YSB Inc.
藥師幫股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9885)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of YSB Inc. (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2026 (the "**Reporting Period**"). These interim results have been reviewed by the Company's audit committee (the "**Audit Committee**") and the Company's auditor, Deloitte Touche Tohmatsu (the "**Auditor**").

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus dated 15 June 2023 (the "**Prospectus**") of the Company.

HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	Change (%)
	(in RMB thousands, except specified otherwise or percentages)		
	(unaudited)	(unaudited)	
Revenue	**10,283,053**	9,842,619	4.5
– Self-operation Business	**9,883,524**	9,389,356	5.3
– Online Marketplace	**378,105**	436,297	(13.3)
– Other Businesses	**21,424**	16,966	26.3
Gross profit	**1,151,381**	1,104,502	4.2
Gross profit margin	**11.2%**	11.2%	0
Profit attributable to the owners of the Company	**110,837**	78,117	41.9
Earnings per share			
– Basic *(RMB)*	**0.164**	0.115	42.6
– Diluted *(RMB)*	**0.163**	0.113	44.2

BUSINESS REVIEW AND OUTLOOK

In the first half of 2026, underpinned by the in-depth implementation of the "Healthy China (健康中國)" strategy, coupled with special policies such as the "Guideline to Advance High-quality Development of Pharmaceutical Retail Industry (《關於促進藥品零售行業高質量發展的意見》)" jointly promulgated by nine departments, the outside-of-hospital pharmaceutical and healthcare industry was entering a critical phase of shifting from demand expansion to value upgrading. With the continuous enhancement of primary healthcare service capabilities and the steady release of health consumption demand at outside-of-hospital terminals, the industry's digital penetration has been comprehensively accelerated, and the value of the entire industry chain has also been deeply restructured. In response to the overarching trend of industrial upgrading, the Company anchored in the core main track of outside-of-hospital pharmaceuticals. It relied on complete full-chain digital infrastructure and a mature compliance operation service system to continuously deepen its presence in the lower-tier market, optimise its overall layout, break down industrial supply-demand barriers, and build a collaboratively symbiotic industrial ecosystem.

During the Reporting Period, the Company's platform had an average number of monthly active buyers ("**MAB**") of approximately 460,000, with an average number of monthly paying buyers ("**MPB**") of approximately 430,000. As user loyalty remained stable, the proportion of the average number of MPB to average number of MAB remained high at 94%. The average number of orders per paying buyer per month remained stable at approximately 29. Against the industry backdrop of sluggish recovery and weak growth momentum in the pharmaceutical retail market, the repurchase depth and purchasing frequency of downstream buyers on the YSB platform have remained steady, fully validating the platform's robust supporting value for their business-side operations.

Online Marketplace

As a leading digital service platform for the outside-of-hospital pharmaceutical industry in China, we continued to strengthen the industrial digital infrastructure capabilities and build a full-chain compliant digital service system, improving the upstream and downstream collaborative ecosystem and continuously enhancing the depth and comprehensive value of our platform's industrial services.

During the Reporting Period, we conducted in-depth cooperation with upstream merchants to build a pharmaceutical industry ecosystem, and continuously iterated our high-quality merchant cultivation system. While steadily expanding our cohort of core strategic ecosystem partners with monthly sales in the tens of millions of RMB, we continued to incubate small and medium-sized merchants with monthly sales in RMB at the millions and hundreds-of-thousands levels, thereby establishing a long-term stable, compliant and high-quality upstream supply network. In terms of merchant empowerment, the Company leveraged big data technology as the core driver to implement refined category operation strategies, providing upstream merchants with in-depth services such as precise demand profiling, intelligent inventory early-warning and dynamic pricing references, facilitating precise supply and efficient turnover.

Leveraging the big data-driven demand insight system of the platform, we accurately captured changes in market demand, continuously optimised the category structure of the platform, aiming to achieve precise expansion of the supply side. As of 30 June 2026, the average monthly SKUs on the platform increased to approximately 4,300,000, representing an increase of 9% compared to the first half of 2025, forming a comprehensive offering matrix fully covering chemical medicines, Chinese patent medicines, Traditional Chinese Medicine ("**TCM**") decoction pieces, medical devices and tonics, among others. Through refined and differentiated category operations, the platform precisely matches the diversified and scenario-based needs of various purchasing entities, continuously consolidating its competitive barrier on the supply side.

In terms of the TCM decoction pieces business, we adhered to the development path of "standards-led, source-controlled, and digitally-empowered" and continued to deepen the construction of the "Jinfang standards" system. During the Reporting Period, we newly included one cooperative production region each for medicinal materials such as Notoginseng (田七) and Uncaria Stem with Hooks (鈎藤), expanding the Jinfang standards-covered varieties to 372, updating the grade standards to 1,266, and further extending the coverage of the comprehensive digital traceability system for decoction pieces. During the Reporting Period, the total sales volume of TCM decoction pieces on the platform exceeded 20,000 tonnes, representing a year-on-year increase of approximately 10%, fully demonstrating the strong empowerment of the construction of the standardisation system and digital management capabilities to business growth.

In terms of the iteration of the platform's digital infrastructure, the Company continued to expand its AI application system. By deeply coupling large model capabilities with the business middle platform, the Company boosted operational efficiency and decision-making precision throughout the industrial chain. With regard to the profitability model, the Company primarily generated revenue by charging upstream sellers an agreed percentage of transaction commissions, with the platform's overall average commission rate remaining stable at 3.3%. Meanwhile, we continued to optimise the subsidy mechanism and resource allocation system of the platform to balance its profitability and ecosystem vitality.

General Self-operation Business

As the principal segment of the Self-operation Business, during the Reporting Period, the General Self-operation Business continued its advanced approach rooted in the four core dimensions of "wide selection, fast delivery, superior quality, and cost efficiency". Based on industry trends and end-customer needs, the General Self-operation Business deepened its refined operations and digital upgrades, and continued to consolidate the core barriers of the supply chain, achieving breakthroughs in business scale, operational efficiency and user experience in all aspects.

Leveraging our mature supply chain integration foundation, we further focused on precise supply and adaptation to diverse scenarios, driving the optimisation of our self-operation product category structure towards high value and high adaptability. Based on the platform's transaction big data, procurement behaviour preferences and consumer trend analysis, we continuously optimised our full-process operational system of "demand forecasting – intelligent product selection – quality control – dynamic iteration", with a focus on introducing core categories characterised by high repeat purchase rates, high adaptability, and alignment with the trend of health consumption upgrades, thereby achieving refined SKU management and structural upgrading. As of 30 June 2026, the number of partner suppliers of Self-operation Business exceeded 12,000, and the ranges and varieties of product have expanded simultaneously, with the stability and resilience of our supply chain continuously strengthening.

During the Reporting Period, we focused on efficient fulfilment and exceptional timeliness, continuously iterating our comprehensive smart supply chain system of "procurement – warehousing – distribution". On the procurement side, we leveraged our self-developed digital collaboration system to optimise the intelligent decision-making mechanism of "sales-driven procurement and dynamic replenishment", shortening response cycles and reducing the risk of inventory overstocking. On the warehousing side, we continued to advance warehouse standardisation and intelligent operation upgrading, improving sorting turnover efficiency. On the delivery side, we optimised intelligent scheduling and route planning algorithms to improve delivery efficiency. During the Reporting Period, the on-time order-delivery rate of the Company's Self-operation Business improved to 97.4%, marking steady improvements in its fulfilment and delivery capacity.

We consistently upheld our bottom line on product quality, establishing a sound comprehensive quality control system with the quality control philosophy of "strict standards, full-process coverage and traceability". At the supplier management level, the Company has established a multi-dimensional and regular assessment mechanism. It conducts regular reviews based on indicators such as compliance qualifications, production capacity and quality control levels, so as to dynamically eliminate underperformers while selecting superior ones. At the quality traceability level, leveraging the electronic supervision code scanning system, we achieved full-process data recording and closed-loop traceability from supplier access to after-sales feedback, truly realising "source-traceable, destination-trackable, and accountable" product oversight. Through standardised and institutionalised rigid control, we had built a solid product safety defence line.

Meanwhile, we persisted in operations refinement and full-chain cost reduction and efficiency improvement. Through multi-layered collaboration involving supply chain efficiency improvement, digital cost reduction and ecosystem concessions, we achieved a virtuous development pattern of "cost reduction for customers, efficiency improvement for the Company, and win-win outcomes for the ecosystem". On the supply chain side, we continued to deepen our strategy of "direct procurement at source + direct supply from manufacturers", expanding our in-depth cooperation with leading brands in the industry. During the period, we newly established relationships with core strategic partners such as Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司) and China Traditional Chinese Medicine Holdings Co., Limited (中國中藥控股有限公司). Leveraging our advantages in large-scale centralised procurement, we reinforced our bargaining power to effectively reduce sourcing costs at the origin. On the operations side, with digital systems at the core, we systematically optimised each section of order processing, warehousing and sorting, and logistics delivery to precisely reduce operational inefficiencies. For downstream end customers, the Company continuously iterated diversified discount policies such as free shipping for single items and member-exclusive benefits, accurately adapting to the procurement needs of end customers of different levels and sizes, effectively reducing their overall procurement costs.

Targeted Product Launch Business

As a high-margin segment within the Self-operation Business, during the Reporting Period, leveraging the Company's in-depth accumulation of industry insights, industrial resources and operational experience, the Targeted Product Launch Business, on one hand, provided partner pharmaceutical companies with professional brand product promotion and terminal sales services, helping them to expand their outside-of-hospital market channels. On the other hand, it focused on developing its private label portfolio, delivering highly compatible and cost-effective private label products to downstream end customers. By pursuing this dual-track approach, it effectively promoted steady growth in business scale and continuous optimisation of its profit structure. During the Reporting Period, the transaction amounts of our Targeted Product Launch Business amounted to RMB1,281 million, representing a year-on-year increase of 18.6% and maintaining a high-speed growth trend.

Backed by our platform's capability in penetrating into pharmacies and primary healthcare institutions, we provided our partner pharmaceutical companies with professional promotion and terminal sales services for pharmaceutical and healthcare products. In response to challenges in channel development faced by pharmaceutical companies such as insufficient sales momentum in outside-of-hospital markets and regional sales disparities, our partner pharmaceutical companies were responsible for supplying their branded products, whilst we utilised our extensive distribution network and well-established marketing system to drive large-scale product sales, thereby generating stable and substantial gross profit on sales.

With the private label business serving as the strategic focus of our Targeted Product Launch Business, we continued to increase investment in expanding our private label categories and building our brand, striving to develop long-term, differentiated core competitiveness. Addressing the pain points faced by small and medium-sized chain pharmacies, monomer pharmacies and primary healthcare institutions, such as insufficient bargaining capability when procuring branded products and high barriers to accessing high-quality supplies, we made full use of our supply chain integration advantages and economies of scale to provide them with a stable supply of YSB private label products that offer both quality assurance and cost advantages, effectively reducing their procurement costs, enriching the product categories on their store shelves and enhancing their terminal service capabilities. Meanwhile, benefiting from our channel network advantages and professional operational capabilities, the upstream pharmaceutical partner companies of our private label also secured steady and sustainable additional production orders, thus achieving efficient capacity release. As a result of the above, our private label business has built an all-win value ecosystem for "upstream pharmaceutical companies – YSB – end customers – consumers", driving synergistic efficiency and shared benefits among all participants in the industry chain.

The implementation of private label strategy yielded significant results. Adhering to an end-market demand-driven approach, the Company precisely identified sub-categories compatible with pharmacy retail and primary healthcare scenarios and with the potential for large-scale bestsellers, steadily improving its private label product portfolio. As of 30 June 2026, the Company's private label portfolio covered high-potential categories such as chemical medicines, Chinese patent medicines, medical devices and consumables and food-medicine homology products, with more than 1,200 SKUs. The product portfolio has continued to diversify, whilst its structure continued to optimise. In terms of channel penetration, private label products extensively reach the full spectrum of customer types, including monomer pharmacies, chain pharmacies, and primary healthcare institutions. The number of customers covered by the products increased by approximately 10% as compared to the same period in 2025, with both the breadth of market coverage and the depth of penetration improving simultaneously.

Owing to its high gross margin profile, differentiated competitive advantages and precise market positioning, the Company's private label business has become its core engine of profit growth, continuously driving a steady growth in the overall gross margin of its Self-operation Business. During the Reporting Period, the transaction amounts of the Company's private label reached RMB1,111 million, representing a year-on-year increase of 30.4%.

On-Demand Pharmaceutical Retail Business

Backed by strong B2B supply chain advantages and digital capabilities, we have strategically tapped into the on-demand pharmaceutical retail sector. Through a dual-driven model of "internal incubation + external investment", we have focused on meeting the on-demand medication needs of C-end consumers and are fully committed to building an efficient and convenient on-demand medication retail service network.

In terms of building our own-brand ecosystem, we implemented a dual-track operating model of "self-operated benchmark stores + an ecosystem cooperation network", establishing an on-demand retail service network that combines service quality with coverage density. In terms of strategic investment synergies, we introduced mature external expertise and technical capabilities in on-demand retail operations, focusing on a "front warehouse + traffic platform" operational model, and are steadily advancing the network footprint and operational refinement.

Other Businesses

ClouMinihouse (光譜小屋)

Embracing the dual opportunities brought by digital healthcare and the upgrading of primary healthcare, the Company has been continuously refining the comprehensive solutions for "ClouMinihouse (光譜小屋)" primary smart healthcare system. With "hardware iteration + software upgrades + scenario expansion" as its core pathway, the Company optimised the synergy among point-of-care testing devices, the digital primary healthcare institution management system and the smart AI doctors-aid system, comprehensively empowering primary healthcare institutions.

In terms of smart hardware, based on the platform's vast market data and research into primary healthcare scenarios, we have iterated and upgraded the "FutureClou (未來光譜)" series point-of-care testing devices under the guiding principles of "low cost, high efficiency, ease of operation and high adaptability". We have optimised the three core devices: Clou Immuno Cube (光譜免疫小方盒), Clou Chronic Disease Analyzer (光譜慢病檢測儀), and Clou Micro Hematology Analyzer (光譜微型血球儀) to improve the testing accuracy and response speed. During the Reporting Period, we not only expanded our test menu to include cardiovascular and cerebrovascular health indicators and renal function screening, but also optimised the devices' operating interface and data transmission functions. As of 30 June 2026, the "FutureClou" series devices covered approximately 25,000 end users with sales reaching around 38,000 units, demonstrating an increasing penetration rate in primary healthcare institutions.

In terms of digital empowerment, we have continuously optimised our "ClouWiseDoctor (光譜智醫)", a digital and intelligent assisted diagnosis and treatment system, which seamlessly caters to the digital upgrade needs of primary healthcare scenarios, consolidates our full-process service capabilities, including intelligent consultation, assisted diagnosis, medication recommendation and medical record integration, and comprehensively empowers primary healthcare physicians to improve diagnosis and treatment efficiency, standardise treatment pathways and enhance the quality of health management.

Meanwhile, we have continuously optimised and upgraded the "Cloud Consultation (光譜雲診)" SaaS service tailored for primary healthcare institutions, and rolled out a suite of new features for primary healthcare scenarios to address clinical pain points and operational challenges in primary healthcare. As of 30 June 2026, the number of paying users of "Cloud Consultation" exceeded 4,000. Our integration with medical insurance and health administration platforms continued to advance, allowing us to employ medical insurance functions in more than 100 cities, which enabled real-time settlement and data interoperability with more municipal medical insurance systems and significantly enhanced the operational convenience and digital compliance capabilities of primary healthcare institutions.

Other SaaS solutions

We remained focused on the core objective of enhancing operational efficiency of the upstream and downstream participants in the outside-of-hospital pharmaceutical industry chain and continuously upgraded various SaaS services. Focusing on "refined operations, intelligent decision-making, and full-scenario coverage", we built a fully integrated digital service matrix covering upstream sellers, downstream pharmacies and primary healthcare institutions, providing more targeted and efficient digital solutions for our upstream and downstream partners.

For upstream sellers, we have continuously upgraded the "CloudComm (雲商通)" SaaS service to provide them with full-process digital capabilities in core operational aspects such as intelligent inventory management, intelligent order processing and market data insights, effectively enhancing their operational efficiency and market responsiveness. As of 30 June 2026, "CloudComm" served over 10,000 sellers. During the Reporting Period, approximately 700 of them were new paying users, further boosting our market penetration.

For downstream buyers, we have continuously refined the "ePalm (掌店易)" SaaS service to provide pharmacies with dedicated intelligent tools such as one-stop purchasing, inventory management and sales analysis, facilitating their efficient operations and accurate business decision-making. As of 30 June 2026, "ePalm" service had served over 81,000 buyers, including a surge of more than 7,500 new users in the first half of the year. At the same time, we have assisted partner pharmacies in more than 200 cities nationwide in establishing direct system connections with social security departments, significantly improving the operational efficiency of pharmacy medical insurance settlement.

Leveraging precise data algorithms and a more multi-dimensional analysis, the "PHDS Pharmacy Health Diagnosis System (PHDS藥房健康診斷系統)", tailor-made for chain pharmacies, accurately identifies operational pain points and delivers targeted optimisation recommendations, effectively enhancing the operational efficiency and effectiveness of chain pharmacies. As of 30 June 2026, the system had served approximately 1,000 chain headquarters users.

YSB eLearn

In the first half of 2026, we continued to refine the professional pharmacist service ecosystem, upgrade our online structured course system and integrate our diverse models such as case-based simulations, assessment and certification, to comprehensively elevate the professional capabilities and regulatory compliance of primary-care pharmacists. As of 30 June 2026, a total of approximately 340,000 pharmacists and prospective pharmacists had received our online pharmaceutical training.

Supply chain management

As our overall business expanded steadily, we have continuously iterated and upgraded our self-developed smart supply chain management system, which integrated AI-powered predictive algorithms and omni-channel transaction data insights to persistently advance the intelligent upgrade of the entire supply chain and optimised turnover efficiency. During the Reporting Period, with the refined operations of smart supply chain management, we maintained payable turnover days at around 78.9 days, inventory turnover days at around 37.5 days and receivable turnover days at only around 2.4 days, resulting in a cash conversion cycle of around -39.1 days. We maintained an overall healthy and fast-turnover model, with operating cash flow sustaining net inflow. This efficient and fast-turnover model continued to enhance our overall cash management efficiency, generating a stable pool of retained funds, bolstering overall liquidity, and providing solid support for the steady, large-scale expansion of our business. The continuous optimisation of the retained funds position effectively contributed to the improvement of overall gross profit margins and generated stable financial returns, thereby further optimising the overall profitability structure.

In terms of payment and industry synergy, we continued to integrate business, logistics, information flow and fund flow through digital technology, refining the full-chain supply chain financial services ecosystem. Leveraging authentic platform transaction data and partnering with high-quality third-party financial institutions, we have iterated and optimised order financing products for downstream buyers and established a purpose-specific risk control system to ensure that credit facilities were directed exclusively towards platform procurement, thereby rigorously safeguarding fund security while maximising customers' capital turnover efficiency. During the Reporting Period, the number of downstream active users for order financing products grew steadily to over 9,000, with cumulative lending amount reaching approximately RMB4,200 million, of which the cumulative lending amount of order financing products from downstream chain pharmacy buyers was approximately RMB3,500 million, continuously assisting chain pharmacies in optimising capital turnover, alleviating cash flow pressure, and strengthening their long-term procurement stickiness on the platform.

Business development

Leveraging the core advantages in market insight, resource allocation and customer services gained from years of deep engagement in the outside-of-hospital pharmaceutical sector, we continuously refined our business development strategy to closely align with market demand upgrades and regulatory policy guidelines with a focus on the three key priorities of "refined expansion, deep penetration into lower-tier markets, and customer value enhancement", achieving concurrent advancement in the efficiency of the business development team, broader market reach and customer service excellence. In terms of team building and efficiency optimisation, we continued to refine the structure of our business development team, optimise staffing allocation and division of work tailored to regional market characteristics and business needs, and strengthened professional skills training to boost our team's comprehensive capabilities in market insight, customer engagement and service delivery. As of 30 June 2026, excluding the business development team of Folding Space (Cayman) Ltd and its subsidiaries (collectively referred to as "**Yikuai Pharmaceutical**"), our business development team comprised over 2,600 members. The team structure became more rational, and the staff efficiency of our business development team further improved as compared to the previous year as each member can manage approximately 204 pharmacies on average.

Public welfare and social responsibility

We remain committed to deeply integrating corporate social responsibility into our core business. Adhering to the philosophy of "public welfare empowerment and long-term support", we foster a synergy between public good and business value, while fulfilling our social responsibilities with the aim of giving back to the society and creating long-term value.

Leveraging our own medical and health resources, we regularly host public welfare activities that are accessible to all. During the Reporting Period, the Company teamed up with local sub-district offices to launch care campaigns for people in need, bringing them warmth and thoughtful essential supplies. In summer, we launched the "Cool Summer Care" public welfare campaign, donating heat-relief medication and cooling essentials to frontline workers to show tangible care for those on the ground.

In terms of long-term public welfare and rural revitalisation, we have established a diversified support system featuring "industrial support + public welfare and education support + emergency relief". By donating saplings and participating in pro-agriculture procurement initiatives, we supported rural vitalisation through industrial empowerment. In addition, we continued to make donations for relevant public welfare programmes under the Green & Shine Foundation, supporting the improvement of rural education and the advancement of charitable causes. By replacing short-term charitable acts with regular, systematic public welfare initiatives, the Company has established a long-term support mechanism, earnestly fulfilling its social responsibilities and the calling of our era as a listed company.

Outlook

As a leader in the digital ecosystem of the outside-of-hospital pharmaceutical industry, the Company will leverage its solid operational foundations built on terminal coverage, supply chain synergy and data-driven intelligent services in earlier stages, and adopt "targeted efforts, quality and efficiency improvement, and win-win collaboration" as its core principle to advance business structure optimisation, technological capability iteration and industrial value upgrading.

In terms of platform ecosystem development, the Company will amplify the core value of its digital industry hub to achieve efficient flow and precise matching of supply and demand resources. Meanwhile, the Company will continue to integrate high-quality industry resources to enrich our multi-tiered, diversified product supply system, realising precise matching of upstream and downstream demand and fostering a more dynamic platform ecosystem.

In terms of our General Self-operation Business, the Company will focus on quality improvement and cost reduction in the supply chain, and upgrade its value-added fulfilment service to continuously consolidate its business scale advantages and brand trust. On the upstream side, the Company will continue to expand direct-origin procurement, building a highly stable and cost-effective upstream supply system. On the downstream side, the Company will keep iterating its intelligent fulfilment network to improve delivery timeliness and enhance the warmth of its services, propelling our General Self-operation Business beyond efficient delivery towards cultivating profound user trust.

In terms of our Targeted Product Launch Business, the Company will steadfastly advance its private label strategy, following our development roadmap of "upgrading quality and expanding channel reach", continuously optimising its business structure and improving overall earnings quality and profitability. On the product side, the Company will persistently enhance the product portfolio under its private label and establish a full-process, high-standard quality control system. On the channel side, the Company will continue to penetrate into lower-tier markets and primary healthcare scenarios, intensify brand cultivation and marketing efforts, steadily enhance brand recognition and user loyalty, and progressively increase its market share in niche segments.

In terms of technology innovation, the Company will leverage LLM inference capabilities and proprietary operational optimisation algorithms, and deeply embed them into key supply chain operational processes such as dynamic inventory dispatch, fulfilment route planning, and intelligent matching of supply and demand. This will drive a gradual transition of the supply chain towards "data and algorithm-driven" operation, unlocking economies of scale through technological innovation and continuously improving the operational efficiency, market responsiveness and refined management capabilities across the entire industry chain.

In terms of business innovation, the Company will further explore its on-demand pharmaceutical retail business, and continuously refine its industry-specific smart fulfilment models and new operational systems. We will leverage digital capabilities such as spatiotemporal data analysis and grid-based dynamic dispatch to precisely match consumption demand for instant medication across multiple scenarios, cultivate replicable and scalable operational and cost advantages, and continuously build differentiated competitive barriers for our on-demand pharmaceutical retail business, cultivating a new growth engine for the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

For the six months ended 30 June 2026, the Group recorded a revenue of RMB10,283.1 million, representing an increase of 4.5% as compared with RMB9,842.6 million for the six months ended 30 June 2025. The increase in revenue was mainly attributable to the continued development of the Self-operation Business during the Reporting Period.

The Group's revenue from the Self-operation Business increased by 5.3% from RMB9,389.4 million for the six months ended 30 June 2025 to RMB9,883.5 million for the six months ended 30 June 2026. The change was mainly driven by (i) enlarged buyer base and the continuous optimisation of buyers' experience such as logistics and customer services; and (ii) the number of MPB of our Self-operation Business recorded a continuous and stable increase as compared with the same period of last year.

The Group's revenue from the Online Marketplace decreased from RMB436.3 million for the six months ended 30 June 2025 to RMB378.1 million for the six months ended 30 June 2026, primarily attributable to the downturn in the pharmaceutical retail market, which has exerted a relatively significant impact on the industry, with third-party sellers being affected accordingly. During the Reporting Period, the commission rate applied to third-party sellers remained stable.

The Group's revenue from the other businesses increased by 26.3% from RMB17.0 million for the six months ended 30 June 2025 to RMB21.4 million for the six months ended 30 June 2026, mainly attributable to the continued expansion of the buyer base for the SaaS solution.

Cost of sales

The Group's cost of sales increased by 4.5% from RMB8,738.1 million for the six months ended 30 June 2025 to RMB9,131.7 million for the six months ended 30 June 2026, primarily due to the increase in sales of our Self-operation Business.

The cost of sales of the Group's Self-operation Business increased by 4.6% from RMB8,666.4 million for the six months ended 30 June 2025 to RMB9,068.1 million for the six months ended 30 June 2026. The increase in cost of sales for the six months ended 30 June 2026 was primarily due to the growth of purchase demand from buyers, as a result of which we increased the procurement of pharmaceutical products accordingly.

The cost of sales of the Group's Online Marketplace decreased by 10.9% from RMB71.3 million for the six months ended 30 June 2025 to RMB63.5 million for the six months ended 30 June 2026, mainly due to lower transaction volume on our platform.

The cost of sales of the Group's other businesses decreased significantly by 75.0% from RMB0.4 million for the six months ended 30 June 2025 to RMB0.1 million for the six months ended 30 June 2026, mainly due to the decrease in costs in relation to ClouMinihouse and ClouDiagnos.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit increased moderately by 4.2% from RMB1,104.5 million for the six months ended 30 June 2025 to RMB1,151.4 million for the six months ended 30 June 2026. The Group's gross profit margin remained broadly stable at 11.2% for both periods, mainly due to the changes in the composition of gross profit generated from the Group's Self-operation Business and the Group's Online Marketplace.

The gross profit margin for the Group's Self-operation Business recorded an increase from 7.7% for the six months ended 30 June 2025 to 8.3% for the six months ended 30 June 2026, which was primarily due to the implementation of the "Go Upstream" strategy by gradually increasing the percentages of our own brand in our product pipeline, which has much higher gross profit margin than other products.

The gross profit margin for the Group's Online Marketplace decreased slightly from 83.7% for the six months ended 30 June 2025 to 83.2% for the six months ended 30 June 2026, which was primarily attributable to (i) with the expansion of our Self-operation Business, our Online Marketplace generated increased commissions from our own stores on the platform, which were eliminated in the consolidated reporting; and (ii) the transaction processing fees related to our own stores' transactions on the platform were recorded as cost of sales for this segment.

The gross profit margin for the Group's other businesses increased from 97.5% for the six months ended 30 June 2025 to 99.4% for the six months ended 30 June 2026, mainly due to the year-on-year growth of revenue of our SaaS solution, which has a higher gross profit margin, and the corresponding increase of its proportion of revenue.

Selling and marketing expenses

The Group's selling and marketing expenses increased slightly by 1.7% from RMB826.9 million for the six months ended 30 June 2025 to RMB840.9 million for the six months ended 30 June 2026, primarily due to the continued expansion of the business operations. Fulfilment expenses increased by 7.3% from RMB166.0 million for the six months ended 30 June 2025 to RMB178.2 million for the six months ended 30 June 2026, among which logistics expenses increased from RMB126.5 million for the six months ended 30 June 2025 to RMB138.6 million for the six months ended 30 June 2026. While the Group's selling and marketing expenses rose in the Reporting Period, the ratio of such expenses to total revenue decreased slightly.

General and administrative expenses

The Group's general and administrative expenses decreased slightly by 0.2% from RMB190.1 million for the six months ended 30 June 2025 to RMB189.8 million for the six months ended 30 June 2026, mainly due to a decrease in equity-settled share-based payment expenses, but offset by an increase in salaries and welfare benefits and general corporate expenses.

Research and development expenses

The Group's research and development expenses decreased by 10.2% from RMB48.6 million for the six months ended 30 June 2025 to RMB43.6 million for the six months ended 30 June 2026, primarily attributable to (i) a decrease in equity-settled share-based payment expenses; and (ii) an optimisation of the R&D workforce structure driven by the adoption of AI applications.

Other income

The Group's other income decreased slightly from RMB36.7 million for the six months ended 30 June 2025 to RMB36.2 million for the six months ended 30 June 2026. The decrease was primarily attributable to a decrease in interest income from bank deposits as a result of bank interest rate decline, but offset by an increase in government grants.

Other gains and losses

The Group recorded net other gains of RMB5.6 million for the six months ended 30 June 2026 as compared to net other losses of RMB0.4 million for the six months ended 30 June 2025. The increase was primarily due to the fair value change of contingent consideration payables, but offset by the losses from changes in fair value of financial assets at fair value through profit or loss.

Finance costs

Finance costs decreased by 8.7% from RMB6.1 million for the six months ended 30 June 2025 to RMB5.5 million for the six months ended 30 June 2026 due to a decrease in interest expense of lease liabilities, partially offset by an increase in interest expense on discounted note receivables.

Profit for the period

As a result of the foregoing, the Group's profit for the period increased significantly by 47.1% from RMB74.0 million for the six months ended 30 June 2025 to RMB108.9 million for the six months ended 30 June 2026.

Non-IFRS Measure

In evaluating our business, we consider and use (i) Adjusted Net Profit; and (ii) Adjusted Net Profit margin as supplemental measures to review and assess our operating performance. The presentation of these non-IFRS financial measures is not intended to be considered in isolation or as substitutes for the financial information prepared and presented in accordance with IFRS. We define Adjusted Net Profit as profit for the period adding back (i) equity-settled share-based payment expenses; and (ii) acquisition-related expenses in relation to the acquisition of Yikuai Pharmaceutical. We define Adjusted Net Profit margin as Adjusted Net Profit divided by revenue. We present these non-IFRS financial measures because they are used by our management to evaluate our operating performance and formulate business plans. Accordingly, we believe that the use of these non-IFRS financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board. These non-IFRS financial measures are not defined under IFRS and are not presented in accordance with IFRS. These non-IFRS financial measures have limitations as an analytical tool. Further, these non-IFRS measures may differ from the non-IFRS information used by other companies, including peer companies, and therefore its comparability may be limited. These non-IFRS financial measures should not be considered in isolation or construed as alternatives to profit/loss or any other measure of performance. Investors are encouraged to review our historical non-IFRS financial measures in light of the most directly comparable IFRS measures, as shown below. The non-IFRS financial measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting the usefulness of such measures when analysing our data comparatively. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

The Adjusted Net Profit, which is unaudited, represents profit for the period adding back (i) equity-settled share-based payment expenses; and (ii) acquisition-related expenses in relation to the acquisition of Yikuai Pharmaceutical. The Adjusted Net Profit of the Group increased significantly from RMB121.8 million for the six months ended 30 June 2025 to RMB137.5 million for the six months ended 30 June 2026, representing a year-on-year growth of 12.9%.

The following table reconciles our Adjusted Net Profit from the most directly comparable financial measure calculated and presented in accordance with IFRS (profit for the period).

	Six months ended 30 June	
	2026	2025
	(RMB'000)	*(RMB'000)*
	(unaudited)	(unaudited)
Profit for the period	**108,858**	73,998
Add back:		
Equity-settled share-based payment expenses	**15,692**	34,790
Acquisition-related expenses	**12,976**	12,976
Adjusted Net Profit, a non-IFRS measure	**137,526**	121,764
Adjusted Net Profit margin, a non-IFRS measure	**1.3%**	1.2%

Adjusted Net Profit is not a measure of performance under IFRS. The use of the Adjusted Net Profit has material limitations as an analytical tool, as it does not include all items that impact our profit for the relevant period.

Liquidity and source of funding and borrowing

The Group financed its operating and investing activities mainly through cash generated from capital contribution from shareholders and operating activities. Our cash and cash equivalents are represented by cash and bank balances and time deposits with original maturity of three months or less.

As at 30 June 2026, the Group's cash and cash equivalents increased by 13.7% from RMB710.0 million as at 31 December 2025 to RMB807.1 million. The increase in cash and cash equivalents for the six months ended 30 June 2026 was mainly due to a higher turnover efficiency of working capital.

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

	Six months ended 30 June	
	2026	2025
	(RMB'000)	*(RMB'000)*
	(unaudited)	(unaudited)
Net cash generated from operating activities	**263,977**	256,660
Net cash generated from (used in) investing activities	**104,502**	(114,626)
Net cash used in financing activities	**(271,109)**	(76,557)
Net increase in cash and cash equivalents	**97,370**	65,477
Cash and cash equivalents at the beginning of the period	**709,959**	1,041,228
Effect of foreign exchange rate changes	**(261)**	(798)
Cash and cash equivalents at the end of the period	**807,068**	1,105,907

The Group adopts a prudent financial management approach for its cash management policy to ensure that the Group's liquidity structure, comprising assets, liabilities and other commitments, is able to always meet its capital requirements. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operating activities, external borrowings, and other funds raised from the capital markets from time to time.

Net cash generated from operating activities

For the six months ended 30 June 2026, net cash generated from operating activities was RMB264.0 million. It was mainly attributable to our profit before tax of RMB105.5 million for the period, as adjusted for (i) non-cash and non-operating items, primarily comprising depreciation of RMB76.6 million and equity-settled share-based payment expenses of RMB15.7 million; and (ii) changes in working capital, including a decrease of RMB140.5 million in trade and other receivables, but offset by an increase of RMB38.5 million in inventories.

Net cash generated from investing activities

For the six months ended 30 June 2026, net cash generated from investing activities was RMB104.5 million. It was mainly due to (i) the net inflow of RMB395.1 million from the withdrawal of restricted bank deposits; and (ii) the purchase of other financial assets at amortised cost of RMB220.0 million.

Net cash used in financing activities

For the six months ended 30 June 2026, net cash used in financing activities was RMB271.1 million, which was mainly attributable to (i) share repurchases; and (ii) dividends paid.

Significant investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as at 30 June 2026) for the six months ended 30 June 2026.

Material acquisitions and disposals

For the six months ended 30 June 2026, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies, save as disclosed in the other announcements of the Company.

Pledge of assets

As at 30 June 2026, the Group's interest-bearing deposits of RMB1,996.0 million (31 December 2025: RMB2,225.1 million) were used as pledge for the issuance of bank acceptance notes.

Future plans for material investments and capital assets

The Group did not have detailed future plans for material investments or capital assets as at 30 June 2026.

Gearing ratio

The Group's gearing ratio is calculated as total interest-bearing borrowings divided by total equity. As of 30 June 2026, as the Group had interest-bearing bank borrowings advance from discounted notes, its gearing ratio was 5.6% (as of 31 December 2025: 6.4%).

Significant events after the Reporting Period

As at the date of this announcement, there were no significant events that might affect our Group since the end of the Reporting Period.

Employees and remuneration

As at 30 June 2026, the Group had 6,795 employees. The following table sets forth the total number of employees by function as at 30 June 2026:

Function	**Number of employees**
General and Administrative	1,015
Selling and Marketing	3,391
Operations	2,071
Research and Development	318
Total	6,795

The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. Employees' remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experience and performance. The remuneration policy and package of the Group's employees are periodically reviewed.

The remuneration of the employees of the Group comprises competitive salaries, performance-based sales commissions, performance-based cash bonuses and certain other incentives. In accordance with applicable PRC regulations, the Group has made contributions to the housing fund and various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, at specified percentages of the salaries of our employees. Bonuses and sales commissions are generally discretionary and based in part on employee performance and in part on the overall performance of our business.

The Company also has adopted two share incentive plans, the 2019 Share Incentive Plan and the 2023 Share Incentive Plan to provide incentives for the Group's employees. Please refer to the section headed "Statutory and General Information — Share Incentive Plans" in Appendix IV to the Prospectus for further details of the share incentive plans.

The total remuneration cost incurred by the Group for the six months ended 30 June 2026 was RMB616.1 million, compared with RMB628.3 million for the six months ended 30 June 2025.

For the six months ended 30 June 2026, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

Foreign exchange exposure

For the six months ended 30 June 2026, the Group mainly operated in China and the majority of the transactions were settled in Renminbi ("**RMB**"), the Company's primary consolidated affiliated entities' functional currency. We are exposed to foreign exchange risk arising mainly from bank balances and financial assets at fair value through profit or loss denominated in foreign currency of certain entities of the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure and foreign exchange risk management strategies closely and will consider hedging significant foreign currency exposure should the need arise to minimise its foreign exchange risk.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2026 (31 December 2025: Nil).

CORPORATE GOVERNANCE

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

Compliance with the Corporate Governance Code

Save as disclosed below, we have complied with the applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the Reporting Period.

Code provision C.2.1 of the CG Code recommends, but does not require, that the roles of chairperson and chief executive to be separate and not to be performed by the same person. Our Company deviates from this provision as Mr. Buzhen Zhang performs both the roles of chairman of our Board and the chief executive officer of our Company. Mr. Zhang is the founder of the Company and a substantial shareholder, and has extensive experience in the business operations and management of our Group. Our Board believes that vesting the roles of both chairman and chief executive officer to Mr. Zhang has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning. This structure will enable our Company to make and implement decisions promptly and effectively. Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of our Board, including the relevant board committees, and our three independent non-executive Directors. Our Board will reassess the division of the roles of chairman and the chief executive officer from time-to-time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

Code provision C.3.2 of the CG Code recommends, but does not require, that the functions reserved to the board and those delegated to management should be formalised. These arrangements should also be reviewed periodically to ensure that they remain appropriate to the issuer's needs. The Company did not review periodically the arrangement regarding the functions reserved to the board and those delegated to management. However, when a matter arises that requires decision, the Board will determine whether it should be reserved for the Board or delegate to the management to deal with.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the Reporting Period.

Audit Committee and Review of Financial Statements

The Company has established the Audit Committee, in compliance with Rule 3.21 of the Listing Rules and the CG Code (as amended from time to time), comprised of three members, being Ms. Rong Shao, Mr. Sam Hanhui Sun and Mr. Hongqiang Zhao, with Mr. Zhao (being the Company's independent non-executive Director with the appropriate professional qualifications) as chairman of the Audit Committee, among other things, to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2026 and has met with the independent Auditor, Deloitte Touche Tohmatsu. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company. The condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been reviewed by the Auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

OTHER INFORMATION

2023 Share Incentive Plan

Pursuant to the rules of the 2023 Share Incentive Plan, the Company has entered into the trust arrangement with the trust institution (the "**Trustee**") for the purposes of, among others, implementing and administering the 2023 Share Incentive Plan.

During the Reporting Period, the Trustee has purchased a total of 32,876,400 shares of the Company on the Stock Exchange.

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

During the Reporting Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury Shares (as defined under the Listing Rules)). As at 30 June 2026, there were 1,800,000 repurchased Shares for cancellation but not yet cancelled. As at 30 June 2026, the Company did not hold any treasury Shares.

Material litigation

The Company was not involved in any material litigation or arbitration for the six months ended 30 June 2026. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this announcement.

Interim dividend

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2026

	NOTES	Six months ended 30 June 2026 *RMB'000* (unaudited)	2025 *RMB'000* (unaudited)
Revenue	4	**10,283,053**	9,842,619
Cost of sales		**(9,131,672)**	(8,738,117)
Gross profit		**1,151,381**	1,104,502
Other income	5	**36,166**	36,687
Other gains and losses	6	**5,566**	(384)
Impairment losses reversed (recognised) under expected credit loss model, net		**404**	(264)
Selling and marketing expenses		**(840,872)**	(826,937)
Research and development expenses		**(43,609)**	(48,566)
General and administrative expenses		**(189,766)**	(190,057)
Share of result of an associate		**(8,207)**	–
Finance costs	7	**(5,541)**	(6,068)
Profit before tax		**105,522**	68,913
Income tax credit	8	**3,336**	5,085
Profit and total comprehensive income for the period	9	**108,858**	73,998
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**110,837**	78,117
Non-controlling interests		**(1,979)**	(4,119)
		108,858	73,998
Earnings per share			
Basic *(RMB)*	11	**0.164**	0.115
Diluted *(RMB)*	11	**0.163**	0.113

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	NOTES	**As at 30 June 2026** *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment, net		**51,484**	48,119
Right-of-use assets		**156,734**	166,525
Intangible assets		**461,172**	483,198
Interest in an associate		**10,833**	19,040
Financial assets at fair value through profit or loss ("**FVTPL**")		**6,000**	6,000
Goodwill		**273,290**	273,290
Deferred tax assets		**4,848**	4,809
Amount due from an associate		**40,950**	–
Time deposits		**495,000**	408,000
Other financial assets at amortised cost		**375,397**	152,351
		1,875,708	1,561,332
Current assets			
Inventories		**1,911,856**	1,873,196
Trade and other receivables	12	**597,671**	736,307
Financial assets at FVTPL		**554,211**	708,160
Amount due from an associate		**7,733**	9,617
Time deposits		**396,154**	330,429
Restricted bank deposits		**1,241,481**	1,636,628
Bank balances and cash		**807,068**	706,874
		5,516,174	6,001,211
Current liabilities			
Trade and other payables	13	**(4,642,065)**	(4,647,365)
Tax payable		**(771)**	–
Contract liabilities		**(19,649)**	(25,174)
Lease liabilities		**(76,174)**	(80,106)
Bank borrowings		**(130,366)**	(151,653)
		(4,869,025)	(4,904,298)
Net current assets		**647,149**	1,096,913
Total assets less current liabilities		**2,522,857**	2,658,245

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026 – continued

	As at 30 June 2026 ***RMB'000*** **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Non-current liabilities		
Lease liabilities	**(89,557)**	(95,694)
Deferred tax liabilities	**(102,715)**	(106,783)
Contingent consideration payables	**–**	(69,575)
	(192,272)	(272,052)
Net assets	**2,330,585**	2,386,193
Capital and reserves		
Share capital	**12**	12
Reserves	**2,383,039**	2,443,306
Equity attributable to owners of the Company	**2,383,051**	2,443,318
Non-controlling interests	**(52,466)**	(57,125)
Total equity	**2,330,585**	2,386,193

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 27 August 2018 under the Companies Act. Its immediate holding company is MIYT Holdings Limited, a company incorporated in the British Virgin Islands. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 28 June 2023 (the "**Listing**").

The Company is an investment holding company. The Group mainly operates online platform for wholesale and retail of pharmaceutical and healthcare products and provides online marketplace services to the pharmaceutical and healthcare manufacturers. The Group's principal operations and geographic markets are in the People's Republic of China (the "**PRC**").

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have been prepared in accordance with IAS 34 "**Interim Financial Reporting**" issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

3. ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

4. REVENUE AND SEGMENT INFORMATION

The Group is mainly engaged in i) wholesales of pharmaceutical and healthcare products offline or online through its online platform; ii) retail of pharmaceutical and healthcare products through its retail shops; iii) operating online platform that enable the pharmaceutical distributors and vendors to sell their own pharmaceutical and healthcare products using the Group's online platform; iv) providing SaaS solution to downstream pharmacies and primary healthcare institutions to a) streamline their inventory management, or b) improve the patient management efficiency; and v) providing system technologies and operational support services to primary healthcare institutions through a smart healthcare system integrated advanced point-of-care testing and monitoring devices, digital management system and smart AI doctors-aid system.

(a) Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Type of goods or services:		
Self-operation business (Note i)	**9,883,524**	9,389,356
Online marketplace services (Note ii)	**378,105**	436,297
Others (Note iii)	**21,424**	16,966
Total	**10,283,053**	9,842,619
Timing of revenue recognition:		
At a point in time	**10,266,731**	9,832,262
Over-time	**16,322**	10,357
Total	**10,283,053**	9,842,619

Notes:

(i) The Group sells pharmaceutical and healthcare products mainly to pharmacies and primary healthcare institutions.

(ii) The marketplace services revenue represents the commission received by the Group from distributors and vendors using the Group's online platform, which is recognised upon end customers' acceptance and is charged based on a certain percentage of sales, net of discounts and return allowances made by the distributors and vendors through the Group's online platform.

(iii) Others mainly include

(1) The Group collects usage fee and service fee for providing SaaS solutions to downstream pharmacies and primary healthcare institutions to a) streamline their inventory management, or b) improve the patient management efficiency.

(2) The Group provides system technologies and operational support services to primary healthcare institutions through a smart healthcare system integrated advanced point-of-care testing and monitoring devices, digital management system and smart AI doctors-aid system.

(b) Segment information

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision maker, review the overall results and financial position of the Group as a whole.

Accordingly, only entity-wide disclosures and geographical information are presented.

(c) Geographic information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is all derived from operations in the PRC and the Group's non-current assets are all located in the PRC.

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grants (Note)	**3,708**	1,960
Interest income	**21,553**	23,776
Investment income from financial assets at FVTPL	**9,803**	8,530
Others	**1,102**	2,421
	36,166	36,687

Note: It represented cash received from grants by the local government to encourage the business operations in the PRC with no future obligations. Government grants are recognised in profit and loss when received.

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Losses on disposal of property, plant and equipment	**(1,489)**	(1,036)
Gain on disposal of a subsidiary	**793**	–
Donations	**(670)**	(96)
(Losses) gains from changes in fair value of financial assets at FVTPL	**(2,545)**	5,915
Net foreign exchange losses	**(261)**	(798)
Gains (losses) from changes in fair value of contingent consideration payables	**9,738**	(4,369)
	5,566	(384)

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expense on lease liabilities	**3,920**	4,697
Interest expense on discounted note receivables	**1,621**	1,371
	5,541	6,068

8. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PRC Enterprise Income Tax ("**EIT**"):		
Current tax	**(771)**	–
Deferred tax	**4,107**	5,085
	3,336	5,085

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is exempted from the Cayman Islands income tax.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profits Tax for both periods.

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the PRC EIT rate of subsidiaries of the Group operating in the PRC was 25% for both periods.

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories recognised as an expense	**9,068,225**	8,663,978
Depreciation of property, plant and equipment	**14,147**	14,202
Depreciation of right-of-use assets	**40,200**	41,166
Amortisation of intangible assets	**22,263**	22,121
(Reversal of) write down for obsolete inventories	**(174)**	2,413
Auditor's remuneration	**930**	930
Staff costs:		
Directors' emoluments	**3,946**	4,203
Other staff costs	**612,137**	624,074
Total staff costs	**616,083**	628,277

10. DIVIDENDS

During the six months ended 30 June 2026, a final dividend of RMB0.110 (equivalent to HK$0.125) per share in respect of the year ended 31 December 2025 (six months ended 30 June 2025: RMB0.075 (equivalent to HK$0.081) per share in respect of the year ended 31 December 2024) was declared to owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to RMB75,491,000 (equivalent to HK$85,785,000) and RMB75,186,000 (equivalent to HK$85,438,000), respectively (six months ended 30 June 2025: RMB50,786,000 (equivalent to HK$54,608,000) and RMB50,786,000 (equivalent to HK$54,608,000), respectively).

The directors of the Company have determined that no dividend will be paid in respect of the interim period.

11. EARNINGS PER SHARE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period attributable to the owners of the Company for the purpose of calculating basic and diluted earnings per share	**110,837**	78,117

	Six months ended 30 June	
	2026	2025
	No. of shares	*No. of shares*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**676,038,481**	681,901,859
Effect of dilutive potential ordinary shares:		
Share options and RSUs	**5,267,309**	9,457,644
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**681,305,790**	691,359,503
Basic earnings per share attributable to owners of the Company (RMB per share)	**0.164**	0.115
Diluted earnings per share attributable to owners of the Company (RMB per share)	**0.163**	0.113

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables	**93,528**	95,560
Less: allowance for credit losses	**(738)**	(1,142)
	92,790	94,418
Note receivables	**39,925**	40,219
Total trade and note receivables	**132,715**	134,637
Advance to suppliers	**247,694**	350,669
Receivables in custodian (Note)	**48,578**	92,320
Deposits	**43,600**	40,027
Interest receivables	**43,032**	40,604
Prepaid expense	**19,301**	28,233
Other tax recoverable	**4,225**	2,190
Other receivables	**58,526**	47,606
Receivables from exercise of share options	**–**	21
Total trade and other receivables	**597,671**	736,307

Note: The amounts represented the payments received from online customers of self-operation business which would deposit in escrow account and subsequently withdrawal by the Group upon the customers' acceptance of product delivery.

Trade receivables

The Group requires full payment in advance for its online product sales, certain offline product sales and retail sales. For other customers, the Group primarily allows a credit period of 30 days. Trade receivables are settled in accordance with the terms of the respective contracts.

Aging analysis of trade receivables, net of allowance for credit losses, based on invoice date is as follows:

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Within 3 months	**74,339**	72,055
3–6 months	**5,735**	10,173
6–12 months	**9,313**	9,816
Over 12 months	**4,141**	3,516
	93,528	95,560
Less: allowance for credit losses	**(738)**	(1,142)
	92,790	94,418

Note receivables are trade receivables supported by bank acceptance notes and the average ageing is within 2 to 6 months based on the received date and have a maturity period of less than one year.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Trade payables	**1,865,369**	1,515,914
Note payables	**2,145,576**	2,439,232
Salary and welfare payables	**145,626**	225,507
Other tax payables	**15,503**	22,114
Consideration payable on acquisition of subsidiaries	**34,118**	30,708
Other payables	**434,496**	412,864
Deposits received	**1,072**	1,026
Dividend payable	**305**	–
	4,642,065	4,647,365

Trade payables

The credit period of trade payables is ranging from 30 to 90 days. An aging analysis of the trade payables based on the invoice date at the end of the Reporting Period is as follows:

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
0–30 days	**1,297,129**	1,133,594
31–90 days	**431,755**	298,641
Over 90 days	**136,485**	83,679
	1,865,369	1,515,914

Note payables

All note payables issued by the Group are with a maturity period of less than six months.

14. EVENT AFTER THE REPORTING PERIOD

There have been no material subsequent events identified subsequent to 30 June 2026.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ysbang.cn). The interim report for the six months ended 30 June 2026 will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

By order of the Board
YSB Inc.
Mr. Buzhen Zhang
Chairman and executive Director

Hong Kong, 20 August 2026

As at the date of this announcement, the Board comprises Mr. Buzhen Zhang and Mr. Fei Chen as executive Directors, Mr. Ziyang Zhu as non-executive Director, and Ms. Rong Shao, Mr. Sam Hanhui Sun and Mr. Hongqiang Zhao as independent non-executive Directors.