CflouDr Group Limited

智雲健康科技集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9955)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board (the "**Board**") of directors (the "**Directors**") of ClouDr Group Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025. The interim results have been reviewed by the Company's audit committee.

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

	Six months ended June 30		
	2026	2025	Change (%)
	RMB'000	*RMB'000*	
	(Unaudited)	(Unaudited)	
Revenue	**629,228**	892,579	(29.5)
Gross profit	**293,743**	331,012	(11.3)
Operating loss	**(19,636)**	(587,952)	(96.7)
Loss for the period	**(36,950)**	(642,895)	(94.3)
Adjusted net loss (non-IFRS measure)(1)	**(8,860)**	(63,404)	(86.0)

	Six months ended June 30		
	2026	2025	Change (%)
	RMB'000	*RMB'000*	
	(Unaudited)	(Unaudited)	
Revenue by product or service type	**629,228**	892,579	(29.5)
— In-hospital Solution	**456,396**	649,952	(29.8)
Value Added Solution	**243,858**	277,101	(12.0)
Subscription Solution (i.e. Targeted Marketing)	**84,258**	151,863	(44.5)
P2M Solution(2)	**128,280**	220,988	(42.0)
— Out-of-hospital Solution	**172,832**	242,627	(28.8)
Subscription Solution	**38,802**	44,425	(12.7)
Value Added Solution	**65,197**	97,201	(32.9)
P2M Solution(2)	**33,408**	40,244	(17.0)
Others	**35,425**	60,757	(41.7)

Notes:

(1) We define "adjusted net loss (non-IFRS measure)" as loss for the period and adding back (i) share-based compensation expenses, (ii) expenses related to subsidiaries' equity financing activities, (iii) changes in the carrying amounts of financial instruments issued to investors, including the fair value changes of convertible bonds and financial assets measured at FVPL, (iv) losses recognised on disposals and proposed disposals of certain subsidiaries, and (v) one-off specific provisions related to a business whose counterparty is under major lawsuits or judicial investigations.

(2) We define P2M Solution as sales of proprietary products of which the Group has ownership or national distribution rights through strategic cooperation with pharmaceutical companies.

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2026.

BUSINESS REVIEW AND OUTLOOK

Overview

We are a leading artificial intelligence ("**AI**")-driven digital healthcare platform in China, focusing on chronic condition management solutions. Our leadership is demonstrated by the number of connected hospitals and pharmacies and the volume of online prescriptions issued through our services. As an industry pioneer and leader, the Company has its roots in serving and digitizing major participants in the value chain, including hospitals, pharmacies, pharmaceutical companies, patients and doctors.

We have strong AI capabilities based on massive real medical data we have processed through our chronic condition management platform in hospitals and have obtained through online prescriptions from our internet hospitals using our pharmacy platform networks.

Hospital is of the utmost importance in China's healthcare value chain, which has an extremely high barrier to entry. By June 30, 2026, we have accessed more than 15,000 hospitals, which represents 40% of China's top 100 hospitals and close to 40% penetration in Class III public hospitals. Our AI-driven hospital platform enables hospitals to standardize and optimize diagnosis procedures and improve treatment efficiency and reduce medical errors by automating and standardizing electronic health records, prescriptions, testing results, and other medical data.

On the pharmacy side, by June 30, 2026, we have installed our AI-driven pharmacy platform in 280,325 pharmacies, which represents over 40% penetration of total pharmacies in China. Over the years, we issued approximately over 1.6 billion prescriptions cumulatively through our internet hospitals. Our AI-driven pharmacy platform allows every customer, especially chronic condition patients, once they walk into the pharmacy, to have the immediate access to our internet hospitals and get the online diagnosis and prescriptions so they can purchase prescribed drugs in the pharmacy. We continued to serve more patients with chronic conditions, with the average daily online effective prescription volume exceeding one million during the Reporting Period.

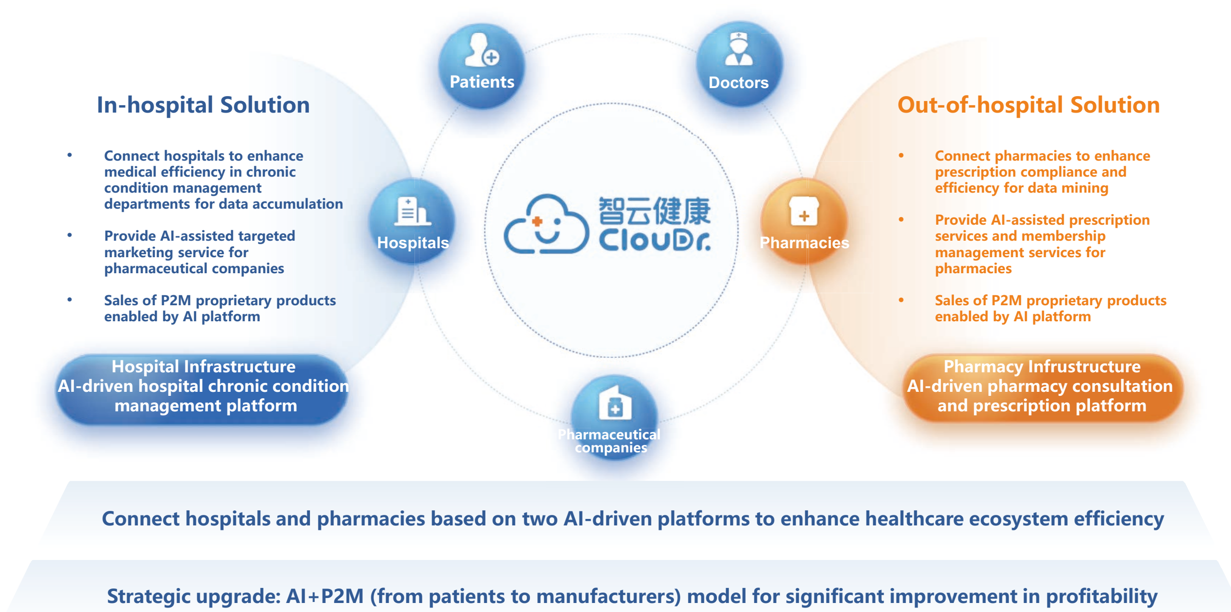
The medical knowledge and insights derived from relevant data have established entity relationships for over 200,000 medicines, essentially covering the majority of chronic diseases. Currently, we have two vertical models, ClouD GPT and ClouD DTx, which respectively excel in physician-patient interactions and medical research. We feed our models with our real case data from high-class hospitals and massive consultation and prescription data from our own internet hospitals to train and enhance their accuracy and applications. Our ClouD GPT model can achieve close to 100% drug usage rationality on a single prescription, and in terms of drug interactions, our model has established rules for compatibility contraindications and multi-drug combinations, setting industry standard for AI-assisted prescription review out of hospitals. Based on our ClouD GPT model, we have reached an expert consensus on the "Establishment and Application of an Internet

Healthcare-related Intelligence Assisted Prescription Review System" with the Chinese Society of Clinical Pharmacy of the Chinese Medical Association, the Clinical Pharmacy Society of the Shanghai Medical Association, the Hospital Pharmacy Committee of the Shanghai Pharmaceutical Association, and 35 Class III-A hospitals across China, which sets industry standard for AI-assisted prescription review out of hospitals.

During the Reporting Period, the ClouD GPT model consistently provided clinical decision support to doctors at hospitals and monetized through digital marketing efforts. In pharmacies, it assisted in prescription review using a "traffic light" mechanism to control prescription errors and to enhance drug usage safety, and successfully deployed the first digital employee, resulting in significant savings in manpower and compliance costs for the Company. The ClouD DTx model continued to broaden its applications in medical research and digital therapeutics, with a particular focus on metabolic diseases and the central nervous system ("**CNS**"). Supported by research findings recognised by leading industry experts in China, the Company has reached cooperation intents with leading Class III hospitals led by experts from the Neurology Branch of the Chinese Medical Association. The collaboration aims to advance the deployment of AI models in clinical research and real-world studies, thereby sustaining ongoing support for future product innovation and the development of digital therapeutics.

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

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



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

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

Upon the completion of the restructuring of our business model in 2025, the Company now focuses on high-quality and cash-generation growth powered by the core AI capabilities. Our strategy is now centered on delivering long-term value and improved financial resilience. In the short term, the transformation will be focused on the P2M strategy to achieve healthy cash flow and profitability; in the mid-long term, it will target data assets monetization; and in the long term, we believe the transformation will lead us to achieve a closed-loop of individual chronic condition management by connecting hospital, pharmacy, pharmaceutical companies, patients and payers via healthcare data sharing.

The AI-driven P2M strategy is based on our solid infrastructure in both in-hospital and out-of-hospital scenarios. Under such strategy, we are able to sell proprietary products of which the Company has ownership, sales rights or other exclusive rights through strategic cooperation with pharmaceutical companies. As of June 30, 2026, the P2M solution generated total revenue of RMB161.7 million and achieved profitability despite policy headwinds. We have already become the gateway for industrial enterprises to enter hospitals and pharmacies based on our broad and in-depth hospital and pharmacy networks. As a result, our digitalization capability can connect industrial enterprises with end hospitals and pharmacies, and ultimately bring high-quality products with competitive pricing and convenience to patients with chronic conditions.

We are pleased to provide an update on the commercialization and regulatory progress of Iloprost Infusion for Injection, one of the Group's key P2M pipeline products. Following the inclusion of the product in the Catalogue of Urgently Needed Imported Drugs and Medical Devices under the "Medicine and Device Access" (藥械通, "**MDA**") in the Greater Bay Area at the end of 2025, its commercialization activities have been progressing steadily. As of June 30, 2026, approximately one-third of the hospitals included in the MDA catalogue have initiated their hospital access procedures, among which three hospitals have completed product procurement and are eligible for clinical application. From a clinical perspective, Guangzhou Fosun Chancheng Hospital of Guangdong Pharmaceutical University issued the first prescription and administered the first dose of Iloprost treatment to a patient in Mainland China under the MDA on June 16, 2026. The first patient was a 90-year-old patient with severe peripheral arterial occlusive disease (PAOD), who had previously undergone two unsuccessful surgical interventions and was facing the risk of amputation. After receiving the treatment, the patient experienced significant pain relief and improvement in foot temperature. Forty days after completion of treatment, both of her feet remained warm and the wound continued to improve, providing strong support for the clinical value of the product in limb-preservation treatment for severe peripheral vascular diseases. Meanwhile, the real-world study is progressing in an orderly manner in collaboration with medical institutions. The Group is also continuing to advance the submission process to the Center for Drug Evaluation ("**CDE**") of the National Medical Products Administration ("**NMPA**"). Looking ahead, the Company will leverage its platform advantages to accelerate the penetration and commercialization of the product within the Greater Bay Area MDA network, with the aim of establishing Iloprost as a representative innovative drug within our chronic disease management product portfolio.

We also enriched our P2M pipeline in 2025 with 5 listed products and 10 products in the process of phase III clinical trial, registration application or pre-launch. We have already become the gateway for industrial enterprises to enter into hospitals and pharmacies based on our broad and in-depth hospital network and pharmacy network. As a result, our digitization capability can connect industrial enterprises with end hospitals and pharmacies, and ultimately bring high-quality products with competitive pricing and high convenience to patients with chronic conditions.

For the six months ended June 30, 2026, our total revenue amounted to RMB629.2 million, representing a period-to-period decrease of 29.5%, mainly due to the adverse Volume-Based Procurement ("**VBP**") policy impacts on both in-hospital solution and out-of-hospital solution and strategic phase-out of low-margin and cash-consumed value-added businesses. Nevertheless, as we focused on high-quality and cash-generated growth instead of quantity growth, our gross profit margin increased from 37.1% for the six months ended June 30, 2025 to 46.7% for the six months ended June 30, 2026. Our non-IFRS adjusted net loss for the six months ended June 30, 2026 amounted to RMB8.9 million, representing a significant period-to-period improvement of 86.0%, demonstrating sound and solid operations following the strategic transformation.

In-hospital Solution

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

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

As of June 30, 2026, 15,266 hospitals had accessed our hospital platform, including 1,480 Class III public hospitals and 2,588 Class II public hospitals. Additionally, 40 out of the 1,480 Class III hospitals were China's top 100 hospitals.

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

The comprehensive value-added solution includes the hospital platform and hospital supplies, which are primarily related to chronic conditions and can be connected to our hospital platform through the proprietary AIoT devices. We continued to strengthen our hospital platform by optimizing AI-driven functions for more precise and customized chronic condition management.

Leveraging our AI-powered hospital network, we monetize by 1) offering third-party pharmaceutical companies subscription solution, i.e., targeted marketing services, and 2) selling proprietary pharmaceutical products, which is under our P2M solution, an upgraded version of targeted marketing, given that we have stronger relationships with pharmaceutical companies and more involvement in the process including research and development, manufacturing, sales and marketing. Both solutions aim at achieving more effective marketing in a cost-saving way.

For the development of the subscription solution, we continued to expand our collaboration with pharmaceutical companies, with 50 contracted pharmaceutical companies and 51 partnered SKUs as of June 30, 2026, representing an increase of 11.1% and 2.0% respectively as compared with June 30, 2025. Revenue from our in-hospital subscription solution amounted to RMB84.3 million, representing a decrease of 44.5% as compared with the six months ended June 30, 2025, due to the significant revenue decline in two key SKUs, of which one resulted from market wait-and-see sentiment towards the fourth batch of national VBP of Chinese medicines, compounded by the upstream pharmaceutical companies' inventory clearance and channel control, and the other was a result from a substantial price reduction following its inclusion into provincial VBP.

During the Reporting Period, in the P2M sub-segment, one of our main products Ischelium® continued to deliver positive performance with over 25% revenue growth year-on-year, due to solid market demand and improving operations. Revenue from our in-hospital P2M solution amounted to RMB128.3 million, representing a decrease of 42.0% as compared with the six months ended June 30, 2025, primarily attributable to the substantial price reduction following the 11th batch of the national VBP inclusion of Hetangjing® Dapagliflozin Tablets, for which the in-hospital price fell by approximately 84% year-on-year. Nevertheless, as the sales volume rose by approximately 1.3-fold, the overall impact on profit was less pronounced than that on revenue. Furthermore, with the gradual reduction in production costs and expected market share gain next year, the profit margin of this product is expected to recover in the future. The other main P2M product Ischelium® continued to deliver positive performance due to solid market demand and improving operations.

The AI-driven hospital platform significantly improved our customer stickiness for monetization opportunities. Our in-hospital solution has allowed us to successfully build deep connections with hospitals and pharmaceutical companies, laying a solid foundation to extend our businesses to out-of-hospital settings. For the six months ended June 30, 2026, the number of hospitals that accessed our hospital platform reached 15,266, representing a decrease of 571 hospitals, or 3.6% as compared to the six months ended June 30, 2025. The decrease was primarily attributable to the strategic exit of some low-performing lower-tier hospitals; however, the number of Class-III hospitals increased by 482 hospitals, or 49.8% as compared to the six months ended June 30, 2025.

	Six months ended June 30		
	2026	2025	Change (%)
Revenue			
In-hospital solution	**456,396**	649,952	(29.8)
Value Added Solution	**243,858**	277,101	(12.0)
Subscription Solution (i.e. Targeted Marketing)	**84,258**	151,863	(44.5)
P2M Solution	**128,280**	220,988	(42.0)
Gross profit			
In-hospital solution	**204,039**	228,342	(10.6)
Value Added Solution	**54,665**	(50,757)	207.7
Subscription Solution (i.e. Targeted Marketing)	**82,485**	136,990	(39.8)
P2M Solution	**66,889**	142,109	(52.9)
Gross margin			
In-hospital solution	**44.7%**	35.1%	9.6
Value Added Solution	**22.4%**	(18.3)%	40.7
Subscription Solution (i.e. Targeted Marketing)	**97.9%**	90.2%	7.7
P2M Solution	**52.1%**	64.3%	(12.2)

	Six months ended June 30		
	2026	2025	Change (%)
Number of hospitals that accessed our AI-driven hospital platform[(1)]	**15,266**	15,837	(3.6)
Subscription Solution — Number of partnered pharmaceutical companies[(2)]	**50**	45	11.1
Subscription Solution — Number of partnered SKUs[(3)]	**51**	50	2.0

Notes:

(1) Number of hospitals that accessed our AI-driven hospital platform is the cumulative total number as of the end date of the respective period.

(2) Number of partnered pharmaceutical companies is the number of pharmaceutical companies to which we provided digital marketing services during the respective period.

(3) Number of SKUs marketed through digital marketing services during the respective period.

Out-of-hospital Solution

Our integrated out-of-hospital solution fulfills chronic condition patients' needs for out-of-hospital consultation and prescription services, and high-value pharmaceuticals through our pharmacy platform.

Our AI-driven pharmacy platform, *ClouDr. Pharmacy*, was launched in the first half of 2019. It plays a critical role in our out-of-hospital medical services by empowering pharmacies with in-store, real-time consultation and AI-assisted prescription services for walk-in customers. We currently have two internet hospitals as part of our platform to deliver these services in compliance with relevant regulations. These internet hospitals allow us to provide online consultation and prescription services through our online applications to patients across different provinces in China. We had approximately 113,700 registered doctors and approximately 72.1 million registered users as of June 30, 2026. During the Reporting Period, the number of online prescriptions provided through our services remained broadly flat year-on-year at 177.3 million, consolidating the Company's undisputed leading position in the industry. We also provide advanced features, such as a new retail function that offers e-commerce solutions on private domain traffic management such as WeChat mini programs, public domain traffic management and inventory management services. Our pharmacy platform has also integrated risk pooling of outpatient services in 9 provinces. As of June 30, 2026, 280,325 pharmacies had installed *ClouDr. Pharmacy*, representing an increase of 10,965 pharmacies, or 4.1%, as compared with June 30, 2025, covering approximately 40% of pharmacies in China.

The revenue of our out-of-hospital subscription solution business line amounted to RMB38.8 million, representing a decrease of 12.7% as compared to that for the six months ended June 30, 2025, due to enhanced compliance oversight over online pharmacy operations. The revenue of our out-of-hospital value-added solution business line amounted to RMB65.2 million, representing a decrease of 32.9% as compared to that for the six months ended June 30, 2025, due to our proactive phasing out certain low-margin value-added services as part of our continued business restructuring. Revenue from the P2M Solution amounted to RMB33.4 million for the six months ended June 30, 2026, representing a decrease of 17.0% as compared to that for the six months ended June 30, 2025, primarily attributable to the VBP impact of Hetangjing® Dapagliflozin Tablets. Despite revenue decline in this segment, the gross margins of value-added solution, P2M solution and others respectively improved by 1.6 percentage points, 6.7 percentage points and 20.5 percentage points year-on-year, and that of subscription solution remained high at 93.2%. The overall segment gross margin reached 51.9%, a year-on-year improvement of 9.6 percentage points.

	Six months ended June 30		
	2026	2025	
	RMB'000	*RMB'000*	Change (%)
	(Unaudited)	(Unaudited)	
Revenue			
Out-of-hospital solution	**172,832**	242,627	(28.8)
Subscription Solution	**38,802**	44,425	(12.7)
Value Added Solution	**65,197**	97,201	(32.9)
P2M Solution	**33,408**	40,244	(17.0)
Others	**35,425**	60,757	(41.7)
Gross profit			
Out-of-hospital solution	**89,704**	102,670	(12.6)
Subscription Solution	**36,145**	41,986	(13.9)
Value Added Solution	**13,912**	19,115	(27.2)
P2M Solution	**22,093**	23,888	(7.5)
Others	**17,554**	17,681	(0.7)

	Six months ended June 30		
	2026	2025	
	RMB'000	*RMB'000*	Change (%)
	(Unaudited)	(Unaudited)	
Gross margin			
Out-of-hospital solution	**51.9%**	42.3%	9.6
Subscription Solution	**93.2%**	94.5%	(1.3)
Value Added Solution	**21.3%**	19.7%	1.6
P2M Solution	**66.1%**	59.4%	6.7
Others	**49.6%**	29.1%	20.5

	Six months ended June 30		
	2026	2025	Change (%)
Number of pharmacy stores that installed our AI-driven pharmacy platform[1]	**280,325**	269,360	4.1
Number of registered users (in millions)[2]	**72.1**	50.2	43.6
Number of registered doctors (in thousands)[3]	**113.7**	110.0	3.4
Number of online prescriptions (in millions)	**177.3**	177.6	(0.2)
Subscription Solution — Number of platform-paying pharmacy stores	**169,370**	155,940	8.6

Notes:

(1) Number of pharmacy stores that installed our AI-driven pharmacy platform is the cumulative total number as of the end date of the respective period.

(2) Number of registered users is the cumulative total number as of the end date of the respective period.

(3) Number of registered doctors is the cumulative total number as of the end date of the respective period.

Significant Events/Recent Developments after the Reporting Period

Subsequent to the Reporting Period, the Group participated in a key research project under the "Lingyan Program" (領雁專項), an applied basic research program of the Department of Science and Technology of Zhejiang Province. Led by Zhejiang University, the project focuses on addressing challenges in the diagnosis and treatment of ultra-high-risk patients with coronary heart disease, particularly the metabolic-immune regulatory axis and the underlying mechanisms of disease progression based on real-world clinical settings, with the aim of exploring more precise and efficient individualized diagnosis and treatment strategies.

As a digital healthcare industry participant, the Group leveraged its capabilities in digital healthcare technologies, clinical data governance, real-world research and chronic disease management to support the project, providing platform and technical support for mechanistic analysis, patient population characterization research and the clinical translation of research findings. The participation further strengthens the Group's collaboration with leading academic and clinical institutions and supports the integration of medical research with real-world clinical applications.

Business outlook

We intend to focus on the following key strategies to solidify our leadership position in China's chronic condition management market: (1) continue to solidify our digital infrastructure based on the AI-driven hospital platform and the AI-driven pharmacy platform, (2) continue to build up a strong pipeline for proprietary products under the P2M strategy to drive monetization, (3) continue to invest in product and technology innovation with a focus on medical AI model, (4) continue to grow our number of patient and doctor users, (5) continue to invest in strategic partnership with international and local pharmaceutical companies, and (6) to alleviate the burden on and to help improve the utilization efficiency of the National Healthcare Security Fund.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues decreased by 29.5% from approximately RMB892.6 million for the six months ended June 30, 2025 to approximately RMB629.2 million for the six months ended June 30, 2026. The decrease was primarily attributable to the adverse VBP policy impacts on both in-hospital solution and out-of-hospital solution and strategic phase-out of low-margin and cash-consumed value-added businesses.

In-hospital solution. Revenue from the in-hospital solution decreased by 29.8% from approximately RMB650.0 million for the six months ended June 30, 2025 to approximately RMB456.4 million for the six months ended June 30, 2026, primarily due to 1) the Group's proactive phase-out of businesses related to sales of pharmaceutical products, which further downsized the value added solution, and 2) adverse impact from the VBP policy on P2M solution and subscription solution.

Out-of-hospital solution. Revenue from the out-of-hospital solution decreased by 28.8% from approximately RMB242.6 million for the six months ended June 30, 2025 to approximately RMB172.8 million for the six months ended June 30, 2026, primarily due to 1) the Group's proactive phase-out of businesses related to sales of pharmaceutical products, which further downsized the value added solution, and 2) adverse impacted from the VBP policy on P2M solution.

Cost of Sales

Our cost of sales decreased by 40.3% from approximately RMB561.6 million for the six months ended June 30, 2025 to approximately RMB335.5 million for the six months ended June 30, 2026. The decrease in cost of sales being faster than the decrease in revenue was primarily attributable to a reduced proportion of the low-margin value-added solution in the revenue mix as a result of our restructuring that prioritizes high-quality and cash-generation growth.

Gross profit and gross margin

As a result of the foregoing, our overall gross profit for the six months ended June 30, 2025 and 2026 was approximately RMB331.0 million and approximately RMB293.7 million, respectively, and our overall gross margin for the same periods was 37.1% and 46.7%, respectively. The decrease in our overall gross profit was primarily attributable to the decrease of revenue. The increase in our overall gross margin was a result of the optimization of the revenue structure with a focus on high-margin subscription solution and P2M solution in both in-hospital solution and out-of-hospital solution.

In-hospital solution. Our gross margin for the in-hospital solution increased from 35.1% for the six months ended June 30, 2025 to 44.7% for the six months ended June 30, 2026, primarily attributable to the proactive reduction of the low-margin value-added solution with a focus on the high-margin and cash-generated P2M solution and subscription solution.

Out-of-hospital solution. Our gross margin for the out-of-hospital solution increased from 42.3% for the six months ended June 30, 2025 to 51.9% for the six months ended June 30, 2026, primarily due to 1) the optimized revenue structure with a focus on high-margin P2M solution and subscription solution, and 2) margin improvement in other individual solution.

Selling and marketing expenses

Our selling and marketing expenses decreased by 45.1% from approximately RMB453.9 million for the six months ended June 30, 2025 to approximately RMB249.1 million for the six months ended June 30, 2026, primarily attributable to scaling back inefficient promotional expenses and focusing on core products. 74.6% of our selling and marketing expenses were people-related costs (including share-based compensation).

The selling and marketing expense-to-revenue ratio decreased from 48.6% for the six months ended June 30, 2025 to 39.5% for the six months ended June 30, 2026, due to the decrease in selling and marketing expenses outpaced the decrease in revenue.

Administrative expenses

Our administrative expenses decreased by 51.5% from RMB118.7 million for the six months ended June 30, 2025 to RMB57.6 million for the six months ended June 30, 2026. The decrease was primarily attributable to effective management and proactive control of administrative expenses.

The administrative-expenses-to-revenue ratio maintained broadly stable at 7.3% and 8.4% for the six months ended June 30, 2025 and June 30, 2026.

Research and development expenses

Our research and development expenses decreased from approximately RMB26.4 million for the six months ended June 30, 2025 to approximately RMB19.8 million for the six months ended June 30, 2026. The research and development expense-to-revenue ratio remained broadly stable year-on-year at 3.1%, as compared to 2.7% for the six months ended June 30, 2025.

Loss from operations

As a result of the foregoing, our loss from operations significantly narrowed by 96.7% from approximately RMB588.0 million for the six months ended June 30, 2025 to approximately RMB19.6 million for the six months ended June 30, 2026. The decrease was primarily due to 1) a significant decline in the negative impact of the impairment losses relating to the strategic divestment and one-off specific provisions recognized in 2025, and 2) the sustained development of our AI+P2M core business, which drove improved operating performance.

Finance costs

Our finance costs decreased by 52.4% from approximately RMB8.8 million for the six months ended June 30, 2025 to approximately RMB4.2 million for the six months ended June 30, 2026, primarily attributable to the decrease in average outstanding bank borrowings.

Change in the carrying amounts of financial instruments issued to investors

We recorded changes in the carrying amounts of financial instruments issued to investors of a loss of approximately RMB11.2 million and a loss of approximately RMB9.6 million for the six months ended June 30, 2026 and 2025 respectively. The losses were due to the amortized interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights and change in fair value of convertible bonds, which was recognized as financial instruments issued to investors.

Income tax

We recorded income tax expenses of approximately RMB1.9 million for the six months ended June 30, 2026, as compared with income tax credits of approximately RMB0.4 million for the six months ended June 30, 2025. The change was primarily due to additional taxes assessed in respect of prior years, which was settled upon the tax reconciliation with the competent PRC tax authorities, and provision for PRC income tax for the period, as a result of certain profit-making entities.

Loss for the period

As a result of the foregoing, our loss significantly narrowed by 94.3% from approximately RMB642.9 million for the six months ended June 30, 2025 to approximately RMB37.0 million for the six months ended June 30, 2026. The significant narrowing was primarily due to 1) significant decline of negative impact from impairment losses relating to strategic divestment and one-off specific provision which were recognized in 2025; and 2) the sustained development of our AI+P2M core business, which contributed to improved operating performance, demonstrating the effective delivery of our strategic transformation.

Adjusted Net Loss (Non-IFRS Measure)

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

We define "adjusted net loss (non-IFRS measure)" as loss for the period and adding back (i) share-based compensation expenses, (ii) expenses related to subsidiaries' equity financing activities, (iii) changes in the carrying amounts of financial instruments issued to investors, including the fair value changes of convertible bonds and financial assets measured at FVPL, (iv) losses recognised on disposals and proposed disposals of certain subsidiaries, and (v) one-off specific provisions related to a business whose counterparty is under major lawsuits or judicial investigations.

For the six months ended June 30, 2025 and 2026, our adjusted net loss (non-IFRS measure) was approximately RMB63.4 million and approximately RMB8.9 million, respectively.

The following table sets forth the reconciliations of our non-IFRS financial measures for the six months ended June 30, 2025 and 2026 to the nearest measures prepared in accordance with IFRS:

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(36,950)**	(642,895)
Add: Share-based compensation related items(1)	**5,311**	58,735
Expense related to subsidiaries' equity financing activities(2)	**147**	1,118
Changes in the carrying amounts of financial instruments issued to investors, including the fair value changes of convertible bonds and financial assets measured at FVPL(3)	**16,786**	9,603
Losses recognized on certain subsidiaries of disposals and proposed disposals(4)	**5,846**	321,164
One-off specific provision related to a business whose counterparty is under major lawsuits or judicial investigations(5)	**—**	188,871
Adjusted net loss (non-IFRS measure)	**(8,860)**	(63,404)
Adjusted net loss margin (non-IFRS measure) (%)(6)	**(1.4)**	(7.1)

(1) Share-based compensation related items relate to the share awards we offered to our employees, directors and consultants under the pre-IPO equity incentive scheme and post-IPO share award scheme of the Company, which are primarily non-cash in nature and commonly added back to IFRS measures in calculating similar non-IFRS measures adopted by other companies in our industry.

(2) Expense related to subsidiaries' equity financing activities is commonly added back to IFRS measures in calculating similar non-IFRS financial measures, primarily because it represents the professional service expense in connection with the subsidiaries' equity financing with the redemption rights granted to investors and only relates to the scale of financing from investors.

(3) Change in the carrying amounts of financial instruments issued to investors represents the amortised interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights, which was recognised as financial instruments issued to investors, and the fair value changes of convertible bonds and financial assets measured at FVPL. Such change is non-cash in nature.

(4) During the six months ended June 30, 2025, losses recognized on the assets related to certain subsidiaries of disposals and proposed disposals include disposal loss, impairment loss and operating loss, which are not indicative of our continuing operational performance.

During the six months ended June 30, 2026, this item included RMB4.4 million disposal loss related to the disposal of a subsidiary involved in the distribution of ThermoFisher medical equipment, and RMB1.4 million disposal loss related to the disposal of a subsidiary involved in the distribution of Chinese Patent Medicines, both being adversely impacted by VBP. The Company viewed such disposals not indicative of our continuing operational performance.

(5) One-off specific provision related to a business whose counterparty is under major lawsuits or judicial investigations is presented separately to provide a clearer view of the Company's core operational performance.

No further provision was made during the six months ended June 30, 2026. The Company recovered a total refund of RMB2.0 million in prepayment from one upstream supplier in July and August 2026.

(6) Represents adjusted net loss (non-IFRS measure) divided by the total revenue for the period indicated.

Liquidity and capital resource

During the six months ended June 30, 2026, we funded our cash requirements principally from capital contribution from shareholders, bank loans and cash generated from operating activities. We had cash and cash equivalents of approximately RMB240.5 million and approximately RMB267.6 million as of June 30, 2026 and December 31, 2025, respectively. In addition, we had RMB41.9 million financial assets measured at fair value and RMB43.1 million time deposits with initial terms over three months as of June 30, 2026, and those financial assets were short term and for treasury management purposes.

As of June 30, 2026, we had bank and other loans of RMB196.0 million (as of December 31, 2025: RMB268.3 million). Borrowings are classified as current liabilities and non-current liabilities. RMB196.0 million were repayable within one year and nil were payable over one year as of June 30, 2026. The effective annual interest rates of borrowings ranged from 2.11% to 5.40% as of June 30, 2026.

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

Significant investments

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

Material acquisitions and disposals

Save as disclosed in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures for the six months ended June 30, 2026.

Pledge of assets

As at June 30, 2026, approximately RMB47 million of plant and buildings, production equipment and machinery and office equipment were pledged as security for bank and other loans granted to the Group.

Future plans for material investments or capital asset

As at June 30, 2026, the Group did not have detailed future plans for material investments or capital assets.

Gearing ratio

The Group monitors capital on the basis of the gearing ratio, which is calculated as liabilities excluding financial instruments issued to investors and convertible bond divided by total assets. As at June 30, 2026, the gearing ratio was 46.8%, as compared with 51.1% as at December 31, 2025. The decrease was primarily due to the repayment of bank borrowings.

Foreign exchange exposure

During the six months ended June 30, 2026, the Group mainly operated in China with most transactions settled in Renminbi ("**RMB**"). The functional currency of our Company and the subsidiaries and consolidated affiliated entities operating in China is RMB. Our management considers that the business is not exposed to any significant foreign-exchange risk. For the six months ended June 30, 2026, we had currency exchange gain of approximately RMB749,000, as compared with currency exchange gain of approximately RMB178,000 for the six months ended June 30, 2025. We did not hedge against any fluctuation in foreign currency during the six months ended June 30, 2025 and 2026.

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 arises to minimize its foreign exchange risk.

Contingent liabilities

As at June 30, 2026, we did not have any material contingent liabilities (as at June 30, 2025: nil).

Indebtedness

As at June 30, 2026, the Group had bank and other loans of RMB196.0 million and lease liabilities of RMB14.2 million, as compared with RMB268.3 million and RMB20.4 million, respectively, as at December 31, 2025.

Employees and remuneration

As at June 30, 2026, the Group had a total of 776 employees, of which 243 employees were in Hangzhou, 84 employees were in Shanghai and 449 employees were in other offices in China. The Group also had 2,797 flexible staffing as of June 30, 2026 to support business penetration into lower-tier cities and access to 15,266 hospitals and 280,325 pharmacies.

The following table sets forth the total number of employees by function as at June 30, 2026:

Function	Number of full-time employees
Selling and marketing	595
Research and development	64
General and administrative	47
Others[1]	70
Total	776

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

The total people-related cost incurred by the Group for the six months ended June 30, 2026 was approximately RMB236.3 million, as compared with approximately RMB447.1 million for the six months ended June 30, 2025. The full-time staff cost incurred for the six months ended June 30, 2026 was approximately RMB114.4 million, as compared with approximately RMB218.0 million for the six months ended June 30, 2025.

The flexible staffing cost incurred for the six months ended June 30, 2026 was approximately RMB122.0 million, as compared with approximately RMB229.1 million for the six months ended June 30, 2025.

The Company has adopted the Pre-IPO Share Scheme (as defined below), the Post-IPO Share Scheme (as defined below) and the 2025 Share Scheme (as defined below). The Post-IPO Share Scheme was subsequently replaced by the 2025 Share Scheme approved by the shareholders of the Company on January 2, 2025.

1. The total people-related cost and full-time staff cost exclude the costs related to 70 employees in the manufacturing function, which are included in manufacturing cost.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

Compliance with the Corporate Governance Code

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

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

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

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

Compliance with the Model Code

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

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

Audit committee

The audit committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended June 30, 2026. The audit committee has also discussed matters relating to accounting policies and practices, internal control and financial reporting with senior management. The audit committee considered that the interim financial results for the six months ended June 30, 2026 complied with the relevant accounting standards, rules and regulations and that appropriate disclosures had been duly made.

OTHER INFORMATION

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

During the Reporting Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules). The Company did not hold any treasury shares as at June 30, 2026.

Material litigation

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

Use of proceeds from the global offering

On July 6, 2022, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering, after deducting underwriting fees and other estimated expenses paid and payable by us in connection with the global offering and discretionary incentive fee, were approximately HK$425.7 million. As of the date of this announcement, the proceeds have been fully utilized in accordance with the intended use of proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated June 23, 2022.

Dividend

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 — UNAUDITED

(Expressed in thousands of Renminbi, unless otherwise stated)

		Six months ended June 30	
	Note	**2026**	2025
		RMB'000	*RMB'000*
Revenue	*3*	**629,228**	892,579
Cost of sales		**(335,485)**	(561,567)
Gross profit		**293,743**	331,012
Other net loss	*4*	**(7,009)**	(138,358)
Selling and marketing expenses		**(249,125)**	(453,861)
Administrative expenses		**(57,586)**	(118,693)
Research and development expenses		**(19,780)**	(26,375)
Impairment losses reversed/(recognized) on trade receivables and other receivables		**20,121**	(181,677)
Loss from operations		**(19,636)**	(587,952)
Finance costs	*5(a)*	**(4,172)**	(8,763)
Change in the carrying amounts of financial instruments issued to investors		**(11,196)**	(9,603)
Impairment loss recognized on non-current assets and assets held for sale		**—**	(36,996)
Loss before taxation	*5*	**(35,004)**	(643,314)
Income tax	*6*	**(1,946)**	419
Loss for the period		**(36,950)**	(642,895)
Attributable to:			
— Equity shareholders of the Company		**(29,810)**	(549,113)
— Non-controlling interests		**(7,140)**	(93,782)
Loss for the period		**(36,950)**	(642,895)
Loss per share	*7*		
Basic and diluted *(RMB)*		**(0.05)**	(0.92)

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

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Loss for the period	**(36,950)**	(642,895)
Other comprehensive income for the period (after tax)		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange difference on translation of:		
— Financial statements of foreign operations	**(13,056)**	(2,183)
Total comprehensive income for the period	**(50,006)**	(645,078)
Attributable to:		
— Equity shareholders of the Company	**(42,866)**	(551,296)
— Non-controlling interests	**(7,140)**	(93,782)
Total comprehensive income for the period	**(50,006)**	(645,078)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2026 — UNAUDITED

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	**At June 30, 2026** *RMB'000*	At December 31, 2025 *RMB'000*
Non-current assets			
Property, plant and equipment	*8*	**83,827**	90,607
Intangible assets		**148,670**	157,019
Goodwill		**35,437**	36,033
Financial assets measured at fair value through profit or loss ("**FVPL**")		**25,598**	31,177
Other non-current assets	*9*	**214,067**	191,937
		507,599	506,773
Current assets			
Financial assets measured at FVPL	*10*	**41,858**	73,048
Inventories	*11*	**101,715**	161,682
Trade and bills receivables	*12*	**288,643**	352,339
Prepayments, deposits and other receivables	*13*	**205,219**	213,638
Restricted bank deposits		**40,637**	39,022
Time deposits with initial term over three months		**43,133**	69,868
Cash and cash equivalents	*14*	**240,522**	267,635
		961,727	1,177,232
Current liabilities			
Trade payables	*15*	**84,185**	129,463
Other payables and accrued expenses	*16*	**312,782**	347,937
Contract liabilities		**47,734**	60,659
Bank and other loans		**195,953**	258,967
Lease Liabilities		**7,283**	11,311
Financial instruments issued to investors		**345,044**	336,399
		992,981	1,144,736
Net current (liabilities)/assets		**(31,254)**	32,496
Total assets less current liabilities		**476,345**	539,269

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2026 — UNAUDITED (CONTINUED)
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	**At June 30, 2026** *RMB'000*	At December 31, 2025 *RMB'000*
Non-current liabilities			
Bank and other loans		**—**	9,310
Lease liabilities		**6,928**	9,040
Deferred tax liabilities		**32,318**	33,464
		39,246	51,814
NET ASSETS		**437,099**	487,455
CAPITAL AND RESERVES			
Share capital	*17(b)*	**433**	433
Reserves	*17(c)*	**510,564**	548,119
Total equity attributable to equity shareholders of the Company		**510,997**	548,552
Non-controlling interests		**(73,898)**	(61,097)
TOTAL EQUITY		**437,099**	487,455

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in thousands of Renminbi, unless otherwise stated)

1 BASIS OF PREPARATION

This interim financial statements has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**the Stock Exchange**"), including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on August 27, 2026.

The interim financial statements has been prepared in accordance with the same accounting policies in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The financial information relating to the financial year ended December 31, 2025 that is included in the interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

While the Group has recorded an operating cash inflow of RMB20 million during the six months period ended June 30, 2026, the Group had net current liabilities of RMB31 million as at June 30, 2026 and also recorded a net operating loss of RMB20 million. The net current liabilities were primarily due to the significant amount of the financial instruments issued to investors of RMB345 million arising from the financing with redemption rights from the investors. The directors of the Company are of the opinion that no payment is expected for the settlement of the financial instruments issued to investors within twelve months after the issue date of this interim financial statements, as the agreed redemption dates are December 31, 2028 or 2029 and it is not expected to materially breach the terms of the agreements entered into with the financing investor before the redemption dates. The Group implements various strategies to achieve operating profits, improve the Group's operating cash flows and net current liabilities exposure. In addition, the directors of the Company have reviewed the Group's cash flow forecast prepared by the management. In view of the above factors, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and meet its obligations as and when they fall due for at least the next twelve months, and thus it is appropriate to prepare the Group's financial statements on a going concern basis.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The amendments do not have a material impact on this interim statements.

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

Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.

- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance ("**ESG**")-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.

- The amendments introduce new disclosures for disposals of investments in equity instruments designated at FVOCI, and for financial instruments not measured at FVPL which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue from contracts with customers

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

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

— Patient to manufacturer ("**P2M**") solutions include sales of hospital supplies and pharmacy supplies, under which the Group had ownership or national distribution rights on the pharmaceutical products through strategic cooperation with pharmaceutical companies;

— Value added solutions include sales of hospital supplies and pharmacy supplies excluding the supplies included in the P2M solutions, and providing AI-driven hospital platform service;

— Subscription solutions include providing digital marketing services and AI-driven pharmacy platform service;

— Others mainly include sales of chronic condition products to individual customers and providing insurance brokerage services.

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

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Type of goods or services:		
In-hospital		
Value added solution	**243,858**	277,101
Subscription solution	**84,258**	151,863
P2M	**128,280**	220,988
Out-of-hospital		
Value added solution	**65,197**	97,201
Subscription solution	**38,802**	44,425
P2M	**33,408**	40,244
Others	**35,425**	60,757
	629,228	892,579
Timing of revenue recognition:		
Point in time	**601,979**	870,679
Over time	**27,249**	21,900
	629,228	892,579

(b) Segment reporting

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

4 OTHER NET LOSS

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Government grants	**801**	1,835
Interest income	**1,798**	1,183
Fair value (losses)/gains on financial assets measured at FVPL	**(5,140)**	1,019
Impairment loss on prepayments	**—**	(122,578)
Loss on disposal of subsidiaries	**(5,846)**	(18,474)
Foreign exchange gain	**749**	178
Others	**629**	(1,521)
	(7,009)	(138,358)

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Interest expenses	**3,538**	7,934
Interest on lease liabilities	**243**	492
Other financial cost	**391**	337
	4,172	8,763

(b) Staff costs

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**102,117**	151,654
Contributions to defined contribution retirement plan *(note (i))*	**6,927**	7,577
Equity-settled share-based payment expenses	**5,311**	58,735
	114,355	217,966

Note:

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

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

(c) Other items

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Amortisation of intangible assets	**8,349**	20,966
Depreciation expenses		
— owned property, plant and equipment	**3,030**	7,680
— right-of-use assets	**4,191**	6,121
Cost of inventories	**322,145**	404,696

6 INCOME TAX

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Current tax expense		
Provision for PRC income tax for the period	**1,417**	66
Under-provision in respect of prior years	**1,675**	661
Deferred tax expense		
Reversal of temporary differences	**(1,146)**	(1,146)
	1,946	(419)

Notes:

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

According to the PRC income tax law and its relevant regulations, entities that qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% (for taxable income less than RMB3,000,000). Certain subsidiaries of the Group were qualified as small and low profit enterprise and entitled preferential income tax rate for the six months ended June 30, 2026 and 2025.

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

(ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Company and the Group's BVI subsidiaries are not subject to income tax in those jurisdictions.

(iii) The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong profit tax at 16.5% of the estimated assessable profit. No provision for Hong Kong Profits Tax has been made, as the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax during the reporting periods.

(iv) Effective from January 1, 2023, an additional 100% of qualified research and development expenses incurred by the Group is allowed to be deducted from taxable income under the PRC income tax law and its relevant regulations.

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB30 million (six months ended June 30, 2025: RMB549 million) and the weighted average of 624,068,000 ordinary shares (six months ended June 30, 2025: 594,666,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

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

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended June 30, 2026, the Group entered into a number of lease agreements mainly for use of offices and therefore recognized the additions to right-of-use assets of RMB5 million (six months ended June 30, 2025: RMB4 million).

(b) Acquisitions and disposal of owned assets

During the six months ended June 30, 2026, the Group acquired items of electronic equipment and production equipment, office equipment, motor vehicles and leasehold improvement with a cost of RMB5 million (six months ended June 30, 2025: RMB3 million). Machinery and electronic equipment, office equipment and motor vehicles with a net book value of RMB8,097 were disposed of during the six months ended June 30, 2026 (six months ended June 30, 2025: RMB734,464), resulting in a loss of disposal of RMB1,417 (six months ended June 30, 2025: a gain on RMB61,936). As of June 30, 2026, approximately RMB47 million (December 31, 2025: RMB51 million) of plant and buildings, production equipment and machinery, office equipment was pledged as security for bank and other loans which are payable less than one year and over one year.

9 OTHER NON-CURRENT ASSETS

The other non-current assets mainly represent prepayments to acquire intangible assets as at June 30, 2026 and December 31, 2025.

10 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	At June 30, 2026	At December 31, 2025
	RMB'000	*RMB'000*
Non-current		
Unlisted equity instrument *(note (i))*	**25,598**	31,177
Current		
Financial products issued by financial institutions		
— Wealth management products *(note (ii))*	**41,858**	45,990
— Fund management products *(note (iii))*	**—**	27,058
	41,858	73,048

Notes:

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

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

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

(iii) The investments represented the Group's investment in certain fund portfolios issued by certain fund companies registered in Cayman Islands or British Virgin Islands.

The financial products have expected annual rates of return ranging from 2.0% to 3.0% (2025: 1.05% to 5.0%). Considering the contractual cash flows do not qualify for solely payments of principal and interest due to the variable returns, the investments have been accounted for as financial assets measured at fair value through profit or loss.

11 INVENTORIES

	At June 30, 2026	At December 31, 2025
	RMB'000	*RMB'000*
Finished goods	**101,715**	161,682

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

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Carrying amount of inventories sold	**322,145**	404,696
(Reversal)/write down of inventories	**(4,218)**	112,241

12 TRADE AND BILLS RECEIVABLES

	At June 30, 2026	At December 31, 2025
	RMB'000	*RMB'000*
Trade receivables	**518,431**	578,753
Less: Loss allowance	**(239,728)**	(242,004)
	278,703	336,749
Bills receivables	**9,940**	15,590
	288,643	352,339

(a) Ageing analysis

The ageing analysis of trade and bills receivable, based on the invoice date and net of loss allowance, of the Group are as follows:

	At June 30, 2026	At December 31, 2025
	RMB'000	*RMB'000*
Within 3 months	**182,825**	227,841
4 to 6 months	**52,032**	68,617
7 to 12 months	**51,628**	53,174
Over 12 months	**2,158**	2,707
	288,643	352,339

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

(b) Impairment of trade receivables

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

	Six months ended June 30	
	2026	2025
	RMB'000	*RMB'000*
Balance at January 1	**242,004**	44,771
Impairment losses recognised	**3,691**	144,525
Write-off	**(5,967)**	—
At the end of the period	**239,728**	189,296

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At June 30, 2026	At December 31, 2025
	RMB'000	*RMB'000*
Prepayments for inventories and services	**48,189**	47,968
Deposits	**117,225**	128,581
Amounts due from third parties *(note (i))*	**26,910**	23,310
Purchase rebate with suppliers	**4,517**	4,625
Value-added tax recoverable	**6,080**	9,968
Amounts due from staffs *(note (i))*	**12,624**	15,346
Prepayment for repurchase of the Company's shares	**1,595**	2,051
Consideration receivable for disposal of subsidiaries *(note (i))*	**8,906**	15,602
Amounts due from disposed subsidiary *(note (i))*	**9,089**	—
Others	**34,502**	35,567
	269,637	283,018
Less: loss allowance *(note (ii))*	**(64,418)**	(69,380)
	205,219	213,638

Notes:

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

(i) Amounts due from third parties, staffs, consideration receivable for disposal of subsidiaries and amounts due from disposed subsidiaries were non-trade, unsecured and repayable within one year or on demand.

(ii) The Group determines the expected credit losses for other receivables by assessment of probability of default, loss given default and exposure at default. During the six months ended June 30, 2026, in view of the nature of these balances and historical settlement record, the Group reversed impairment loss on the other receivables and deposits of RMB24 million (June 30, 2025: recognized loss of RMB14 million), of which RMB19 million have been written off in previous years, and recognized impairment loss on the prepayments of nil (June 30, 2025: RMB25.3 million). As at June 30, 2026, the loss allowance balance represents the loss allowance on the other receivables and deposits of RMB64 million (December 31, 2025: RMB69 million).

14 CASH AND CASH EQUIVALENTS

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Cash at bank and on hand	**324,292**	376,525
Less: Time deposits with initial term over three months	**43,133**	69,868
Less: restricted bank deposits	**40,637**	39,022
Cash and cash equivalents	**240,522**	267,635

The restricted bank deposits are mainly used for bank loan deposits as of June 30, 2026 and December 31, 2025.

15 TRADE PAYABLES

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Payables for inventories and services	**84,185**	129,463

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

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

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Within 1 year	**68,402**	119,936
More than 1 year	**15,783**	9,527
	84,185	129,463

16 OTHER PAYABLES AND ACCRUED EXPENSES

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Salary and welfare payables	**46,592**	69,141
Payables for flexible staffs and other service providers	**185,500**	164,469
VAT payable and other tax payables	**12,132**	12,675
Refund liabilities	**34,681**	47,543
Amounts due to third parties and staffs	**3,445**	4,733
Amounts due to non-controlling interest of the Group	**50**	50
Deposits and others	**30,382**	49,326
	312,782	347,937

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

17 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends have been paid or declared by the Company for the six months ended June 30, 2026 and 2025.

(b) Share capital

(i) Authorized share capital

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

As of June 30, 2026 and December 31, 2025, the authorized share capital of the Company was USD100,000 divided into 1,000,000,000 ordinary shares of a nominal or par value of US$0.0001 each.

(ii) Issued share capital

	Number of shares	Share capital
		RMB'000
Ordinary shares issued and fully paid		
At December 31, 2025 and June 30, 2026	645,718,830	433

(iii) Shares repurchased for share award scheme

During the six months ended June 30, 2026 and June 30, 2025, the Group did not purchase ordinary shares of the Company on the Stock Exchange.

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.cloudr.cn). The interim report of the Company for the six months ended June 30, 2026 will be made available for review on the same websites in due course.

By order of the Board
ClouDr Group Limited
Kuang Ming
Chairman, Executive Director and
Chief Executive Officer

Hong Kong, August 27, 2026

As at the date of this announcement, the Board comprises Mr. Kuang Ming and Ms. Hu Yue as the executive Directors, and Dr. Hong Weili, Mr. Zhang Saiyin and Mr. Ang Khai Meng as the independent non-executive Directors.

* *For identification purpose only*