knowledge and experience etc.);
- reviewed the effectiveness of the related Board Diversity Policy;
- reviewed the independence of the independent non-executive Directors;
- reviewed and made recommendation to the Board regarding the appointment of new Directors; and
- reviewed and make recommendation to the Board on the re-election of the retiring Directors at the annual general meeting of the Company held on May 28, 2025.

### Board Diversity Policy

The Board has adopted a board diversity policy (the "Board Diversity Policy") in order to enhance the effectiveness of the Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to the Board, 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 based on merit and contribution that the selected candidates will bring to the Board. The Board has reviewed the implementation of the Board Diversity Policy during the Reporting Period and is of the view that the current Board composition satisfies the Board Diversity Policy. As there is currently one female Director in the Board, the composition of the Board is in compliance with the gender diversity requirements of the Listing Rules and is in line with the Board Diversity Policy. Consequently, no numerical targets have been set for the implementation of the Board Diversity Policy. The Nomination Committee reviews the Board Diversity Policy on a regular basis and discusses any revisions that might be required, and recommends to the Board for consideration and approval.

The Board Diversity Policy is well implemented as evidenced by the fact that there are both female and male Directors ranging from 38 years old to 64 years old with experience from different industries and sectors. The Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, technology development, e-commerce, finance, and computer network. They obtained degrees in various areas including business administration, finance, economics, biomedical, computer software application and computer network technology. The Board is characterised by significant diversity in terms of gender, age, education background and professional experience. The Board is of the view that the Board Diversity Policy can develop a pipeline of potential successors to the Board to maintain gender diversity.

Female employees accounted for 70% of the total employees of the Company (including senior management). The composition of the workforce of the Group has satisfied gender diversity, and is expected to maintain a reasonable level of gender diversity. During the Reporting Period, the Board was not aware of any factors and circumstances that would make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

### Director Nomination Policy

The Board has adopted a director nomination policy (the “**Director Nomination Policy**”) which sets out the criteria and procedure in the nomination and appointment of Directors, and ensures that the Board will maintain a balance of skills, experience and diversity of perspectives appropriate to the Company. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, and enhancing Board effectiveness and diversity.

Pursuant to the Director Nomination Policy, the Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee. The Nomination Committee shall identify, consider and recommend suitable individuals to the Board to consider and to make recommendations to the Shareholders for election of Directors at general meetings. The selection criteria used in assessing the suitability of a candidate include, inter alia, such as integrity, professional qualifications and skills, commitment in respect of available time, and diversity in all aspects. The Nomination Committee shall make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

### Mechanism for Directors to Obtain Independent Views and Opinions

At Board meetings, the Directors are free to express their views and important decisions are subject to detailed discussion before they are made. If the Directors consider it necessary to seek advice from an independent professional institution, they may engage an independent professional institution in accordance with relevant procedures and at the expense of the Company. If a Director has an interest in a matter proposed by the Board, the relevant Director must withdraw from the discussion of the relevant proposal and abstain from voting, and the Director will not be counted in the quorum for voting on the resolution. In addition, the independent non-executive Directors should also express an objective and impartial independent opinion on matters discussed by the Company. The independent non-executive Directors of the Company do not hold any position in the Company other than that of a Director, do not have any relationship with the Company and the Company’s substantial shareholders that might influence their independent and objective judgement, and do not have any business or financial interests in the Company or the Company’s subsidiaries. During the Reporting Period, the participation of independent non-executive Directors therefore effectively ensures that there is a strong and sufficient element of independence on the Board. The Board will review the implementation and effectiveness of the above mechanism annually.

### DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders’ approval. In proposing any dividend payout, the Board shall also take into account, among other things, the Group’s financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under the Companies Act, the Company’s Articles and all the applicable laws and regulations.

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board would review the Company's corporate governance policies and practices, training and continuous professional development of the Directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. The Board has performed the above duties during the Reporting Period.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company during the Reporting Period.

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

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Group highly values the importance of internal control and risk management for the smooth running of its business. The Board is responsible for the Group's risk management and internal control system and reviews the effectiveness of this system. This system is designed to manage, though not entirely eliminate, the risk of failing to achieve business objectives, and provides a satisfactory, albeit not absolute, assurance against material misrepresentations or losses. On behalf of the Board, the Audit Committee reviews the effectiveness of the Group's risk management and internal control system on an annual basis.

The Company has devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that the Company considers to be appropriate for our business operations. We are dedicated to continuously improving these systems, developing a risk management culture and raising the risk management awareness of all employees. The Company has adopted and implemented comprehensive risk management policies in various aspects of our business operations.

The main features of the Group's risk management and internal control systems include financial, operational and compliance controls. The Board considers that the existing risk management and internal control systems are reasonably effective and adequate.

## Corporate Governance Report

### Operational and Information System Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures, third-party payment possessing risks, or external events. The Company has established a series of internal policies and procedures to manage such risks. In particular, we pay close attention to risk management relating to our information technology and data privacy and protection, as sufficient maintenance, transmission, storage and protection of user data and other related information are critical to our success. The Company has been committed to promoting compliance culture, and will adopt policies and procedures on various compliance matters. In order to effectively manage our compliance and legal risk exposures, the Company has adopted strict internal policies and procedures to ensure compliance of our business operations with relevant laws and regulations. In particular, our compliance and legal department is responsible for ensuring ongoing compliance with the relevant data privacy and protection laws and regulations and relevant rules and requirements governing electronic fund transfers in the PRC. In addition, we continually review our internal policies and procedures and the implementation of our measures to ensure that our policies and their implementation are effective and sufficient. The Directors will be involved in the formulation of the internal policies and procedures.

### Internal Control and Risk Management

The Company have established the Audit Committee to monitor the implementation of our risk management policies across the Company on an ongoing basis to ensure that the internal control system is effective in identifying, managing and mitigating risks involved in our business operations. For the professional qualifications and experiences of the members of the Audit Committee, see the section headed “Biographies of Directors and Senior Management” in this annual report.

The Company has engaged an independent third-party consultant (the “**Internal Control Consultant**”) to perform a review on internal controls, who is responsible for carrying out the analysis and independent appraisal of the adequacy and effectiveness of the Group’s risk management and internal control systems.

On behalf of the Board, the Audit Committee reviewed the internal control review report and risk management report issued by the Internal Control Consultant and the Company’s risk management and internal control systems in respect of the Reporting Period and considered that they are effective and adequate. There were no material concerns identified in the review. During the Reporting Period, the Company did not implement any significant changes to the risk management and internal control system.

Having confirmed from the Audit Committee, the Board is of the view that the Group’s risk management and internal control systems are effective and adequate. The Board will continue to assess the effectiveness of its risk management and internal control systems by considering reviews and recommendations made by the Audit Committee and senior management.

### Human Resources Risk Management

The Group provide regular and specialized training tailored to the needs of our employees in different departments. The Group schedule regular online and offline trainings to ensure that our staff’s skill sets and knowledge level of our policies remain up-to-date, enabling them to better discover and meet consumers’ and merchants’ needs. We have in place an employee handbook and a code of conduct approved by our management and have distributed them to all our employees. The handbook contains internal rules and guidelines regarding work ethics, fraud prevention mechanisms, negligence and corruption. We provide employees with regular training, as well as resources to explain the guidelines contained in the employee handbook.

## Anti-corruption

We have in place an anti-bribery and corruption policy to safeguard against any corruption within the Company. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. The Company makes our internal reporting channel open and available for our staff to report any bribery and corruption acts, and our staff can also make anonymous reports to our anti-fraud team. Our anti-fraud team is responsible for investigating the reported incidents and taking appropriate measures.

## DISCLOSURE OF INSIDE INFORMATION

The Group has in place a framework for the disclosure of inside information with reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in an appropriate and timely manner, such as steps to ascertain sufficient details, conduct an internal assessment of the matter and its likely impact on the Company, seek professional advice where required and verification of the facts. Before the information is fully disclosed to the public, any persons who possess the knowledge of such information must ensure strict confidentiality and must not deal in any of the Company's securities.

## AUDITOR'S RESPONSIBILITY AND REMUNERATION

The statement of the independent auditor of the Company, Deloitte Touche Tohmatsu, about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 90 to 94 of this annual report.

The remuneration paid/payable to the Auditor of the Company, Deloitte Touche Tohmatsu, in respect of the audit and audit related services and the non-audit services for the year ended December 31, 2025 are set out in the table below. The audit and audit-related services conducted by the Auditor of the Company mainly include audit and review services for the Group. Non-audit services mainly include the ESG and tax related service.

Service Category	Fees paid/payable RMB'000
Audit and audit related services	3,940
Non-audit services	224
	4,164

## JOINT COMPANY SECRETARIES

Mr. Liu Zhenxuan (“**Mr. Liu**”) and Mr. Lam Yiu Por (“**Mr. Lam**”) are the joint company secretaries of the Company. Both Mr. Liu and Mr. Lam are employees of the Company. Mr. Liu and Mr. Lam have confirmed that they have taken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules during the year ended December 31, 2025. The biographies of Mr. Liu and Mr. Lam are set out in the section headed “Biographies of Directors and Senior Management” in this annual report.

## CHANGES IN CONSTITUTIONAL DOCUMENTS

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

On March 20, 2026, the Board proposed to amend certain provisions of the existing fourth amended and restated memorandum and articles of association of the Company (the “**Memorandum and Articles of Association**”) by way of adoption of the fifth amended and restated memorandum and articles of association of the Company (the “**New Memorandum and Articles of Association**”) to (i) enable the Company to allow the shareholders of the Company to have the option to attend and participate at general meetings of the Company virtually with the use of virtual meeting technology and to cast votes by electronic means, and make corresponding amendments on the related proceedings and procedures in relation to virtual general meetings of the Company; and (ii) make other consequential and housekeeping amendments (the “**Proposed Amendments**”). The Proposed Amendments and adoption of the New Memorandum and Articles of Association are subject to the approval of shareholders of the Company by way of a special resolution at the forthcoming annual general meeting.

## SHAREHOLDERS’ RIGHTS

To safeguard Shareholders’ interests and rights, a separate resolution is proposed for each substantial and separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

### Convening an extraordinary general meeting by Shareholders

Pursuant to Article 17 of the Articles, the Directors may call general meetings, and they shall on a members’ requisition forthwith proceed to convene an extraordinary general meeting of the Company. A members’ requisition is a requisition of one or more members holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per Share basis, of the issued Shares which as at that date carry the right to vote at general meetings of the Company. The members’ requisition must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists and deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

If there are no Directors as at the date of the deposit of the members’ requisition or if the Directors do not within 21 days from the date of the deposit of the members’ requisition duly proceed to convene a general meeting to be held within a further 21 days, the requisitionists, or any of them representing more than one-half of the total voting rights of all the requisitionists, may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said 21 day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

### Putting forward proposals at general meetings

The Board is not aware of any provisions allowing the Shareholders to put forward proposals at general meetings of the Company under the Articles of Association and the Cayman Companies Act. Shareholders who wish to put forward proposals at general meetings may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

### Putting forward enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

### Contact details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Unit 703, 7/F, Empire Centre, 68 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong  
Email: [ir@ddky.com](mailto:ir@ddky.com)

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. The information of the Shareholder(s) may be disclosed as required by law.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers effective communication with Shareholders and investors is very important. There are a number of formal communication channels which the Company uses to report and account to Shareholders and investors for the performance of the Company. These include (i) the publication of interim and annual reports; (ii) the annual general meeting or extraordinary general meetings, which provide a forum for Shareholders to raise comments and exchange views with the Board; (iii) updates of key information of the Group that are made available to Shareholders and investors through the websites of the Stock Exchange and the Company; (iv) the Company's website providing dedicated contact details to facilitate direct communications between the Company and its Shareholders and investors; and (v) the Company's share registrars in Hong Kong, which serve Shareholders in respect of all share registration matters.

The Company aims to provide its Shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to providing clear, detailed and timely information that concerns the Group to Shareholders and on a regular basis. This is achieved through our interim and annual reports, investor presentations as well as circulars, notices and other announcements.

The Board regularly reviews our existing channels of communication with Shareholders and investors to make sure that they remain effective and provides recommendations for improvements when needed. After reviewing the different channels of communication with Shareholders, the Board considers our current practices were all well-implemented and effective throughout the year and achieved satisfactory results.

# Independent Auditor's Report

**Deloitte.**

德勤

TO THE SHAREHOLDERS OF DINGDANG HEALTH TECHNOLOGY GROUP LTD.

叮嚙健康科技集團有限公司

(incorporated in the Cayman Islands with limited liability)

## OPINION

We have audited the consolidated financial statements of Dingdang Health Technology Group Ltd. (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 95 to 192, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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 as issued by the International Accounting Standards Board ("IASB") 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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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.

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment of goodwill</i></p> <p>As of December 31, 2025, the carrying amount of goodwill was to RMB56.8 million as disclosed in Note 17. The directors of the Company determined the recoverable amount of the cash-generating units, to which the goodwill is allocated, being the higher amount of fair value less costs of disposal and the value-in-use calculated by using the discounted cash flow method. Based on the management's assessment, there is no impairment charge for goodwill for the year ended December 31, 2025 (2024: RMB198.9 million).</p> <p>We identified the impairment of goodwill as a key audit matter because the management of the Company had made key estimations in the value-in-use calculation, which were forecasted average annual revenue growth rate, forecasted average gross profit margins, estimated terminal growth rate beyond the projection period extrapolated and discount rate.</p> <p>Relevant disclosures are included in Note 4 "Critical accounting judgements and key sources of estimation uncertainty" and Note 17 "Goodwill" to the consolidated financial statements.</p>	<p>Our procedures in relation to impairment of goodwill arose from the acquisitions included:</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of relevant internal controls over the impairment assessment of goodwill;</li> <li>• Assessed the valuation methodology used by the directors to determine the recoverable amounts;</li> <li>• Assessed the forecasted average annual revenue growth rate and forecasted average gross profit margins of all cash-generating units allocated with goodwill by: i. performing retrospective review on actual historical revenue growth rates and forecasted average gross profit margins and, ii. challenging the judgments and estimates used by the management of the Company;</li> <li>• Compared the estimated terminal growth rate beyond the projection period extrapolated and discount rate of Renhe Yaofangwang (Beijing) Medicine Technology Co., Ltd. (仁和藥房網(北京)醫藥科技有限公司) and its subsidiaries (collectively, the "Renhe Yaofangwang") against independent benchmarking data with the assistance of our internal valuation specialist; and</li> <li>• Evaluated the estimated terminal growth rates beyond the projection period extrapolated and discount rates of remaining cash-generating units with reference to our internal valuation specialist's benchmarking data related to Renhe Yaofangwang.</li> </ul>

## Independent Auditor's Report

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 THOSE CHARGED WITH GOVERNANCE 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 as issued by the IASB 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.

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.

Those charged with governance are 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 skepticism 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 group 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.

We communicate with those charged with governance 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 those charged with governance 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.

## Independent Auditor's Report

From the matters communicated with those charged with governance, 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 Ip Yat Hung.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

March 20, 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended December 31, 2025

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Revenue	5B	4,887,777	4,669,078
Cost of revenue		(3,164,264)	(3,130,729)
Gross profit		1,723,513	1,538,349
Fulfillment expenses		(447,756)	(447,732)
Selling and marketing expenses		(1,099,370)	(1,013,254)
Research and development expenses		(54,373)	(61,187)
General and administrative expenses		(173,566)	(229,713)
Other gains and losses, net	7	(12,820)	12,219
Other income	8	46,960	49,366
Finance costs	9	(12,381)	(8,891)
Impairment losses recognized on goodwill	17	–	(198,917)
Impairment losses recognized on other intangible assets	18	–	(6,845)
Impairment losses (including reversals of impairment losses) on financial assets	10	(923)	(1,959)
Share of result of an associate		–	(1,555)
Loss before income tax	6	(30,716)	(370,119)
Income tax expense	13	(21,395)	(9,867)
Loss for the year		(52,111)	(379,986)
Other comprehensive income/(expense) <i>Item that will not be reclassified subsequently to profit or loss:</i> Fair value gain/(loss) on equity instruments at fair value through other comprehensive income ("FVTOCI")	19	23,170	(33,552)
Other comprehensive income/(expense) for the year		23,170	(33,552)
Total comprehensive expense for the year		(28,941)	(413,538)

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended December 31, 2025

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
<b>Loss for the year attributable to:</b>			
Owners of the Company		(49,018)	(376,498)
Non-controlling interests		(3,093)	(3,488)
		(52,111)	(379,986)
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		(25,848)	(410,050)
Non-controlling interests		(3,093)	(3,488)
		(28,941)	(413,538)
<b>Loss per share (present in RMB YUAN)</b>			
– Basic and diluted	14	(0.04)	(0.28)

# Consolidated Statement of Financial Position

As of December 31, 2025

	Notes	As of December 31,	
		2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	15	48,368	38,840
Right-of-use assets	16	290,634	167,055
Goodwill	17	56,845	56,845
Other intangible assets	18	61,511	92,842
Equity instruments at FVTOCI	19	83,155	59,985
Rental deposits	22	16,905	15,495
Time deposits	23	140,769	–
Total non-current assets		698,187	431,062
<b>Current assets</b>			
Financial assets at fair value through profit or loss (“FVTPL”)	20	244,536	–
Inventories	21	647,733	571,246
Trade and other receivables and prepayments	22	370,216	374,136
Amounts due from related parties	33	1,748	1,651
Restricted bank deposits	23	27,150	36,626
Time deposits	23	415,278	–
Cash and cash equivalents	23	429,323	1,217,954
Total current assets		2,135,984	2,201,613
<b>Total assets</b>		<b>2,834,171</b>	<b>2,632,675</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	27	879	879
Reserves		8,196,938	8,141,528
Accumulated losses		(6,534,374)	(6,482,193)
Equity attributable to owners of the Company		1,663,443	1,660,214
Non-controlling interests		11,466	20,016
<b>Total equity</b>		<b>1,674,909</b>	<b>1,680,230</b>

## Consolidated Statement of Financial Position

As of December 31, 2025

	Notes	As of December 31,	
		2025 RMB'000	2024 RMB'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Contract liabilities	5B	3,987	3,488
Lease liabilities	16	205,368	97,680
Deferred tax liabilities	26	12,753	19,257
<b>Total non-current liabilities</b>		<b>222,108</b>	<b>120,425</b>
<b>Current liabilities</b>			
Trade and other payables	24	808,570	709,526
Amounts due to related parties	33	11,867	16,645
Contract liabilities	5B	28,715	41,380
Lease liabilities	16	71,788	54,929
Income tax payable		11,563	5,820
Bank borrowings	25	4,651	–
Deferred income		–	3,720
<b>Total current liabilities</b>		<b>937,154</b>	<b>832,020</b>
<b>Total liabilities</b>		<b>1,159,262</b>	<b>952,445</b>
<b>Total equity and liabilities</b>		<b>2,834,171</b>	<b>2,632,675</b>

The consolidated financial statements on pages 95 to 192 were approved and authorized for issue by the board of directors on March 20, 2026 and are signed on its behalf by:

Mr. Yang Wenlong  
DIRECTOR

Mr. Xu Ning  
DIRECTOR

# Consolidated Statement of Changes in Equity

For the Year Ended December 31, 2025

	Attributable to owners of the Company										Non-controlling interests (the "NCl")	Total equity
	Share capital	Treasury share reserve	Share premium	FVTOCI reserve	Other reserves	Share-based payments reserves	Statutory reserves	Accumulated losses	Sub-total			
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2024	894	(18,844)	7,479,377	(31,914)	65,090	621,950	16,616	(6,095,747)	2,037,422	(527)	2,036,895	
Loss for the year	-	-	-	-	-	-	-	(376,498)	(376,498)	(3,488)	(379,986)	
Other comprehensive expense for the year	-	-	-	(33,552)	-	-	-	-	(33,552)	-	(33,552)	
<b>Total comprehensive expense for the year</b>	-	-	-	(33,552)	-	-	-	(376,498)	(410,050)	(3,488)	(413,538)	
Transfer to statutory reserves	-	-	-	-	-	-	9,948	(9,948)	-	-	-	
Share-based payments expenses	-	-	-	-	-	96,828	-	-	96,828	-	96,828	
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	4,436	4,436	
Capital withdrawal by non-controlling shareholders (Note ii)	-	-	-	-	-	-	-	-	-	(301)	(301)	
Acquisition of additional interests in subsidiaries (Note iii)	-	-	-	-	(31,836)	-	-	-	(31,836)	27,378	(4,458)	
Dividends declared 29	-	-	-	-	-	-	-	-	-	(7,164)	(7,164)	
Purchase of ordinary shares under 2023 RSU Scheme 28(c)	-	(20,229)	-	-	-	-	-	-	(20,229)	-	(20,229)	
Cancellation of ordinary shares upon repurchase 27	(15)	-	(11,906)	-	-	-	-	-	(11,921)	-	(11,921)	
Deregistration of non-wholly owned subsidiaries (Note iv)	-	-	-	-	-	-	-	-	-	(318)	(318)	
As of December 31, 2024	879	(39,073)	7,467,471	(65,466)	33,254	718,778	26,564	(6,482,193)	1,660,214	20,016	1,680,230	

## Consolidated Statement of Changes in Equity

For the Year Ended December 31, 2025

	Attributable to owners of the Company											
	Notes	Share capital	Treasury share reserve	Share premium	FVTOCI reserve	Other reserves	Share-based payments reserves	Statutory reserves	Accumulated losses	Sub-total	Non-controlling interests (the "NCl")	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the year		-	-	-	-	-	-	-	(49,018)	(49,018)	(3,093)	(52,111)
Other comprehensive income for the year		-	-	-	23,170	-	-	-	-	23,170	-	23,170
<b>Total comprehensive income/ (expense) for the year</b>		-	-	-	23,170	-	-	-	(49,018)	(25,848)	(3,093)	(28,941)
Transfer to statutory reserves		-	-	-	-	-	-	3,163	(3,163)	-	-	-
Share-based payments expenses		-	-	-	-	-	41,813	-	-	41,813	-	41,813
Acquisition of additional interests of a subsidiary		-	-	-	-	-	-	-	-	-	(4)	(4)
Partially disposal of a subsidiary without losing control (Note v)		-	-	-	-	(565)	-	-	-	(565)	2,065	1,500
Dividends declared	29	-	-	-	-	-	-	-	-	-	(7,185)	(7,185)
Purchase of ordinary shares under 2023 RSU Scheme	28(c)	-	(3,130)	-	-	-	-	-	-	(3,130)	-	(3,130)
Repurchase of ordinary shares	27	-	(9,041)	-	-	-	-	-	-	(9,041)	-	(9,041)
Disposal of a subsidiary (Note vi)		-	-	-	-	-	-	-	-	-	(333)	(333)
<b>As of December 31, 2025</b>		879	(51,244)	7,467,471	(42,296)	32,689	760,591	29,727	(6,534,374)	1,663,443	11,466	1,674,909

Notes:

- i. In accordance with the articles of association of the subsidiaries established in the People's Republic of China (the "PRC") and relevant PRC laws and regulations, these subsidiaries are required to transfer at least 10% of their profit after tax, which is determined in accordance with the PRC accounting rules and regulations, to a statutory reserve (including the general reserve fund and enterprise expansion fund, where appropriate). Transfer to this statutory reserve is subject to the approval of the respective director, and is discretionary when the balance of such fund has reached 50% of the registered capital of the respective company. Statutory reserve can be utilized to offset accumulated losses or to increase registered capital of the respective company. And when statutory reserve is utilized to increase registered capital of the respective company, the remaining amount of such reserve shall not be less than 25% of the registered capital of the respective company.
  - ii. In March 2024, the Group's non-wholly owned subsidiary, Jiangxi Dingdang Lexiang E-Commerce Co. Ltd.\* (江西叮嚀樂享電子商務有限公司) was deregistered. Upon the deregistration, RMB301,000 was withdrawn by the non-controlling shareholders.
  - iii. For the year ended December 31, 2024, the Group acquired additional interests in certain non-wholly owned subsidiaries.
  - iv. For the year ended December 31, 2024, the Group's certain non-wholly owned subsidiaries were deregistered.
  - v. In November 2025, the Group partially disposed of 15% of the equity in its wholly-owned subsidiary, Drug Exchange (Shanghai) Pharmaceutical Co., Ltd. (藥交匯(上海)醫藥有限公司) with cash consideration of RMB1,500,000 received.
  - vi. In January 2025, the Group's non-wholly owned subsidiary, Jiangxi Yaojiaohui Information Technology Co., Ltd.\* (江西藥交匯信息技術有限公司) was disposed.
- \* English names are for identification purpose only.

# Consolidated Statement of Cash Flows

For the Year Ended December 31, 2025

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
<b>OPERATING ACTIVITIES</b>		
Loss before income tax	(30,716)	(370,119)
Adjustments for:		
Finance costs	12,381	8,891
Interest income	(27,860)	(28,725)
Net foreign exchange losses/(gains)	11,936	(7,735)
Depreciation of property and equipment	13,998	17,350
Depreciation of right-of-use assets	93,051	84,738
Amortization of other intangible assets	33,661	36,234
Impairment losses (including reversals of impairment losses)		
on financial assets	923	1,959
Impairment loss on:		
– goodwill	-	198,917
– other intangible assets	-	6,845
– Inventories	7,079	(550)
Share-based payments expenses	41,813	96,828
Loss on disposal of property and equipment and other intangible assets	211	736
Loss on early termination of leases	2,014	2,402
Gain on fair value changes of financial assets at FVTPL	(2,079)	(6,136)
Share of result of an associate	-	1,555
Dividends from equity instruments at FVTOCI	(4,052)	(3,864)
Loss on deregistration/disposal of subsidiaries	271	682
<b>Operating cash flows before movements in working capital</b>	<b>152,631</b>	<b>40,008</b>
(Increase)/decrease in inventories	(83,566)	41,631
Decrease in restricted bank deposits	9,476	27,569
Decrease/(increase) in trade and other receivables and prepayments	1,110	(23,884)
Increase in amounts due from related parties	(97)	(774)
Increase/(decrease) in trade and other payables	100,085	(62,766)
(Decrease)/increase in contract liabilities	(12,166)	9,518
Decrease in amounts due to related parties	(4,778)	(29,253)
(Decrease)/increase in deferred income	(3,720)	3,720
<b>Cash from operations</b>	<b>158,975</b>	<b>5,769</b>
<b>Income taxes paid</b>	<b>(22,156)</b>	<b>(17,121)</b>
<b>Net cash from/(used in) operating activities</b>	<b>136,819</b>	<b>(11,352)</b>

## Consolidated Statement of Cash Flows

For the Year Ended December 31, 2025

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>INVESTING ACTIVITIES</b>		
Interest received	27,306	28,190
Proceeds on disposal of property and equipment and other intangible assets	1,094	398
Purchases of financial assets at FVTPL	(2,324,382)	(1,092,147)
Redemption of financial assets at FVTPL	2,081,925	1,241,709
Purchases of property and equipment	(26,330)	(17,128)
Payments for right-of-use assets	(6,574)	(5,719)
Purchases of other intangible assets	(2,746)	(2,258)
Placement of time deposits	(1,397,637)	–
Redemption of time deposits	841,590	–
Net cash inflow on disposal of a subsidiary	509	50
Dividends from equity instruments at FVTOCI	4,052	3,864
<b>Net cash (used in)/from investing activities</b>	<b>(801,193)</b>	<b>156,959</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling shareholders	(7,185)	(15,175)
Repayments of lease liabilities	(86,592)	(80,150)
Interest paid	(12,381)	(8,891)
Payments to the Trustee for share purchase under 2023 RSU Scheme (Note 28(c))	(3,030)	(5,982)
Capital withdrawal by non-controlling shareholders	–	(301)
New bank borrowings raised	4,651	–
Proceeds on partially disposal of a subsidiary without losing control	1,500	–
Capital contributions from non-controlling shareholders	–	1,050
Payments of repurchase and cancellation of ordinary shares	(9,041)	(11,921)
<b>Net cash used in financing activities</b>	<b>(112,078)</b>	<b>(121,370)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(776,452)</b>	<b>24,237</b>
Cash and cash equivalents at the beginning of the year	1,217,954	1,185,898
Effect of foreign exchange rate changes on cash and cash equivalents	(12,179)	7,819
<b>Cash and cash equivalents at the end of the year, represented by</b>	<b>429,323</b>	<b>1,217,954</b>

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 1. GENERAL INFORMATION

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

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

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

### Contractual Arrangements

On May 25, 2021, Dingdang Kuaiyao (BeiJing) Technology Development Co., Ltd.\* (叮嚀快藥(北京)技術開發公司) (the “WFOE”), Dingdang Medicine Express Technology Group Ltd.\* (叮嚀快藥科技集團有限公司) (“Dingdang Medicine Express Technology”), the Controlling Shareholder, Zhuhai Dingdang No. 1 Enterprise Management Consulting Center (Limited Partnership)\* (珠海叮嚀一號企業管理諮詢中心(有限合夥)), Zhuhai Dingdang No. 2 Enterprise Management Consulting Center (Limited Partnership)\* (珠海叮嚀二號企業管理諮詢中心(有限合夥)), Zhuhai Dingdang No. 3 Enterprise Management Consulting Center (Limited Partnership)\* (珠海叮嚀三號企業管理諮詢中心(有限合夥)), and Zhuhai Dingdang No. 4 Investment Center (Limited Partnership)\* (珠海叮嚀四號投資中心(有限合夥)) entered into a series of contractual arrangements (collectively, the “Contractual Arrangements”), which allows the Company to exercise control over the business operation of Dingdang Medicine Express Technology and its subsidiaries (collectively, the “Restricted Subsidiaries”) and enjoy all the economic interests derived therefrom.

The Contractual Arrangements were signed to comply with the relevant laws and regulations in the PRC which restrict foreign ownership of the companies engaged in business of value-added telecommunication service and the online hospital service carried out by the Group, which included exclusive business cooperation agreement, exclusive purchase option agreement, equity pledge agreement, proxy agreement, loan agreement, limited partners undertaking and spouse undertaking. These Contractual Arrangements can be extended at WFOE’s options prior to the expiration date.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 1. GENERAL INFORMATION (CONTINUED)

### Contractual Arrangements (Continued)

The Contractual Arrangements enable the WFOE to control the Restricted Subsidiaries by:

- Irrevocably exercising equity holders' voting rights of Restricted Subsidiaries;
- Exercising effective financial and operational control over of Restricted Subsidiaries;
- Receiving substantially all of the economic interest returns generated by Restricted Subsidiaries in consideration for the technology consulting and services provided by WFOE. WFOE has obligation to grant interest-free loans to the relevant shareholders of Restricted Subsidiaries with the sole purpose of providing funds necessary for the capital contribution to Restricted Subsidiaries;
- Obtaining an irrevocable and exclusive right which WFOE may exercise at any time to purchase all or part of the equity interests in Restricted Subsidiaries from its shareholders at a minimum purchase price permitted under the PRC laws and regulations; and
- Obtaining a pledge over the entire equity interests of Restricted Subsidiaries from its shareholders as collateral security for all of Restricted Subsidiaries' payments due to WFOE and to secure performance of Restricted Subsidiaries' obligation under the Contractual Arrangements.

Total assets of the Group's Restricted Subsidiaries were RMB408 million as of December 31, 2025 (As of December 31, 2024: RMB432 million), and these balances have been reflected in the Group's consolidated financial statements with intercompany balances and transactions within the Group eliminated.

Total revenue of the Group's Restricted Subsidiaries was RMB378 million for the year ended December 31, 2025 (For the year ended December 31, 2024: RMB344 million), and these amounts have been reflected in the Group's consolidated financial statements with intercompany balances and transactions within the Group eliminated.



# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

### 3.1 Basis of consolidation

The consolidated financial statements incorporates the financial statements of the Company and entities (including affiliated entities) controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.1 Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### *Changes in the Group's interests in existing subsidiaries*

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes is not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

### 3.3 Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5B.

### 3.4 Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 Leases at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### *The Group as a lessee*

##### Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.4 Leases (Continued)

#### *The Group as a lessee (Continued)*

##### Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

##### Refundable rental deposits

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.4 Leases (Continued)

#### *The Group as a lessee (Continued)*

##### Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5 Share-based payments

Share-based awards to the Group's employees are granted under share incentive plans. The Group grants its restricted shares, restricted share units (the "RSUs") and share options to the Group's eligible employees, which are recorded in share-based payments reserves in the Group's consolidated statement of financial position.

##### *Equity-settled share-based payment transactions*

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

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

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

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

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.6 Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.6 Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.7 Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.7 Property and equipment (Continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

### 3.8 Other intangible assets

Other intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for other intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.9 Impairment on property and equipment, right-of-use assets and other intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and other intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets, and other intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.10 Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### 3.11 Inventories

Inventories, consisting of products available for sale, are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution. Cost of inventory is determined using the weighted average method. Adjustments are recorded to write down the cost of inventory to the estimated net realizable value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as historical and forecasted consumer demand, and promotional environment. The Group takes ownership, risks and rewards of the products purchased, but has arrangements to return unsold goods with certain vendors.

### 3.12 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.12 Financial instruments (Continued)

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### *(a) Financial assets*

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### *Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.12 Financial instruments (Continued)

#### (a) Financial assets (Continued)

##### *Classification and subsequent measurement of financial assets (Continued)*

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is designated and effective as a hedging instrument.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Equity instruments designated as at FVTOCI

Equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in "other gains and losses".

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.12 Financial instruments (Continued)

#### (a) Financial assets (Continued)

##### *Impairment of subject to impairment assessment under IFRS 9*

The Group performs impairment assessment under ECL model on financial assets (including rental deposits, trade and other receivables, amounts due from related parties, restricted bank deposits and time deposits, cash and cash equivalents), which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivables and amounts due from related parties of trade nature (excluding the prepayments to related parties, where applicable). The ECL on these assets are assessed individually for debtors with significant balances or credit impaired and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

##### *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from consensus of various securities firms, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.12 Financial instruments (Continued)

#### (a) Financial assets (Continued)

##### *Significant increase in credit risk (Continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### *Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.12 Financial instruments (Continued)

##### (a) Financial assets (Continued)

###### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

###### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

###### *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and amounts due from related parties of trade nature using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.12 Financial instruments (Continued)

#### (a) Financial assets (Continued)

##### *Measurement and recognition of ECL (Continued)*

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the directors of the Company to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognized through a loss allowance account.

##### *Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other gains and losses, net' line item (Note 7) as part of the net foreign exchange gains;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other gains and losses, net' line item as part of the gain on fair value changes of financial assets at FVTPL (Note 7);
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the FVTOCI reserve.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.12 Financial instruments (Continued)

#### (a) Financial assets (Continued)

##### *Derecognition of financial assets*

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

#### (b) Financial liabilities and equity

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.12 Financial instruments (Continued)

#### *(b) Financial liabilities and equity (Continued)*

##### *Financial liabilities at amortized cost*

Financial liabilities including trade and other payables and amounts due to related parties are subsequently measured at amortized cost, using the effective interest method.

##### *Derecognition/modification of financial liabilities*

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

#### *Consolidation of affiliated entities*

The Group obtained control of the Restricted Subsidiaries by entering into the Contractual Arrangements. Nevertheless, the Contractual Arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the Restricted Subsidiaries and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Restricted Subsidiaries. The directors of the Company consider that the Contractual Arrangements are in compliance with the relevant PRC Laws and are legally enforceable.

#### *Principal versus agent consideration*

In determining whether the Group is acting as a principal or as an agent in the sales of goods and provision of services, judgement and consideration of all relevant facts and circumstances are required. In evaluation of the Group acting as a principal or an agent, the Group considers whether it obtains control of the good or service before that good or service is transferred to a customer, including whether the Group is primarily responsible for fulfilling the promise to provide the specified good or service, has inventory risk before the specified good or service has been transferred to a customer, has discretion in establishing the price for the specified good or service.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Leases – Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

#### *Estimated impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the group of cash-generating units to which goodwill has been allocated, which is the higher of the value-in-use and fair value less costs of disposal. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the group of cash-generating units and a suitable discount rate in order to calculate the present value. The management of the Company has made key estimations in the value-in-use calculation, which are forecasted average annual revenue growth rate, forecasted average gross profit margins, estimated terminal growth rate beyond the projection period extrapolated and discount rate. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As of December 31, 2025, the carrying amount of goodwill is RMB56.8 million (2024: RMB56.8 million) (net of accumulated impairment loss of nil (2024: RMB198.9 million)). Details of the recoverable amount calculation are disclosed in Note 17.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

##### Key sources of estimation uncertainty (continued)

###### *Estimated impairment of right-of-use assets, property and equipment and other intangible assets*

Right-of-use assets, property and equipment and other intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at December 31, 2025, the carrying amounts of right-of-use assets, property and equipment and other intangible assets subject to impairment assessment were RMB290.6 million, RMB48.4 million and RMB61.5 million (2024: RMB167.1 million, RMB38.8 million and RMB92.8 million) respectively, net of impairment losses of nil (2024: RMB6.8 million) in respect of other intangible assets that have been recognized. Details of the impairment of other intangible assets are disclosed in Note 18.

###### *Useful lives and amortization of other intangible assets*

The Group determines the estimated useful lives and related amortization for the Group's other intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Specifically, the useful life of customer relationship is estimated based on the retention rate of the current customers of the acquisition target as of the acquisition date, the historical retention rate and projected future revenues associated with such customers. Management will revise the amortization charges where useful lives are different from that of previously estimated. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore amortization expense in future periods.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Key sources of estimation uncertainty (continued)

##### *Provision of ECL for trade receivables*

Provision of ECL for trade receivables was estimated based on provision matrix through grouping of various debtors that have similar loss patterns, after considering ageing, internal credit ratings of trade debtors, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. In addition, trade receivables that are credit-impaired are assessed for ECL individually. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 31.

### 5A. SEGMENT INFORMATION

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

The Group's chief operating decision maker, who has been identified as the president, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As the Group's non-current assets (excluding equity instruments at FVTOCI) are all located in the PRC and all the Group's revenue are derived from the PRC, no geographical information is presented. During the year ended December 31, 2025, there is no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue (2024: nil).

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 5B. REVENUE

### (a) Disaggregation of revenue from contracts with customers

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<i>Type of goods or services:</i>		
Product revenue (note i)		
Pharmaceutical and healthcare business	4,744,585	4,539,619
Others (note ii)	143,192	129,459
Total revenue from contracts with customers	4,887,777	4,669,078
<i>Timing of revenue recognition:</i>		
At point in time	4,744,585	4,539,619
Overtime	143,192	129,459
Total	4,887,777	4,669,078

Notes:

- i. The Group primarily sells pharmaceutical and healthcare products through online channels, such as its mobile APP or third-party online platforms, and offline channels, such as its network of physical pharmacies across the PRC. The Group also distributes some of its products to merchant customers. The Group recognizes the product revenue on a gross basis as the Group controls the specified goods before they are transferred to the customer after taking into consideration indicators such as the Group is responsible for fulfilling the promise to provide the specified goods.

Product revenue is recognized at the point in time when the customer obtains control of the products, net of discounts.

- ii. Others represents the marketing services and other revenue.

The Group provides marketing services to third parties on its online and offline channels. The Group recognizes revenue overtime from advertising placements based on the Group's advertising schedules confirmed by customers during the advertising period with an output method, as the customer simultaneously receives and consumes the benefits throughout the period.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 5B. REVENUE (CONTINUED)

#### (b) Contract liabilities

The Group collected payments in advance from customers primarily for sales of pharmaceutical and healthcare products and unearned revenue awards to customers. The Group has recognized the following liabilities related to contracts with customers under “contract liabilities”:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Advance from sales of products	25,050	36,478
Advance service income	809	1,501
Unearned revenue awards to customers	6,843	6,889
Total	32,702	44,868

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Current	28,715	41,380
Non-current	3,987	3,488
	32,702	44,868

As of January 1, 2024, contract liabilities amounted to RMB35.4 million.

The Group has recognized the transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of December 31, 2025, as contract liabilities. The directors of the Company expect that the current contract liabilities will be recognized as revenue within one year, while the non-current contract liabilities will be recognized as revenue over one year but within two years.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 5B. REVENUE (CONTINUED)

#### (c) Revenue recognized in relation to contract liabilities

The following table shows the amount of the revenue recognized for the year ended December 31, 2025 relates to carried-forward contract liabilities:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year:	40,854	31,587

### 6. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Cost of inventories sold (including write-down (reversal of) of inventories amounting to RMB7,079,000 (2024: RMB(550,000))	3,164,264	3,130,729
Employee benefit expenses (including directors' emoluments as set out in Note 11)		
– Salaries and bonuses	301,661	315,455
– Share-based payments expenses (Note 28)	41,813	96,828
– Retirement benefit scheme contributions	25,500	33,477
– Welfare, medical and other benefits	33,163	47,837
Total employee benefit expenses	402,137	493,597
Depreciation of property and equipment	13,998	17,350
Depreciation of right-of-use assets	93,051	84,738
Amortization of other intangible assets	33,661	36,234
Auditor's remuneration	3,940	4,940

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 7. OTHER GAINS AND LOSSES, NET

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Net foreign exchange (losses)/gains	(11,936)	7,735
Loss on disposal of property and equipment and other intangible assets	(211)	(736)
Gain on fair value changes of financial assets at FVTPL	2,079	6,136
Loss on early termination of leases	(2,014)	(2,402)
Others	(738)	1,486
<b>Total</b>	<b>(12,820)</b>	<b>12,219</b>

### 8. OTHER INCOME

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Interest income		
– Bank deposits	27,306	28,190
– Lease deposits	554	535
Government grants (Note)	13,142	12,556
Rental income – fixed	1,906	4,221
Dividends from equity instruments at FVTOCI	4,052	3,864
<b>Total</b>	<b>46,960</b>	<b>49,366</b>

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

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 9. FINANCE COSTS

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	12,381	8,891

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Impairment losses recognized/(reversed) on:		
– Trade receivables	1,892	1,639
– Other receivables	(969)	320
<b>Total</b>	<b>923</b>	<b>1,959</b>

Details of impairment assessment are set out in Note 31.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year ended December 31, 2025, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

(a) The remuneration of directors and chief executive is set out below:

Name	For the year ended December 31, 2025						
	Fees <i>RMB'000</i>	Salaries <i>RMB'000</i>	Performance related bonuses <i>RMB'000</i> (note i)	Share-based payments expenses <i>RMB'000</i>	Retirement benefit scheme contributions <i>RMB'000</i>	Welfare, medical and other benefits <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors:							
Mr. Yang Wenlong (Chairman)	-	-	-	36,234	-	-	36,234
Mr. Yang Yibin	-	499	100	-	60	85	744
Mr. Xu Ning	-	1,231	50	67	94	95	1,537
Mr. Yu Lei (note ii)	-	1,514	4,570	134	66	95	6,379
Mr. Yu Qinglong	-	1,184	50	107	66	95	1,502
Non-executive director:							
Ms. Cai Li (note iii)	-	-	-	-	-	-	-
Ms. Li Chuheng (note iv)	-	-	-	-	-	-	-
Independent non-executive directors:							
Mr. Zhang Shouchuan	307	-	-	-	-	-	307
Dr. Fan Zhenhong	307	-	-	-	-	-	307
Mr. Jiang Shan	307	-	-	-	-	-	307
	921	4,428	4,770	36,542	286	370	47,317

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

(a) The remuneration of directors and chief executive is set out below: (Continued)

Name	For the year ended December 31, 2024						
	Fees	Salaries	Performance related bonuses	Share-based payments expenses	Retirement benefit scheme contributions	Welfare, medical and other benefits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (note i)	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:							
Mr. Yang Wenlong (Chairman)	-	-	-	91,400	-	-	91,400
Mr. Yang Yibin	-	489	330	-	60	85	964
Mr. Xu Ning	-	1,202	89	146	86	93	1,616
Mr. Yu Lei	-	1,294	437	292	65	93	2,181
Mr. Yu Qinglong	-	1,225	74	234	65	93	1,691
Non-executive director:							
Ms. Cai Li (note iii)	-	-	-	-	-	-	-
Independent non-executive directors:							
Mr. Zhang Shouchuan	308	-	-	-	-	-	308
Dr. Fan Zhenhong	308	-	-	-	-	-	308
Mr. Jiang Shan	308	-	-	-	-	-	308
	924	4,210	930	92,072	276	364	98,776

### Notes:

- i. Bonuses are determined based on the Group's performance, performance of the relevant individual within the Group and comparable market statistics.
- ii. Mr. Yu Lei has tendered his resignation as an executive director with effect from February 16, 2026. The information disclosed above represented his emoluments as an executive director during the year ended December 31, 2025. Mr. Meng Fanzhou has been appointed as an executive director with effect from February 16, 2026. His emoluments information is not disclosed before he was appointed as an executive director.
- iii. No emoluments were paid or payable to non-executive directors for the services as directors of the Group. Ms. Cai Li had resigned from her position as a non-executive director with effect from May 30, 2025.
- iv. Ms. Li Chuheng was appointed as a non-executive director with effect from May 30, 2025. No emoluments were paid or payable to non-executive directors for the services as directors of the Group.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

### (a) The remuneration of directors and chief executive is set out below: (Continued)

The executive directors' and independent non-executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: none). No remuneration was paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for the loss of office during the year (2024: none).

During the year ended December 31, 2025, certain directors were granted RSUs, in respect of their services to the Group under the 2023 RSU Scheme (as defined below). Details of the 2023 RSU Scheme are set out in note 28(c).

### (b) Benefits and interests of directors

Except for the emoluments disclosed above, there is no other benefits offered to the directors.

### (c) Directors' termination benefits

No director's termination benefit subsisted at any time for the year ended December 31, 2025 (2024: none).

### (d) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available director's services subsisted at any time for the year ended December 31, 2025 (2024: none).

### (e) Information about loans, quasi-loans and other dealings in favor of directors, their controlled bodies and connected entities

No loans, quasi-loans and other dealings in favor of directors, their controlled bodies corporate and connected entities subsisted at any time for the year ended December 31, 2025 (2024: none).

### (f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 33, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at any time for the year ended December 31, 2025 (2024: none).

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2024: three) directors, whose remuneration is set out in Note 11 above. Details of the remuneration for the year of the remaining one (2024: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Salaries	1,298	1,669
Performance related bonuses	500	557
Retirement benefit scheme contributions	77	136
Welfare, medical and other benefits	72	150
Share-based payments	94	1,686
<b>Total</b>	<b>2,041</b>	<b>4,198</b>

The number of the highest paid employees who are not the directors of the Company whose emoluments fell within the following bands:

	Number of individuals Year ended December 31,	
	2025	2024
Emolument bands (in Hong Kong dollars (the "HKD"))		
HKD1,500,001 to HKD2,000,000	-	1
HKD2,000,001 to HKD2,500,000	1	-
HKD2,500,001 to HKD3,000,000	-	1
<b>Total</b>	<b>1</b>	<b>2</b>

During the year ended December 31, 2025, no emoluments were paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for the loss of office (2024: nil).

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 13. INCOME TAX EXPENSE

### Income tax

#### *Cayman Islands*

Under the current laws of the Cayman Islands, the Company incorporated in the Cayman Islands is not subject to tax on income or capital gains. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

#### *British Virgin Islands*

Under the current laws of the British Virgin Islands, entities incorporated in the British Virgin Islands are not subject to tax on their income or capital gains. Additionally, the British Virgin Islands does not impose a withholding tax on payments of dividends to shareholders.

#### *Hong Kong*

On March 21, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HKD2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HKD2 million.

#### *PRC*

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the standard enterprise income tax rate for PRC operating entities is 25% during the year ended December 31, 2025 (2024: 25%).

Dingdang Medicine Express Technology was subject to a preferential income tax rate of 15%, as Dingdang Medicine Express Technology was qualified as a High-New Technology Enterprises (the "HNTE") and the HNTE qualification was approved and valid for 3 years ended December 31, 2023. The HNTE qualification was further renewed and extended to December 31, 2026 on December 2, 2024.

Certain subsidiaries have been approved as small low-profit enterprises. The entitled subsidiaries are subject to a preferential income tax rate of 5% or 10% during the year ended December 31, 2025 (2024: 5% or 10%).

## 13. INCOME TAX EXPENSE (CONTINUED)

## Income tax (Continued)

*Withholding tax on undistributed dividends*

The EIT Law also imposes a withholding income tax of 10% on dividends distributed by a foreign investment enterprise (the "FIE") to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by an FIE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% of the shares of the FIE) if the Hong Kong holding company qualifies for the beneficial owner criteria. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB145,675,000 as of December 31, 2025 (2024: RMB99,981,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The income tax expense of the Group is analyzed as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Current income tax		
– PRC	26,073	18,448
– HK	1,233	–
	27,306	18,448
Under provision in respect of prior year		
– PRC	593	381
Deferred income tax (Note 26)		
– PRC	(6,504)	(8,962)
	21,395	9,867

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 13. INCOME TAX EXPENSE (CONTINUED)

#### Income tax (Continued)

The income tax expense for the year can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Loss before income tax	(30,716)	(370,119)
Tax calculated at PRC statutory income tax rate of 25%	(7,679)	(92,530)
Tax effects of:		
– Expenses that are not deductible in determining taxable profit	5,914	59,079
– Different tax rates available to different jurisdictions	(1,338)	(6,579)
– Preferential income tax rates applicable to subsidiaries	(1,270)	(475)
– Tax losses not recognized	12,427	39,073
– Utilization of tax losses previously not recognized	(3,325)	(6,663)
– Tax effect of deductible temporary differences previously not recognized net of utilization	16,073	17,581
– Under provision in respect of prior year	593	381
Total income tax expense	21,395	9,867

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 14. LOSS PER SHARE

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

Loss figures are calculated as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(49,018)	(376,498)

Number of shares

	Year ended December 31,	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share*	1,298,503,901	1,322,513,588

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

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended December 31, 2025, the potential ordinary shares were not included in the calculation of diluted loss per share, as taking into account the exercise of the Company's RSUs under the 2023 RSU Scheme (as defined in Note 28) would be anti-dilutive (2024: anti-dilutive). Accordingly, diluted loss per share for the year ended December 31, 2025 is the same as basic loss per share.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 15. PROPERTY AND EQUIPMENT

	Leasehold improvement <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Motor vehicle <i>RMB'000</i>	Machinery <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Total <i>RMB'000</i>
<b>COST</b>						
At January 1, 2024	81,011	29,924	5,094	11,738	15,239	143,006
Additions	7,862	5,120	–	604	5,174	18,760
Disposals	(10,344)	(1,400)	(54)	(157)	(2,214)	(14,169)
At December 31, 2024	78,529	33,644	5,040	12,185	18,199	147,597
Additions	12,389	6,789	699	259	4,562	24,698
Disposals	(2,917)	(2,054)	(585)	(153)	(2,317)	(8,026)
At December 31, 2025	88,001	38,379	5,154	12,291	20,444	164,269
<b>DEPRECIATION</b>						
At January 1, 2024	71,642	21,560	2,674	729	7,837	104,442
Charge for the year	8,161	4,674	722	1,155	2,638	17,350
Eliminated on disposals	(10,344)	(1,124)	(27)	(117)	(1,423)	(13,035)
At December 31, 2024	69,459	25,110	3,369	1,767	9,052	108,757
Charge for the year	4,191	4,144	960	1,248	3,455	13,998
Eliminated on disposals	(2,917)	(1,679)	(520)	(117)	(1,621)	(6,854)
At December 31, 2025	70,733	27,575	3,809	2,898	10,886	115,901
<b>CARRYING AMOUNT</b>						
At December 31, 2025	17,268	10,804	1,345	9,393	9,558	48,368
At December 31, 2024	9,070	8,534	1,671	10,418	9,147	38,840

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 15. PROPERTY AND EQUIPMENT (CONTINUED)

The above items of property and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvement	Over the shorter of the expected life of leasehold improvement or the lease term
Electronic equipment	19.00%-31.67%
Motor vehicle	23.75%
Machinery	9.50%
Furniture and fixtures	19.00%

No impairment losses were recognized to property and equipment for the year ended December 31, 2025 (2024: nil) as detailed disclosed in Note 18.

### 16. LEASES

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements for the year ended December 31, 2025 are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Carrying amount at the beginning of the year	167,055	155,368
Additions	234,672	117,112
Depreciation charge	(93,051)	(84,738)
Early termination	(18,042)	(20,687)
Carrying amount at the end of the year	290,634	167,055

The carrying amounts of right-of-use assets as of December 31, 2025 and the depreciation by classes of right-of-use assets are all buildings for the year ended December 31, 2025.

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	14,991	15,324
Total cash outflow for leases	120,538	110,084

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 16. LEASES (CONTINUED)

### (a) Right-of-use assets (Continued)

The Group leases certain of its offline pharmacies, offices, warehouses and staff quarters which are negotiated for terms ranging from 1 to 10 years for the year ended December 31, 2025 (for the year ended December 31 2024: 1 to 10 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

No impairment losses were recognized to right-of-use assets for the year ended December 31, 2025 (2024: nil) as detailed disclosed in Note 18.

The Group regularly entered into short-term leases for offline pharmacies, offices, warehouses and staff quarters. As of December 31, 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above (2024: similar).

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

### (b) Lease liabilities

The carrying amounts of the Group's lease liabilities for the year ended December 31, 2025 are as follows:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Present value of lease liabilities		
– within one year	71,788	54,929
– between 1 and 2 years	62,885	46,591
– between 2 and 5 years	77,612	39,410
– over 5 years	64,871	11,679
	277,156	152,609
Analyzed as:		
Non-current	205,368	97,680
Current	71,788	54,929
	277,156	152,609

## 16. LEASES (CONTINUED)

## (b) Lease liabilities (Continued)

The lease liabilities were measured at the present value of the lease payments that are not yet paid using incremental borrowing rates. The following table shows the weighted average incremental borrowing rates applied to lease liabilities:

	Year ended December 31,	
	2025 %	2024 %
Incremental borrowing rate	2.16~3.86	2.39~4.07

All leases are entered at fixed rates.

As of December 31, 2025, lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
HKD	908	1,365

The maturity analysis of lease liabilities at each reporting date for the year ended December 31, 2025 are set out in Note 31.

## (c) Major non-cash transactions

During the year ended December 31, 2025, the Group recognized non-cash additions to right-of-use assets and lease liabilities of RMB228,098,000 (2024: RMB111,393,000) and RMB228,098,000 (2024: RMB111,393,000), respectively.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 17. GOODWILL

	<i>RMB'000</i>
<b>COST</b>	
At January 1, 2024	255,762
Deregistration of a subsidiary	(38)
At December 31, 2024 and 2025	255,724
<b>IMPAIRMENT</b>	
At January 1, 2024	–
Impairment loss recognized in the year	(198,917)
Eliminated upon deregistration of a subsidiary	38
At December 31, 2024 and 2025	(198,879)
<b>CARRYING AMOUNT</b>	
At December 31, 2024 and 2025	56,845

For the purpose of impairment testing, goodwill is allocated to a group of cash-generating units. The carrying amounts of goodwill allocated to significant cash-generating units (the “Significant CGUs”) are as follows:

	As of December 31,	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dingdang Smart Pharmacy (Shanghai) Co., Ltd.* (叮嚕智慧藥房(上海)有限公司) (“Shanghai Smart Pharmacy”) and its subsidiaries	10,978	10,978
Dingdang Smart Pharmacy (Beijing) Co., Ltd.* (叮嚕智慧藥房(北京)有限公司) (“Beijing Smart Pharmacy”) and its subsidiaries	4,041	4,041
Dingdang Smart Pharmacy (Guangdong) Co., Ltd.* (叮嚕智慧藥房(廣東)有限公司) (“Guangdong Smart Pharmacy”)	22,231	22,231
Yaofangwang Beijing and its subsidiaries (collectively, the “Renhe Yaofangwang”)	18,266	18,266

\* English names are for identification purpose only.

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

## 17. GOODWILL (CONTINUED)

For the purpose of impairment review as of December 31, 2025, the recoverable amount of the Significant CGUs containing goodwill is determined based on value-in-use calculations by using the discounted cash flow method, based on the following inputs:

## Shanghai Smart Pharmacy and its subsidiaries:

	As of December 31,	
	2025	2024
Financial projection period	5-year	5-year
Forecasted average annual revenue growth rate	5%	5%
Forecasted average gross profit margins	31.9%	33.0%
Estimated terminal growth rate beyond the projection period extrapolated	1.2%	2.1%
Pre-tax discount rate	23.35%	21.84%

## Beijing Smart Pharmacy and its subsidiaries:

	As of December 31,	
	2025	2024
Financial projection period	5-year	5-year
Forecasted average annual revenue growth rate	4%	4%
Forecasted average gross profit margins	30.4%	29.4%
Estimated terminal growth rate beyond the projection period extrapolated	1.2%	2.1%
Pre-tax discount rate	24.93%	22.29%

## Guangdong Smart Pharmacy:

	As of December 31,	
	2025	2024
Financial projection period	5-year	5-year
Forecasted average annual revenue growth rate	6%	9%
Forecasted average gross profit margins	30.8%	30.2%
Estimated terminal growth rate beyond the projection period extrapolated	1.2%	2.1%
Pre-tax discount rate	23.84%	22.11%

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 17. GOODWILL (CONTINUED)

Renhe Yaofangwang:

	As of December 31,	
	2025	2024
Financial projection period	5-year	5-year
Forecasted average annual revenue growth rate	6%	6%
Forecasted average gross profit margins	12.5%	12.5%
Estimated terminal growth rate beyond the projection period extrapolated	1.2%	2.1%
Pre-tax discount rate	23.22%	22.23%

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

The management, together with the Company's valuer, performed impairment test for the goodwill and determined such goodwill was not impaired, since the recoverable amount exceeded the carrying amount for the Significant CGUs containing goodwill by:

	As of December 31,	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Shanghai Smart Pharmacy and its subsidiaries	10,855	13,649
Beijing Smart Pharmacy and its subsidiaries	34,655	19,072
Guangdong Smart Pharmacy	12,001	N/A
Renhe Yaofangwang	10,094	N/A

Management believes that reasonably possible change in any of the aforementioned assumptions would not result in impairment.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 18. OTHER INTANGIBLE ASSETS

	Software <i>RMB'000</i>	Trademark and franchise right <i>RMB'000</i>	Customer relationship <i>RMB'000</i>	Total <i>RMB'000</i>
<b>COST</b>				
At January 1, 2024	74,769	122,424	60,000	257,193
Additions	1,520	783	–	2,303
Disposals	(29)	–	–	(29)
At December 31, 2024	76,260	123,207	60,000	259,467
Additions	2,701	–	–	2,701
Disposals	(543)	–	–	(543)
At December 31, 2025	<b>78,418</b>	<b>123,207</b>	<b>60,000</b>	<b>261,625</b>
<b>AMORTIZATION</b>				
At January 1, 2024	39,014	48,561	36,000	123,575
Charge for the year	10,774	13,460	12,000	36,234
Eliminated on disposals	(29)	–	–	(29)
At December 31, 2024	49,759	62,021	48,000	159,780
Charge for the year	10,042	11,619	12,000	33,661
Eliminated on disposals	(172)	–	–	(172)
At December 31, 2025	<b>59,629</b>	<b>73,640</b>	<b>60,000</b>	<b>193,269</b>
<b>IMPAIRMENT</b>				
At January 1, 2024,	–	–	–	–
Charge for the year	–	6,845	–	6,845
At December 31, 2024 and December 31, 2025	–	6,845	–	6,845
<b>CARRYING AMOUNT</b>				
At December 31, 2025	<b>18,789</b>	<b>42,722</b>	<b>–</b>	<b>61,511</b>
At December 31, 2024	26,501	54,341	12,000	92,842

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 18. OTHER INTANGIBLE ASSETS (CONTINUED)

The estimated useful lives of other intangible assets are as follows:

Category	Estimated useful lives
Software	3-10 years
Trademark and franchise right	5-9 years
Customer relationship	5 years

The trademark acquired from third party is related to three trademark registration certificates granted by Trademark Office of the State Administration for Industry and Commerce of China. The management of the Group considered the trademark would be able to apply on the Company's online medicine trading service or technologies for 9 years with reference to the remaining valid period of such trademark registration certificates.

The franchise rights acquired in the business combinations were related to franchise right contracts. The management of the Group considered the franchise rights would be able to apply on the Company's online medicine trading service or technologies for 5-9 years with reference to the franchise right contracts.

No impairment losses were recognized to right-of use assets, property and equipments and other intangible assets for the year ended December 31, 2025 (2024: nil, nil and RMB6,845,000). As at December 31, 2024, the Group conducted impairment assessment on recoverable amounts of right-of-use assets, property and equipment and other intangible assets of relevant subsidiaries that have indicators of impairment. The Group estimated the recoverable amount of these subsidiaries, each representing an individual cash-generating unit or a group of cash-generating units, where applicable, to which these non-current assets belong when it is not possible to estimate their recoverable amount individually. The recoverable amount of the cash-generating units has been determined based on the estimation of cash flows covering the useful life of the cash-generating units. The calculation uses cash flow projections based on financial budgets approved by the management of the Group with pre-tax discount rates ranging from 19.50% to 22.23% as at December 31, 2024.

### 19. EQUITY INSTRUMENTS AT FVTOCI

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Equity securities	83,155	59,985

The above listed equity investments represent ordinary shares of a company listed on the Stock Exchange. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these equity instruments at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 19. EQUITY INSTRUMENTS AT FVTOCI (CONTINUED)

During the year ended December 31, 2025, fair value gain of RMB23,170,000 (2024: fair value loss of RMB33,552,000) was recorded and charged to other comprehensive income (2024: expense).

### 20. FINANCIAL ASSETS AT FVTPL

	As of December 31,	
	2025 RMB'000	2024 RMB'000
<b>Current:</b>		
Financial products issued by banks (Note)	242,056	–
Equity securities	2,480	–
	<b>244,536</b>	<b>–</b>

Note: The financial products of RMB30,000,000 were issued by a bank in the PRC with expected rates of return (not guaranteed) which is linked to the fluctuation of gold price. The remaining financial products of RMB212,056,000 were issued by banks, which are short-term investments with expected rates of return (not guaranteed), depending on the market price of underlying financial instruments, including treasury bonds, central bank bills and other financial assets. The financial products were classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

The Group managed and evaluated the performance of investments on a fair value basis in accordance with the Group's risk management and investment strategy. Details of fair value measurements are set out in Note 31.

### 21. INVENTORIES

Inventories consist of the following:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Products	646,514	571,149
Others	1,219	97
	<b>647,733</b>	<b>571,246</b>

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
<b>Current:</b>		
(a) Trade receivables		
Trade receivables from third parties	123,305	120,940
Less: allowance for ECL	(2,589)	(2,695)
Subtotal	120,716	118,245
(b) Other receivables and prepayments		
Welfare receivable	1,441	1,800
Advance to suppliers	38,242	35,625
Prepaid expenses	47,356	39,038
Recoverable value-added tax	42,743	37,470
Receivable from third-party online platforms	102,535	119,166
Deposits receivables	10,835	13,986
Others	8,691	12,118
Less: allowances for ECL	(2,343)	(3,312)
Subtotal	249,500	255,891
Total	370,216	374,136
<b>Non-current:</b>		
Rental deposits	16,905	15,495
	16,905	15,495

As of January 1, 2024, trade receivables from third parties amounted to RMB114.4 million.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

As of December 31, 2025, trade and other receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
HKD	156	509

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

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Within 3 months	106,132	99,516
3 to 6 months	8,456	7,784
6 to 12 months	4,323	7,396
Over 12 months	4,394	6,244
Less: allowance for ECL	(2,589)	(2,695)
	120,716	118,245

As of December 31, 2025, included in the Group's trade receivables balance was debtors with aggregate carrying amount of RMB17.2 million (2024: RMB27.0 million), which were past due but not impaired as of the reporting date. The Group has not provided an impairment loss as the credit quality of these customers had not seen deteriorated. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 31.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 23. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND TIME DEPOSITS

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
<b>Cash and bank balances denominated in</b>		
United States Dollar ("USD")	151,961	313,503
HKD	43,218	143,582
Euro ("EUR")	1,167	–
RMB	232,977	760,869
	429,323	1,217,954
<b>Restricted bank deposits denominated in</b>		
RMB	27,150	36,626
<b>Time deposits denominated in</b>		
USD	214,955	–
HKD	74,154	–
RMB	266,938	–
	556,047	–
	1,012,520	1,254,580

#### *Bank balances*

For the year ended December 31, 2025, bank balances carry interest at market rates which range from 0.05% to 3.86% per annum (2024: 0.10% to 3.70% per annum).

#### *Restricted bank deposits*

For the year ended December 31, 2025, restricted bank deposits carry fixed interest rates which range from 0.65% to 1.20% per annum (2024: 0.15% to 1.85%). Restricted bank deposits amounting to RMB27.2 million (2024: RMB36.6 million) are primarily pledged to secure notes payables.

#### *Time deposits*

For the year ended December 31, 2025, time deposits with original maturity over three months carry fixed interest rates which range from 1.15% to 3.76% per annum (2024: N/A). Time deposits amounting to RMB140.8 million (2024: nil), with maturities exceeding one year as of December 31, 2025, are therefore classified as non-current assets. The remaining amounting to RMB415.3 million are classified as current assets.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 24. TRADE AND OTHER PAYABLES

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Trade payables	462,670	351,191
Notes payables	22,073	22,960
Subtotal	484,743	374,151
Salary and welfare payables	101,754	120,806
Other tax payable	9,069	4,572
Payables for delivery	44,043	46,643
Payables for service fee	40,207	29,494
Accrued expenses	86,005	83,877
Receipt on behalf of third-party merchants	18,411	25,789
Rental received in advance	744	670
Deposits payable	16,482	15,812
Payable for property and equipment	1,231	2,908
Others	5,881	4,804
Subtotal	323,827	335,375
Total	808,570	709,526

As of December 31, 2025, trade and other payables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
USD	16,346	16,978
HKD	421	404

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 24. TRADE AND OTHER PAYABLES (CONTINUED)

The credit period of trade payables is ranging from 30 to 60 days. An aging analysis of the trade payables and notes payables based on the invoice date as of December 31, 2025 is as follows:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Within 3 months	427,620	307,142
3 to 6 months	38,591	33,299
6 to 12 months	9,892	13,531
Over 12 months	8,640	20,179
Total	484,743	374,151

### 25. BANK BORROWINGS

The Group has entered into certain supplier finance arrangements with a bank. As of December 31, 2025, bank borrowings under supplier finance arrangements were amounted to RMB4,651,000 (2024: nil). Under these arrangements, the bank pay suppliers the amounts owed by the Group and the Group's obligations to suppliers are legally extinguished on settlement by the bank. The Group then settles with the bank after settlement by the banks with nominal interest rate ranges from 9%-11% per annum. The bank has offered a preferential interest-free period for repayment within 45 days and therefore no interests generated during the year ended December 31, 2025. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. The borrowings were borrowed by some subsidiaries and were secured by managements of these subsidiaries.

### 26. DEFERRED TAX ASSETS/(LIABILITIES)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Deferred tax assets	–	–
Deferred tax liabilities	(12,753)	(19,257)
	(12,753)	(19,257)

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 26. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The following are the major deferred tax assets/(liabilities) recognized and movements thereon during the current and prior years:

	Tax losses <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Revaluation in acquisitions <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2024	2,615	(38,842)	34,623	(26,615)	(28,219)
(Charge)/credit to profit or loss	(408)	(2,922)	3,288	9,004	8,962
At December 31, 2024	2,207	(41,764)	37,911	(17,611)	(19,257)
Credit/(charge) to profit or loss	1,348	(30,895)	29,236	6,815	6,504
At December 31, 2025	3,555	(72,659)	67,147	(10,796)	(12,753)

At the end of the reporting period, the Group has unused tax losses of approximately RMB737,969,000 (2024: RMB944,217,000) available for offset against future profits. A deferred tax asset has been recognized in respect of approximately RMB14,218,000 (2024: RMB8,827,000) of such losses. No deferred tax asset has been recognized in respect of the remaining approximately RMB723,751,000 (2024: RMB935,390,000) due to the unpredictability of future profit streams. The unrecognized tax losses with expiry dates are disclosed in the following table.

	As of December 31,	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
2025	–	128,994
2026	174,225	224,749
2027	99,551	126,429
2028	129,567	155,520
2029	130,966	158,305
2030	94,903	46,854
2031	39,066	39,066
2032	40,319	40,319
2034	15,154	15,154
	723,751	935,390

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 26. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

As of December 31, 2025, the Group has deductible temporary differences of RMB1,106,435,000 (2024: RMB1,042,143,000). No deferred tax asset has been recognized in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

### 27. SHARE CAPITAL

#### Authorized

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

	Number of ordinary shares	Nominal value of ordinary shares USD
<b>Issued and fully paid</b>		
As of January 1, 2024	1,341,472,897	134,147
Share repurchased and cancelled	(22,000,000)	(2,200)
As of December 31, 2024 and 2025	1,319,472,897	131,947
	<b>As of December 31,</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Presented as:</b>		
Share capital	879	879

During the year ended December 31, 2025, the Company repurchased a total of 9,256,500 ordinary shares on the Stock Exchange for an aggregate consideration of approximately HKD10.0 million (including all the relevant expenses, equivalent to RMB9,041,000). The repurchased ordinary shares were for cancellation but not yet cancelled subsequently by the date of this report.

## 28. SHARE-BASED PAYMENTS

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

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Restricted shares	36,965	92,989
Share options	360	2,358
RSUs	4,488	1,481
	41,813	96,828

### (a) Details of the restricted shares

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

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

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

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 28. SHARE-BASED PAYMENTS (CONTINUED)

### (a) Details of the restricted shares (Continued)

In September 2023, supplementary agreements were signed under the 2020 Share Incentive Plan by adding certain performance conditions. Since the performance targets for the year ended December 31, 2025 were not met (2024: not met), 40% restricted shares for the common grantees (2024: 30% restricted shares for the common grantees) that should have been vested in 2025, were not vested and will be vested upon the approval from a committee comprising of Controlling Shareholder (the "Administrator"). These supplementary agreements did not have an accounting impact on the share-based payments expenses of the Group as the modification is not beneficial to employees.

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

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

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

	Number of restricted shares for common grantees	Number of restricted shares for special grantees	Total	Weighted- average grant date fair value RMB
Outstanding as of January 1, 2024, December 31, 2024 and December 31, 2025	54,400,000	21,833,330	76,233,330	0.50

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 28. SHARE-BASED PAYMENTS (CONTINUED)

#### (a) Details of the restricted shares (Continued)

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

	Number of restricted shares for the Controlling Shareholder	Weighted- average grant date fair value <i>RMB</i>
Outstanding as of January 1, 2024	78,476,154	5.32
Vested	(13,079,359)	5.32
Outstanding as of December 31, 2024	65,396,795	5.32
Vested	(13,079,359)	5.32
Outstanding as of December 31, 2025	52,317,436	5.32

Movement of the restricted shares for directors, which has been included in common grantees and the Controlling Shareholder under Founder Incentive Scheme as shown above, is as follows:

	Number of restricted shares for directors	Weighted- average grant date fair value <i>RMB</i>
Outstanding as of January 1, 2024	101,476,154	4.23
Vested	(13,079,359)	5.32
Outstanding as of December 31, 2024	88,396,795	4.07
Vested	(13,079,359)	5.32
Outstanding as of December 31, 2025	75,317,436	3.85

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 28. SHARE-BASED PAYMENTS (CONTINUED)

#### (a) Details of the restricted shares (Continued)

The valuation of the restricted shares were conducted by the management with reference to valuation carried out by independent qualified professional valuer who has appropriate qualifications and experiences in valuation of similar instruments. Restricted shares for common grantees and special grantees were priced using the value of the ordinary share of Dingdang Medicine Express Technology which determined by the discounted cash flow method with a DLOM. Restricted shares for the Controlling Shareholder were priced using the value of ordinary share of the Company which determined by the back-solve method with a DLOM. The key inputs used to evaluate the fair value of restricted shares on the grant date are as follows:

	Restricted shares for common grantees	Restricted shares for special grantees	Restricted shares for the Controlling Shareholder
Discount rate	23%	23%	N/A
DLOM	28%-30%	28%	10.5%-20.5%

Share-based payments expenses of RMB36,965,000 for restricted shares have been recognized in profit or loss for the year ended December 31, 2025 (2024: RMB92,989,000).

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

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

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 28. SHARE-BASED PAYMENTS (CONTINUED)

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

Details of the employees' share option is as follows:

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

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

	Number of share options	Weighted average exercise price <i>RMB</i>	Weighted average remaining term <i>Year</i>
Outstanding as of January 1, 2024	6,616,000	0.1	6.42
Forfeited	(36,000)	0.1	
Vested	(5,340,000)	0.1	
Outstanding as of December 31, 2024	1,240,000	0.1	5.41
Vested	(1,240,000)	0.1	
Outstanding as of December 31, 2025	–	–	4.41

As at December 31, 2025, 10,474,000 options have been vested and were exercisable (2024: 9,234,000 options).

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 28. SHARE-BASED PAYMENTS (CONTINUED)

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

The valuation of the share option were conducted by the management with reference to valuation carried out by independent qualified professional valuer who has appropriate qualifications and experiences in valuation of similar instruments. Options were priced using a binomial option pricing model. The main inputs used in the model include fair value of the Company's share as of the grant date, exercise price, expected volatility, expected life and risk-free interest rate. The inputs used in the model are as follows:

	Share options to common grantees	Share options to special grantees
Grant date	30/05/2020	30/05/2020
Exercise price	RMB0.1	RMB0.1
Expected life (years)	10	10
Expected volatility	52.82%	52.82%
Risk-free interest	2.71%	2.71%
Fair value as of grant date (per share)	RMB2.0663	RMB2.0653

Share-based payments expenses of RMB360,000 for share options has been recognized in profit or loss for the year ended December 31, 2025 (2024: RMB2,358,000).

### (c) Details of the RSUs

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

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

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 28. SHARE-BASED PAYMENTS (CONTINUED)

#### (c) Details of the RSUs (Continued)

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

	Number of RSUs for 2022 Grantee	Grant date fair value <i>RMB</i>
Outstanding as of January 1, 2024, December 31, 2024 and December 31, 2025	810,000	9.85

The valuation of the RSUs were conducted by the management with reference to valuation carried out by independent qualified professional valuer who has appropriate qualifications and experiences in valuation of similar instruments. RSUs for 2022 Grantee were priced using binomial option pricing model. The key inputs used to evaluate the fair value of RSUs on the grant date are as follows:

	RSUs for 2022 Grantee
Grant date	30/09/2022
Exercise price	RMB0.1
Expected life (years)	10
Expected volatility	53.00%
Risk-free interest	2.78%
Fair value as of grant date (per share)	RMB9.8496

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 28. SHARE-BASED PAYMENTS (CONTINUED)

#### (c) Details of the RSUs (Continued)

A restricted share unit scheme (the “2023 RSU Scheme”) was adopted by the Company on June 27, 2023 (the “Adoption Date”). The 2023 RSU Scheme was contemplated and adopted to be funded solely by the existing ordinary shares of the Company. The maximum number of shares to be awarded under the 2023 RSU Scheme will be 2.0% of the total issued ordinary shares of the Company as at the Adoption Date. Pursuant to the 2023 RSU Scheme, the Company will purchase the existing shares through CMB Wing Lung (Trustee) Limited (the “Trustee”) on the secondary market with the self-owned funds, and the Trustee has been appointed by the Company for the administration of the 2023 RSU Scheme. For the year ended December 31, 2025, the Trustee purchased 3,000,000 (2024: 12,450,000) ordinary shares, which will be granted to the eligible participants, with a total consideration of HK\$3,435,000 (equivalent to RMB3,130,000) (2024: HK\$22,258,000 (equivalent to RMB20,229,000)), and the details of purchase during the year ended December 31, 2025 are as follows:

Month of repurchase	No. of ordinary shares	Price per share		Aggregate consideration paid HK\$'000
		highest HK\$	lowest HK\$	
November	3,000,000	1.1900	1.0943	3,435

The cost of the shares purchased was recognized in equity as treasury share reserve.

As of December 31, 2025, the Trustee cumulatively purchased 23,100,000 (2024: 20,100,000) of the existing ordinary shares of the Company. 5,859,000 (2024: nil) ordinary shares, which included 630,000 (2024: nil) ordinary shares granted to the directors of the Company, were granted in accordance with IFRS 2 after a shared understanding was came into with eligible participants about the detail performance arrangements and the remaining 17,241,000 (2024: 20,100,000) ordinary shares were not granted in accordance with IFRS 2 since no detail performance arrangements with eligible participants were existed at the end of the reporting period.

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

	Number of RSUs for 2023 RSU Scheme	Grant date fair value* RMB
Outstanding as of January 1, 2024 and December 31, 2024	–	–
Granted	5,859,000	0.9380
Outstanding as of December 31, 2025	5,859,000	0.9380

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

The time-based condition for 2023 RSU Scheme is that 30%, 30% and 40% in sequence can be vested on May 31, 2026, 2027 and 2028 upon satisfaction of the performance appraisal which is written confirmed by the scheme committee.

Share-based payments expenses of RMB4,488,000 for RSUs have been recognized in profit or loss for the year ended December 31, 2025 (2024: RMB1,481,000).

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 29. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2025 (2024: nil).

During the year ended December 31, 2025, a dividend for the year ended December 31, 2024 to the non-controlling interests of RMB7,185,000 was declared and paid by certain subsidiaries.

During the year ended December 31, 2024, a dividend to the non-controlling interests of RMB7,164,000 was declared and paid by certain subsidiaries. During the year ended December 31, 2024, dividend payable to the non-controlling interests for the year ended December 31, 2022 which was declared in the year ended December 31, 2023, amounting to RMB8,011,000, was paid by certain subsidiaries.

## 30. OPERATING LEASING ARRANGEMENTS

### The Group as lessor

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

Undiscounted lease payments receivable on leases are as follows:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Within one year	2,158	1,641
In the second year	1,289	1,189
In the third year	1,104	838
In the fourth year	893	681
In the fifth year	297	186
	5,741	4,535

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 31. FINANCIAL INSTRUMENTS

### 31.1 Financial instruments by categories

	As of December 31,	
	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>		
Financial assets at amortized cost	1,270,977	1,531,279
Financial assets at FVTPL	244,536	–
Equity instruments at FVTOCI	83,155	59,985
<b>Financial liabilities</b>		
Financial liabilities at amortized cost	627,516	516,246

### 31.2 Financial risk management

The Group's activities expose it to a variety of financial risks, such as market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors of the Company.

The Group's major financial instruments include financial assets at FVTPL, rental deposits, equity instruments at FVTOCI, trade and other receivables, restricted bank deposits and time deposits, cash and cash equivalents, amounts due from related parties, lease liabilities, bank borrowings, trade and other payables and amounts due to related parties. Details of the financial instruments are disclosed in respective notes. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

## 31.2 Financial risk management (Continued)

*(a) Market risk**Foreign exchange risk*

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

As of December 31, 2025, the Group had the following financial assets and financial liabilities, which were cash and cash equivalents, financial assets at FVTPL, time deposits, lease liabilities, rental deposits, and other payables, denominated in currencies other than RMB.

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Assets:		
– HKD	120,008	143,989
– USD	366,916	313,503
– EUR	1,167	–
Liabilities:		
– HKD	1,329	1,769
– USD	16,346	16,978

*Sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusted their transaction at year end for a 5% change in foreign currency rates. The sensitivity analysis includes cash and cash equivalents, financial assets at FVTPL, time deposits, rental deposits, lease liabilities, and other payables. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rates.

If 5% weakening/strengthening of USD, EUR and HKD against RMB, the Group's post-tax loss for the year ended December 31, 2025 would increase/decrease by RMB23,521,000 (2024: increase/decrease by RMB21,937,000). This is mainly attributable to the Group's exposure to foreign currencies rates of USD and HKD on its cash and cash equivalents as of December 31, 2025.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### 31.2 Financial risk management (Continued)

#### (a) Market risk (Continued)

##### *Interest rate risk*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk. The Group's cash flow interest rate risk primarily arose from cash and cash equivalents and restricted bank deposits, details of which have been disclosed in Note 23. The Group's fair value interest risk primarily arises from lease liabilities, details of which have been disclosed in Note 16.

No sensitivity analysis on interest rate risk on bank balance is presented as management consider the sensitivity on interest rate risk on bank balance are insignificant.

##### *Other price risk*

The Group is exposed to price risk in respect of its investments in financial products issued by banks and equity securities issued by listed companies measured as financial assets at FVTPL and equity securities measured at FVTOCI. The above financial instruments are exposed to price risk because of changes in market prices, where changes are caused by factors specific to the individual financial instruments or their issuers, or factors affecting all similar financial instruments traded in the market.

If the prices of quoted equity securities measured at FVTOCI categorized within Level 1 had been 5% higher/lower, the other comprehensive income (2024: expense) for the year ended December 31, 2025 would increase/decrease (2024: decrease/increase) by RMB4,158,000 (2024: RMB2,999,000) as a result of the changes in fair value of equity instruments at FVTOCI.

If the prices of financial products issued by banks categorized within Level 3 had been 5% higher/lower, the loss for the year ended December 31, 2025 would decrease/increase by RMB10,603,000 (2024: nil) as a result of the changes in fair value of financial products issued by banks.

The other price risk of equity securities issued by listed companies measured as financial assets at FVTPL is not considered to be significant.

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### 31.2 Financial risk management (Continued)

#### *(b) Credit risk and impairment assessment*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is mainly associated with cash and cash equivalents, restricted bank deposits and time deposits, rental deposits, trade and other receivables and amounts due from related parties. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's cash and cash equivalents, restricted bank deposits and time deposits, are mainly deposited in state-owned or reputable financial institutions in Mainland China and reputable international financial institutions outside of Mainland China. There has been no recent history of default in relation to these financial institutions. The Group considers the instruments have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are insignificant during the year ended December 31, 2025 (2024: insignificant). The Group considers that there is no significant credit risk and no material losses due to the default of the other parties.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position.

The Group also has concentration of credit risk on trade receivables. As of December 31, 2025, 9.35% (2024: 8.93%) of the total trade receivable was due from the Group's largest customer, and 10.34% (2024: 27.11%) of the total trade receivables were due from the Group's top five customers, respectively.

In order to minimize credit risk, the Group has tasked its credit management team to develop and maintain the credit risk grading for the Group's trade receivables and other receivables and to categorize exposures according to their degree of risk of default. The credit management team uses publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### 31.2 Financial risk management (Continued)

#### (b) Credit risk and impairment assessment (Continued)

The table below set forth how the Group defines the credit risk grading of its counterparties and its accounting policies for recognition of ECL:

Category	Group definition of category	Basis for recognition of ECL	
		Trade receivables and amounts due from related parties of trade nature	Other receivables
Performing	The counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	N/A	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit- impaired	Lifetime ECL – credit- impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Asset is written off	Asset is written off

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### 31.2 Financial risk management (Continued)

##### (b) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or Lifetime ECL	Gross carrying amount as of December 31,	
					2025 RMB'000	2024 RMB'000
Financial assets at amortized cost						
Cash and cash equivalents	23	N/A	Performing	12m ECL	429,323	1,217,954
Restricted bank deposits	23	N/A	Performing	12m ECL	27,150	36,626
Time deposits	23	N/A	Performing	12mECL	556,047	-
Trade receivables	22	N/A	(Note)	Lifetime ECL – not credit – impaired	123,305	120,940
Other receivables	22	N/A	Performing	12m ECL	122,059	145,168
Amounts due from related parties of trade nature	*	N/A	(Note)	Lifetime ECL – not credit – impaired	1,120	1,103
Rental deposits	22	N/A	Performing	12m ECL	16,905	15,495

\* Prepayments to related parties included in the total balance of amounts due from related parties of trade nature, amounting to RMB628,000 as of December 31, 2025 (2024: RMB548,000), are not subject to ECL assessment.

Note: The directors of the Company estimates the amount of lifetime ECL of trade receivables and amounts due from related parties of trade nature based on provision matrix through grouping of various debtors that have similar loss patterns, after considering aging, internal credit ratings of trade debtors, repayment history and/or past due status of respective trade receivables and amounts due from related parties of trade nature. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. In addition, trade receivables and amounts due from related parties of trade nature with significant balances or credit-impaired are assessed for ECL individually.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### 31.2 Financial risk management (Continued)

#### (b) Credit risk and impairment assessment (Continued)

On that basis, the loss allowance as of December 31, 2025 was determined as follows for trade receivables and amounts due from related parties of trade nature which were assessed on a collective basis by using provision matrix within lifetime ECL (not credit impaired).

As of December 31, 2025

Provision on collective basis	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Lifetime expected credit loss rate	0.62%	20.48%	71.00%	65.69%	2.08%
Gross carrying amount (RMB'000)	118,931	4,004	907	583	124,425
Loss allowance (RMB'000)	(742)	(820)	(644)	(383)	(2,589)

As of December 31, 2024

Provision on collective basis	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Lifetime expected credit loss rate	0.54%	22.69%	65.12%	71.57%	2.21%
Gross carrying amount (RMB'000)	115,596	5,122	625	700	122,043
Loss allowance (RMB'000)	(625)	(1,162)	(407)	(501)	(2,695)

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

## 31.2 Financial risk management (Continued)

*(b) Credit risk and impairment assessment (Continued)*

The following table shows the movement in lifetime ECL that has been recognized for trade receivables and amounts due from related parties of trade nature under the simplified approach.

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As of January 1, 2024	1,056	–	1,056
Impairment losses reversed due to financial instruments recognized at January 1, 2024	(526)	–	(526)
Impairment losses recognized due to new financial assets originated	2,165	–	2,165
As of December 31, 2024	2,695	–	2,695
Impairment losses reversed due to financial instruments recognized at December 31, 2024	(1,587)	–	(1,587)
Impairment losses recognized due to new financial assets originated	3,479	–	3,479
Transfer to lifetime ECL (credit-impaired)	(1,998)	1,998	–
Written-off	–	(1,998)	(1,998)
As of December 31, 2025	2,589	–	2,589

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### 31.2 Financial risk management (Continued)

#### (b) Credit risk and impairment assessment (Continued)

The following tables show reconciliation of loss allowances that has been recognized for other receivables.

	12m ECL RMB'000
As of January 1, 2024	2,992
Impairment losses reversed due to financial instruments recognized at January 1, 2024	(2,992)
Impairment losses recognized due to new financial assets originated	3,312
As of December 31, 2024	3,312
Impairment losses reversed due to financial instruments recognized at December 31, 2024	(3,312)
Impairment losses recognized due to new financial assets originated	2,343
As of December 31, 2025	2,343

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, on which the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

## 31.2 Financial risk management (Continued)

*(c) Liquidity risk*

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details remaining contractual maturity of the Group's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities on the earliest date on which the Group can be required to pay. The maturity dates are based on the agreed repayment dates.

The table includes both interest and principal cash flows.

	Weighted average interest rate	Carrying amount <i>RMB'000</i>	On demand or less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As of December 31, 2025</b>							
Trade and other payables	-	610,998	610,998	-	-	-	610,998
Amounts due to related parties	-	11,867	11,867	-	-	-	11,867
Lease liabilities	2.16%-3.86%	277,156	81,577	71,059	90,109	70,605	313,350
Bank Borrowings	-	4,651	4,651	-	-	-	4,651
		904,672	709,093	71,059	90,109	70,605	940,866
<b>As of December 31, 2024</b>							
Trade and other payables	-	499,601	499,601	-	-	-	499,601
Amounts due to related parties	-	16,645	16,645	-	-	-	16,645
Lease liabilities	2.39%~4.07%	152,609	60,862	50,939	44,299	13,452	169,552
		668,855	577,108	50,939	44,299	13,452	685,798

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### 31.3 Capital risk 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 enhance shareholders' value in the long-term.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new shares issues as well as raising of borrowings.

### 31.4 Fair value measurement of financial instruments

#### *Determination of fair value and fair value hierarchy*

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

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

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

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

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### 31.4 Fair value measurement of financial instruments (Continued)

#### *Determination of fair value and fair value hierarchy (Continued)*

- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

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

	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As of December 31, 2025</b>				
Assets:				
Financial assets at FVTPL	2,480	30,000	212,056	244,536
Equity instruments at FVTOCI	83,155	–	–	83,155
<b>As of December 31, 2024</b>				
Assets:				
Equity instruments at FVTOCI	59,985	–	–	59,985

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### 31.4 Fair value measurement of financial instruments (Continued)

#### *Determination of fair value and fair value hierarchy (Continued)*

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

Financial assets	Fair value as of December 31,		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>				
Equity securities issued by a listed company	83,155	59,985	Level 1	Quoted bid prices in an active market.	N/A	N/A
Equity securities issued by listed companies	2,480	–	Level 1	Quoted bid prices in an active market.	N/A	N/A
Financial products issued by banks	30,000	–	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates which are linked to the fluctuation of gold price and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
Financial products issued by banks	212,056	–	Level 3	Discounted cash flow Future cash flows are estimated based on estimated return.	Estimated return	The higher the estimated return, the higher the fair value, vice versa

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

## 31.4 Fair value measurement of financial instruments (Continued)

*Determination of fair value and fair value hierarchy (Continued)*

During the year ended December 31, 2025, the changes in the input of the financial instruments as listed in the table above resulted in the following changes in the Group's results:

For assets and liabilities that are measured at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting end. During the year ended December 31, 2025, there were no transfers among different levels of fair values measurement (2024: none).

*Reconciliation of Level 3 fair value measurements:*

	Financial products issued by banks RMB'000
As of January 1, 2024	–
Purchase	942,147
Redemption	(945,187)
Changes in fair value	3,040
As of December 31, 2024	–
Purchase	2,057,803
Redemption	(1,849,602)
Changes in fair value	3,855
As of December 31, 2025	212,056

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

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

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities <i>RMB'000</i>	Dividends payable <i>RMB'000</i>	Bank borrowings <i>RMB'000</i>	Total <i>RMB'000</i>
Liabilities from financing activities				
as of January 1, 2024	140,210	8,011	–	148,221
Financing cash flows	(89,041)	(15,175)	–	(104,216)
Additions	111,393	–	–	111,393
Finance costs (Note 9)	8,891	–	–	8,891
Dividends declared	–	7,164	–	7,164
Early termination of a lease	(18,844)	–	–	(18,844)
Liabilities from financing activities				
as of December 31, 2024	152,609	–	–	152,609
Financing cash flows	(98,973)	(7,185)	4,651	(101,507)
Additions	228,098	–	–	228,098
Finance costs (Note 9)	12,381	–	–	12,381
Dividends declared	–	7,185	–	7,185
Early termination of a lease	(16,959)	–	–	(16,959)
Liabilities from financing activities				
as of December 31, 2025	<b>277,156</b>	–	<b>4,651</b>	<b>281,807</b>

### 33. RELATED PARTY TRANSACTIONS

#### (a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the years ended December 31, 2024 and 2025.

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

\* English names are for identification purpose only.

#### (b) Transactions with related parties

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

Name of related parties	Nature of balances/ transactions	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Product sales	1,367	182
	Purchase of goods	146,897	158,889
	Brand usage fee	2,137	3,754
	Expense relating to short-term leases	3,786	3,793
	Service fee	1,914	1,937
Renhe (Group)	Product sales	2	6
	Brand usage fee	2,389	3,105
Other related parties	Product sales	–	2

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

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 33. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Balances with related parties

##### *Amounts due from related parties*

Name of related parties	Nature of balances/ transactions	As of December 31,	
		2025 RMB'000	2024 RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Trade	1,748	1,651

##### *Amounts due to related parties*

Name of related parties	Nature of balances/ transactions	As of December 31,	
		2025 RMB'000	2024 RMB'000
Renhe Pharmacy Co., Ltd. and its subsidiaries	Trade (note i)	11,845	14,183
Renhe (Group)	Non-trade (notes ii/iii)	22	2,439
Other related parties	Non-trade (note ii)	–	23
<b>Total</b>		<b>11,867</b>	<b>16,645</b>

Notes:

- i. The amount included notes payables of RMB11,335,000 (2024: RMB12,264,000).
- ii. The amount is unsecured, interest free and repayable on demand.
- iii. The amount primarily included brand usage fee payables, which was recognized as amounts due to related parties of non-trade nature.

**33. RELATED PARTY TRANSACTIONS (CONTINUED)****(d) Key management personnel compensation**

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Salaries and bonuses	11,162	8,066
Share-based payments	36,542	92,072
Retirement benefit scheme contributions	439	416
Welfare, medical and other benefits	465	457
	<b>48,608</b>	<b>101,011</b>

**34. RETIREMENT BENEFITS SCHEMES**

The employees of the Group in mainland China are members of a state-managed retirement benefit scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The Group also participates in mandatory provident fund scheme ("MPF Scheme") for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The Group contributes 5% of relevant payroll costs to the Scheme.

During the years ended December 31, 2025 and 2024, there was no forfeited contribution available for the Group to reduce its existing level of contributions. There was also no forfeited contributions available as of December 31, 2025 and 2024 under such schemes which may be used by the Group to reduce the contribution payable in future years.

The amounts of contributions made by the Group in respect of such retirement benefit schemes are disclosed in Note 6.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

### 35.1 General information of principal subsidiaries

Details of the principal subsidiaries directly and indirectly held by the Company are set out below:

Name of subsidiaries**	Place of incorporation/ registration/ operations	Paid up issued/ registered capital	Proportion ownership interest attributable by the Company December 31,		Principal activities
			2025	2024	
Dingdang Medicine Express Technology	Mainland China	RMB52,941,000	100%	100%	Online retail of pharmaceutical and healthcare products
Jiangxi Dingdang E-Commerce Co., Ltd* (江西叮嚀電子商務有限公司)	Mainland China	RMB27,000,000	100%	100%	Investment holding
Beijing Smart Pharmacy	Mainland China	RMB10,000,000	100%	100%	Online and offline retail of pharmaceutical and healthcare products
Shanghai Smart Pharmacy	Mainland China	RMB10,000,000/ RMB11,111,000	100%	100%	Online and offline retail of pharmaceutical and healthcare products
Guangdong Smart Pharmacy	Mainland China	RMB5,000,000	100%	100%	Online and offline retail of pharmaceutical and healthcare products
Tianjin Smart Pharmacy	Mainland China	RMB4,250,000/ RMB5,000,000	100%	100%	Online and offline retail of pharmaceutical and healthcare products
Sichuan Smart Pharmacy	Mainland China	RMB2,000,000/ RMB62,000,000	100%	100%	Online and offline retail of pharmaceutical and healthcare products
Dingdang Smart Pharmacy (Wuhan) Co., Ltd.* (叮嚀智慧藥房(武漢)有限公司)	Mainland China	RMB8,500,000/ RMB10,000,000	100%	100%	Online and offline retail of pharmaceutical and healthcare products
Hangzhou Smart Pharmacy	Mainland China	RMB9,433,000/ RMB10,000,000	100%	100%	Online and offline retail of pharmaceutical and healthcare products
Jiangxi Renhetang	Mainland China	RMB10,000,000	85%	85%	E-commerce operating company of pharmaceutical and healthcare products

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

## 35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

### 35.1 General information of principal subsidiaries (Continued)

Name of subsidiaries**	Place of incorporation/ registration/ operations	Paid up issued/ registered capital	Proportion ownership interest attributable by the Company December 31,		Principal activities
			2025	2024	
Jiangxi Zhong da Pharmacy	Mainland China	RMB3,600,000	100%	100%	E-commerce operating company of pharmaceutical and healthcare products
Jiangxi Zhongxuan Daily Chemicals Technology Co., Ltd.* (江西中軒日化科技有限公司)	Mainland China	RMB2,000,000	100%	100%	E-commerce operating company of pharmaceutical and healthcare products
Dingdang Kuaiyi (Hainan) Medical Technology Co., Ltd.* (叮嚕快醫(海南)醫療科技有限公司)	Mainland China	RMB5,000,000	100%	100%	Provision of online hospital services
Dingdang Kuaiyi (Hainan) Internet Hospital Co., Ltd.* (叮嚕快醫(海南)互聯網醫院有限公司)	Mainland China	RMB5,000,000	100%	100%	Provision of online hospital services
Yaofangwang Beijing	Mainland China	RMB33,000,000	52%	52%	Online and offline sales of pharmaceutical and healthcare products
Renhe Yaofangwang Guohua (Beijing) Medicine Technology Co., Ltd.* (仁和藥房網國華(北京)醫藥有限公司)	Mainland China	RMB10,000,000	52%	52%	Online and offline sales of pharmaceutical and healthcare products

\* English names are for identification purpose only.

\*\* All of these subsidiaries of the Company established in the PRC are limited liability companies.

The above table lists the subsidiaries of the Company that the directors of the Company believe to principally affect the results or assets of the Group. In the opinion of the directors of the Company, to give details of other subsidiaries would, result in particulars of excessive length.

The voting power of the subsidiaries held by the Company are same with the ownership interest held by the Company.

None of the subsidiaries had issued any debt securities at the end of the current year.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

#### 35.2 Details of non-wholly owned subsidiaries that have material non-controlling interests

Summarized financial information of Renhe Yaofangwang is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Name of subsidiaries	Incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive expense allocated to non-controlling interests		Accumulated non-controlling interests	
		December 31,		Year ended December 31,		December 31,	
		2025	2024	2025	2024	2025	2024
				RMB'000	RMB'000	RMB'000	RMB'000
Renhe Yaofangwang	Mainland China	48%	48%	(14,991)	(3,482)	4,366	19,694
Individually immaterial subsidiaries with non-controlling interests						7,100	322
						11,466	20,016

#### Renhe Yaofangwang:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Current assets	308,002	344,362
Non-current assets	164,838	86,831
Current liabilities	(346,436)	(370,673)
Non-current liabilities	(117,308)	(19,851)
Equity attributable to owners of the Company	4,730	20,975
Non-controlling interests of Renhe Yaofangwang	4,366	19,361
Non-controlling interests of Yaofangwang Beijing's subsidiary	–	333

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

#### 35.2 Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

##### *Renhe Yaofangwang: (Continued)*

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue and other gains	1,324,447	1,284,994
Expenses	(1,355,679)	(1,291,959)
Loss and total comprehensive expense for the year	(31,232)	(6,965)
Loss and total comprehensive expense attributable to:		
Owners of the Company	(16,241)	(3,483)
Non-controlling interests of Renhe Yaofangwang	(14,991)	(3,215)
Non-controlling interests of Yaofangwang Beijing's subsidiary	–	(267)
Loss and total comprehensive expense for the year	(31,232)	(6,965)
Net cash inflow/(outflow) from operating activities	11,029	(31,474)
Net cash inflow/(outflow) from investing activities	673	(1,427)
Net cash (outflow)/inflow from financing activities	(26,320)	3,646
Net cash outflow	(14,618)	(29,255)

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

#### 36.1 Statement of financial position of the Company

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Interests in subsidiaries	4,573,171	4,531,358
Equity instruments at FVTOCI	83,155	59,985
Time deposits	140,769	–
Right-of-use assets	885	–
<b>Total non-current assets</b>	<b>4,797,980</b>	<b>4,591,343</b>
<b>Current assets</b>		
Other receivables	462	236
Financial assets at FVTPL	2,480	–
Amounts due from subsidiaries	494,535	510,572
Time deposits	148,340	–
Cash and cash equivalents	147,940	450,671
<b>Total current assets</b>	<b>793,757</b>	<b>961,479</b>
<b>Total assets</b>	<b>5,591,737</b>	<b>5,552,822</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	879	879
Reserves	8,125,163	8,072,351
Accumulated losses	(2,608,116)	(2,592,880)
<b>Total equity</b>	<b>5,517,926</b>	<b>5,480,350</b>

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

#### 36.1 Statement of financial position of the Company (Continued)

	As of December 31,	
	2025 RMB'000	2024 RMB'000
<b>Non-current liabilities</b>		
Lease liabilities	420	–
<b>Total non-current liabilities</b>	<b>420</b>	<b>–</b>
<b>Current liabilities</b>		
Other payables	16,660	17,407
Amounts due to subsidiaries	55,065	55,065
Lease liabilities	433	–
Income tax payable	1,233	–
<b>Total current liabilities</b>	<b>73,391</b>	<b>72,472</b>
<b>Total liabilities</b>	<b>73,811</b>	<b>72,472</b>
<b>Total equity and liabilities</b>	<b>5,591,737</b>	<b>5,552,822</b>

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2025

### 36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

#### 36.2 Reserves movement of the Company

	Notes	Treasury share reserve RMB'000	Share premium RMB'000	FVTOCI reserve RMB'000	Share-based payments reserves RMB'000	Other reserves RMB'000	Total RMB'000
At January 1, 2024		(18,844)	7,479,377	(31,914)	612,460	131	8,041,210
Total comprehensive expense for the year		-	-	(33,552)	-	-	(33,552)
Purchases of ordinary shares under 2023 RSU Scheme	28(c)	(20,229)	-	-	-	-	(20,229)
Share-based payments expenses		-	-	-	96,828	-	96,828
Cancellation of ordinary shares upon repurchase		-	(11,906)	-	-	-	(11,906)
At December 31, 2024		(39,073)	7,467,471	(65,466)	709,288	131	8,072,351
Total comprehensive income for the year		-	-	23,170	-	-	23,170
Share-based payments expenses		-	-	-	41,813	-	41,813
Purchases of ordinary shares under 2023 RSU Scheme	28(c)	(3,130)	-	-	-	-	(3,130)
Repurchase of ordinary shares		(9,041)	-	-	-	-	(9,041)
At December 31, 2025		(51,244)	7,467,471	(42,296)	751,101	131	8,125,163

### 37. SUBSEQUENT EVENTS

Save as disclosed in Note 11, there are no significant subsequent events subsequent to December 31, 2025.