方舟健客

方舟云康控股有限公司

Fangzhou Inc.

Stock Code : 6086

2026 INTERIM REPORT

CONTENTS

Definitions and Glossary of Technical Terms

"AGM"	the annual general meeting of our Company held on June 16, 2026
"AI"	artificial intelligence
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Auditor"	KPMG, an independent auditor of our Company
"Board"	the board of Directors of our Company
"CDM"	the establishment of an integrated system of intervention and management for chronic disease throughout different stages of the continuum of chronic disease care, ultimately strengthening disease control, preventing disease deterioration, and controlling the overall medical cost
"China" or "the PRC"	the People's Republic of China, and for the purposes of this interim report only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Company" or "our Company"	Fangzhou Inc. (方舟云康控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on September 26, 2019
"Concert Deed"	the deed of act-in-concert entered into by Mr. Xie and Mr. Zhou on September 26, 2019, further information on which is set out in "History, Reorganization and Corporate Structure – Concert Party Arrangement" of the Prospectus
"Consolidated Affiliated Entities"	Guangzhou Fangzhou Yunkang Information Technology Group Co., Ltd. (廣州方舟雲康信息科技集團有限公司) and its subsidiaries, being the entities we control through the Contractual Arrangements (as defined in the Prospectus)
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of our Company

"FVPL"	fair value through profit or loss
"Global Offering"	the offer for subscription and placing of the Shares as described in the Prospectus
"GMV"	gross merchandise volume, the total value of all orders placed, regardless of whether the services or products are performed or delivered or whether the products are returned
"Group", "our Group", "we", "us", or "our"	our Company, its subsidiaries and the Consolidated Affiliated Entities from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"H2H"	hospital-to-home
"H2H service platforms"	the platforms where we offer H2H services, which are online medical services forming the primary part of our comprehensive medical services. These platforms include the Jianke Doctor App (健客醫生), Jianke Hospital App (健客醫院) and certain of our WeChat mini programs
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKFRS(s)"	Hong Kong Financial Reporting Standard(s)
"Jianke Platforms"	the platforms where we offer certain of our services, including Jianke Doctor App (健客醫生), Jianke Hospital App (健客醫院), Jianke Online Pharmacy App (方舟健客網上藥店), the website of Jianke.com and WeChat official accounts and mini programs
"Listing Date"	July 9, 2024, being the date on which dealings in the Shares first commenced on the Main Board of the Stock Exchange

Definitions and Glossary of Technical Terms

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"MAU"	monthly active users and, in relation to us, the number of active users who access our services on the Jianke Platforms at least once during a calendar month
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Xie"	Mr. XIE Fangmin (謝方敏)
"Mr. Zhou"	Mr. ZHOU Feng, an executive Director and chief strategy officer of our Company
"Placee(s)"	any professional institutional and other investors whom the Placing Agent has procured to purchase any of the Placing Shares pursuant to its obligations under the Placing and Subscription Agreement
"Placing"	the placing of the Placing Shares to the Placees procured by the Placing Agent on the terms and subject to the conditions set out in the Placing and Subscription Agreement
"Placing Agent"	Guotai Junan Securities (Hong Kong) Limited
"Placing and Subscription Agreement"	the placing and subscription agreement dated January 27, 2026 entered into among the Vendor, the Company and the Placing Agent in relation to the Placing and the Subscription
"Placing Price" or "Subscription Price"	HK$3.32 per Share
"Placing Shares"	45,181,000 existing issued Shares held by the Vendor which were placed pursuant to the Placing and Subscription Agreement
"Prospectus"	the prospectus issued by our Company on June 28, 2024
"Reporting Period"	for the six months ended June 30, 2026
"RMB"	Renminbi yuan, the lawful currency of the PRC

“RSU(s)”	restricted share unit(s)
“RSU Scheme”	the restricted share unit scheme adopted by our Company on January 1, 2020
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)” or “Ordinary Share(s)”	ordinary shares in the share capital of our Company with a par value of US$0.00002 each
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “Vendor”	Celaeno Group Limited, a company wholly owned by Mr. Zhou, one of our controlling shareholders
“Subscription”	the subscription of the Subscription Shares by the Subscriber on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Subscription Shares”	45,181,000 new Shares issued by the Company to the Subscriber under the Subscription
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“US$” or “USD”	United States dollars, the lawful currency of the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“%”	per cent

Corporate Information

BOARD OF DIRECTORS

Chairman and non-executive Director

Mr. David McKee HAND

Executive Directors

Mr. WANG Haijiao (王海蛟) *(Chief Executive Officer)*[1]
Mr. ZHOU Feng
Mr. ZOU Yuming (鄒宇鳴)

Non-executive Director

Mr. XIE Fangmin (謝方敏)[2]

Independent Non-executive Directors

Dr. WANG Haizhong (王海忠)
Ms. KANG Wei (康韋)
Mr. ZHU Xiaolu (朱小路)

AUDIT COMMITTEE

Mr. ZHU Xiaolu (朱小路) *(Chairman)*
Dr. WANG Haizhong (王海忠)
Ms. KANG Wei (康韋)

REMUNERATION COMMITTEE

Ms. KANG Wei (康韋) *(Chairlady)*
Mr. ZHU Xiaolu (朱小路)
Mr. David McKee HAND

NOMINATION COMMITTEE

Mr. ZHU Xiaolu (朱小路) *(Chairman)*
Dr. WANG Haizhong (王海忠)
Ms. KANG Wei (康韋)
Mr. David McKee HAND
Mr. ZHOU Feng

JOINT COMPANY SECRETARIES

Mr. ZOU Yuming (鄒宇鳴)
Ms. NG Sau Mei (伍秀薇)

1 Effective from March 26, 2026
2 Retired on June 16, 2026

AUTHORIZED REPRESENTATIVES

Mr. ZHOU Feng
Mr. ZOU Yuming (鄒宇鳴)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Floor 1-2, 4th Street
Building S, Kehui Jingu
No. 99, Science Avenue
Luogang Science City
Huangpu District
Guangzhou
Guangdong Province
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

COMPANY'S WEBSITE

investors.jianke.com

STOCK CODE

6086

HONG KONG LEGAL ADVISOR

Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

AUDITOR

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

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

Key Highlights

FINANCIAL SUMMARY

Condensed Consolidated Statements of Profit or Loss

	For the six months ended June 30, 2026 RMB'000 (unaudited)	For the six months ended June 30, 2025 RMB'000 (unaudited)
Revenue	**1,824,466**	1,493,571
Cost of sales	**(1,555,930)**	(1,225,239)
Gross profit	**268,536**	268,332
Profit before taxation	**4,401**	12,516
Profit and total comprehensive income for the period	**8,905**	12,482
Non-HKFRS Measures		
Adjusted net profit (non-HKFRS measure)[1]	**18,708**	17,584
Attributable to:		
Equity shareholders of our Company	**8,905**	12,482

Condensed Consolidated Statements of Financial Position

	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Non-current assets	**38,114**	41,657
Current assets	**935,192**	772,232
Non-current liabilities	**9,092**	16,388
Current liabilities	**667,756**	643,772
Net assets	**296,458**	153,729

1 We define adjusted net profit (non-HKFRS measure) as profit and total comprehensive income for the period after excluding the effects of (i) equity settled share-based transactions; and (ii) fair value loss on financial assets measured at FVPL. For details, see "Management Discussion and Analysis — Financial Review — Non-HKFRS Measures: Adjusted Net Profit and Adjusted Net Profit Margin" in this interim report.

FINANCIAL AND BUSINESS HIGHLIGHTS

Our strong financial results for the first half of 2026 reflect disciplined execution of our strategy and sustained technological innovation. Key highlights include:

– **Accelerating AI Investment and Development:** During the Reporting Period, we leveraged our proprietary "XingShi" Large Language Model ("**XS LLM**") to refine our AI solutions and expand the deployment of AI across our platform including key areas such as CDM, clinical decision support, and operations management, to optimize workflows, enhance user experience, and drive operational efficiency. To support our ongoing development, large-scale deployment, and exploration of commercial pathways for AI technologies, we completed the Placing and Subscription in February 2026, raising net proceeds of approximately HK$144.30 million.

– **Robust Platform Growth:** Our user base reached 59.8 million registered users as of June 30, 2026 (13.2% growth year-over-year), while average MAU grew by 23.1% to 14.7 million for the twelve months ended June 30, 2026. We also continued to expand our healthcare provider network reaching approximately 282 thousand registered physicians, while strengthening collaborations with more than 1,800 suppliers and over 1,000 pharmaceutical companies.

– **Strong Revenue Growth and Sustained Profitability:** For the six months ended June 30, 2026, we extended our track record of sustained profitability, with revenue increasing by 22.2% year-over-year to RMB1,824.5 million, and adjusted net profit (non-HKFRS measure) reaching RMB18.7 million, representing a 6.4% increase from RMB17.6 million for the corresponding period in 2025. In addition, we continued to generate positive cash flow from operating activities, reflecting ongoing gains in operational efficiency and disciplined cost control alongside the expansion of our business, providing a strong foundation for our long-term growth.

BUSINESS REVIEW

During the first half of 2026, we accelerated the implementation of our Medicine as a Service ("**MaaS**") strategy, further strengthening our CDM platform to address long-term patient needs. Against the backdrop of an evolving healthcare landscape — driven by an aging population, a rising chronic disease burden, and the integration of AI technologies — we leveraged our unique "AI + H2H" model built on established doctor-patient relationships, extensive physician network, and robust supply chain to drive operational efficiency and enhance service capabilities.

Meanwhile, the regulatory landscape remains highly supportive of the development of digital healthcare and CDM. Coinciding with the launch of the 15th Five-Year Plan, the Government Work Report advocated for advancing the "AI +" initiative to promote the commercialization and large-scale deployment of AI across key industries. The newly issued Implementation Opinions on Promoting and Regulating the Application and Development of "AI + Healthcare" also encourages the structured deployment of AI across CDM, patient services, and health management.

In accordance with these policy trends, AI remains the cornerstone of our MaaS strategy. Leveraging our proprietary XS LLM, we deployed and upgraded core capabilities across our platform — including AI-driven patient intake, academic research assistance, care management, and medication adherence tools. For healthcare professionals, these tools streamline clinical workflows by automating patient profiling, medical record management, literature search, and patient follow-up, thereby reducing repetitive workloads. For patients, they provide medication reminders and health awareness education to improve chronic care adherence. These advancements demonstrate our progress in transitioning from AI tool development towards large-scale deployment, along with realization of long-term commercial applications.

The execution of these strategic initiatives and the rollout of our AI solutions continued to drive the growth of our user base and platform engagement. As of June 30, 2026, our registered users reached 59.8 million, with average MAU rising to 14.7 million for the twelve months ended June 30, 2026. Our repeat purchase rate among paying users stood at 89.2%, reflecting strong patient trust and loyalty to our platform and services. Furthermore, prescription drugs accounted for 83.1% of our total GMV for the six months ended June 30, 2026, demonstrating our focus on meeting the long-term medication and care management needs of chronic disease patients.

Comprehensive Medical Services

Our comprehensive medical services business segment has consistently prioritized addressing the critical healthcare needs of chronic disease patients by leveraging AI and advanced technologies within our H2H telemedicine platform to provide follow-up online medical consultation, e-prescription and prescription refill services. During the Reporting Period, revenue generated from comprehensive medical services increased by 6.1% from RMB357.2 million for the six months ended June 30, 2025 to RMB379.1 million for the six months ended June 30, 2026, as we continued to optimize our service offerings and further integrate AI-enabled functionality into our platform to drive long-term patient retention.

In addition, we realized a substantial milestone in broadening our business footprint through the expansion of our medical professional network which grew to approximately 282 thousand registered physicians as of June 30, 2026. Reflecting the professional qualifications of healthcare experts within our ecosystem, 56.5% of our registered physicians were affiliated with Class III hospitals, while 34.9% held the title of associate chief physician or higher.

To deepen clinical engagement and expand accessibility in lower-tier cities, we optimized our tiered physician operations, multidisciplinary collaborations, and academic resources. We also streamlined the user experience, reducing redundant steps and eliminating points of friction. Supporting our MaaS strategy, we augmented our platform built on established, real-world doctor-patient relationships with standardized chronic disease pathways, enabling physicians to extend care seamlessly into patients' daily lives through structured follow-ups, assessments, and risk alerts.

Online Retail Pharmacy Services

Our online retail pharmacy services business centers on providing a comprehensive selection of prescription drugs and healthcare products through our self-operated platforms, third-party platforms, and to a lesser extent, our offline retail pharmacies. During the Reporting Period, our online retail pharmacy revenue increased by 26.8% from RMB863.7 million for the six months ended June 30, 2025, to RMB1,094.8 million for the six months ended June 30, 2026, primarily reflecting our continued user growth, optimized product mix, and platform enhancements.

To drive sustainable platform growth, we focused on enhancing the overall user experience while refining our strategies for customer acquisition, conversion, and retention. We also leveraged enhanced AI functionality, including AI-generated review summaries and AI-driven medication instruction assistants to help users better understand drug information. We also refined our algorithms to optimize pricing based on market inputs, while employing additional AI tools to drive fulfillment efficiency, optimize inventory allocation and order dispatch, and provide more responsive customer support.

Customized Content and Marketing Solutions

Our customized content and marketing solutions business provides pharmaceutical companies with comprehensive digital marketing services, including content production, and physician and patient education. During the Reporting Period, revenue from this segment decreased by 27.1% from RMB37.7 million for the six months ended June 30, 2025 to RMB27.5 million for the six months ended June 30, 2026. This decline was primarily driven by shifts in project mix and the timing of project acceptance milestones.

As pharmaceutical companies continue to seek specialized services — including professional content creation, physician and patient education, and digital campaign operations — we remain confident in the long-term growth potential and expansive market opportunities for this business segment. To navigate these market dynamics, we focused on high-value post-launch commercialization and patient services, implementing a standardized workflow spanning medical strategy, content production, and multi-channel outreach. Furthermore, we accelerated the deployment of AI across our content production workflows, enabling the rapid, cost-effective production of customized content for our enterprise clients, while supporting physicians with automated literature reviews and clinical research assistance.

Pharmaceutical Supply Chain Optimization

Our ability to continuously develop high-value partnerships with leading pharmaceutical companies and suppliers remains a cornerstone of our optimized supply chain. These partnerships are driven by our unique “AI-assisted chronic care” and MaaS framework which allows us to provide partners with multi-channel capabilities, combining pharmaceutical distribution with professional clinical oversight, patient education, and proactive risk monitoring to deliver a holistic care experience. As of June 30, 2026, our pharmaceutical supply chain encompassed partnerships with more than 1,800 suppliers and over 1,000 pharmaceutical companies, including multinational corporations and leading domestic institutions. Our comprehensive approach to supply chain management is key to maintaining our operating efficiency, enabling us to maintain inventory turnover days of just 23.1 days during the Reporting Period despite our continued overall revenue growth.

During the Reporting Period, we continued to build on this foundation, expanding into innovative therapies and specialty services, reflecting our role as an integrated strategic partner to pharmaceutical companies. We established new partnerships with Youcare Pharmaceutical Group across cardiovascular, infectious, and endocrine diseases, and with Shanghai Tenry Pharmaceutical Co., Ltd. in metabolic disease management.

Social Healthcare Insurance

Supporting China’s multi-payer healthcare system remains a core long-term strategy for the Group. Building on the upgraded “Medical Insurance System 2.0” in Guangzhou, we completed the signing and onboarding of medical insurance service agreements across Guangdong Province during the Reporting Period, while optimizing our workflows for identity verification, prescription refills, and pharmaceutical fulfillment. This expanded coverage enables a broader base of eligible insured patients to conveniently access online follow-up consultations, prescription renewals, and pharmacy services, further enhancing the accessibility and convenience of our chronic care platform.

Future Prospects

In the future, the Group will continue to focus on its MaaS strategy, leveraging our broad physician network, supply chain strengths, and technology platform to drive business growth. To guide our long-term development, our strategic vision centers on the following key priorities:

1. **Accelerating AI Investment, Product Development, and Commercialization**

   Building on the clear monetization opportunities emerging from the deployment of AI technologies across our platform, we plan to accelerate our investment in AI development, including upgrades to our proprietary XS LLM and AI-agent capabilities, and the deployment of AI solutions across key areas including physician support, patient management, medication guidance, and platform operations. Furthermore, we will focus on opportunities to scale and commercialize our AI capabilities by enhancing our platform offerings, expanding enterprise solutions, and broadening industry collaborations.

2. **Advancing CDM and MaaS Evolution**

   To further advance our comprehensive CDM and MaaS model, we will continue to refine our patient service ecosystem. We will focus on optimizing key patient touchpoints, including online follow-up consultations, electronic prescription renewals, pharmaceutical care, and post-consultation support. By integrating our platform built on established, real-world doctor-patient relationships with standardized chronic disease pathways, we aim to deliver a seamless, continuous care experience that improves patient adherence and long-term health outcomes.

3. **Strengthening Industry Collaborations**

   We will continue to expand our partnerships with domestic and international pharmaceutical companies, technology partners, and insurance providers. Leveraging our physician network, pharmaceutical supply chain, and AI capabilities, we aim to develop initiatives addressing accessibility of innovative therapies, patient education, long-term CDM, and multi-payer solutions. Furthermore, we will continue to enhance our social healthcare insurance payment integrations and partner with commercial insurers to make our CDM services more accessible and affordable.

FINANCIAL REVIEW

Revenue

We generated our revenue primarily from (i) online retail pharmacy services; (ii) comprehensive medical services; (iii) wholesale; and (iv) customized content and marketing solutions. The following table sets forth the breakdown of our revenue by business lines for the periods indicated.

	For the six months ended June 30,			
	2026		2025	
	RMB'000 (unaudited)	**%**	RMB'000 (unaudited)	%
Online retail pharmacy services	**1,094,830**	**60.0**	863,688	57.8
Comprehensive medical services	**379,073**	**20.8**	357,172	24.0
Wholesale	**323,075**	**17.7**	235,004	15.7
Customized content and marketing solutions	**27,488**	**1.5**	37,707	2.5
Total	**1,824,466**	**100.0**	1,493,571	100.0

Our revenue increased by 22.2% from RMB1,493.6 million for the six months ended June 30, 2025 to RMB1,824.5 million for the six months ended June 30, 2026, primarily reflecting the growth of our online retail pharmacy services, comprehensive medical services, and wholesale business segments.

Online Retail Pharmacy Services

Revenue from online retail pharmacy services primarily represents revenue from sales of pharmaceutical and healthcare products on our online retail pharmacy service platform, third-party platforms and, to a lesser extent, our offline retail pharmacies.

Revenue generated from online retail pharmacy services increased by 26.8% from RMB863.7 million for the six months ended June 30, 2025 to RMB1,094.8 million for the six months ended June 30, 2026, which reflected the increased sales volume of our pharmaceutical and healthcare products, primarily driven by the continued growth in our user base and strength in our operations and supply chain.

Comprehensive Medical Services

Revenue from comprehensive medical services primarily consists of (i) revenue from online consultation services provided by physicians to patients, e-prescription services and sales of pharmaceutical and other products on our H2H service platforms; and (ii) to a minimal extent, revenue from physician consultations and sales of pharmaceutical products through offline hospitals.

Revenue generated from comprehensive medical services increased by 6.1% from RMB357.2 million for the six months ended June 30, 2025 to RMB379.1 million for the six months ended June 30, 2026. In the first half of 2026, gross profit margins decreased to 11.2% from 13.3% for the corresponding period of 2025, as we expanded collaborations with pharmaceutical companies to address certain high-demand therapeutic areas, which carry a lower gross profit margin profile but which we believe represent significant opportunities for long-term growth.

Wholesale

Wholesale revenue primarily consists of revenue from wholesale of pharmaceutical products to third-party distributors. Revenue generated from wholesale increased by 37.5% from RMB235.0 million for the six months ended June 30, 2025 to RMB323.1 million for the six months ended June 30, 2026. We leveraged our growing scale, supply chain network, and longstanding supplier relationships to capture procurement opportunities with attractive margins.

Customized Content and Marketing Solutions

Revenue from customized content and marketing solutions mainly comprises income generated from customized content and marketing services we offered to pharmaceutical companies.

Revenue generated from customized content and marketing solutions decreased by 27.1% from RMB37.7 million for the six months ended June 30, 2025 to RMB27.5 million for the six months ended June 30, 2026, primarily driven by shifts in project mix and the timing of project acceptance milestones.

Cost of Sales

Our cost of sales primarily consists of (i) procurement costs for pharmaceutical and other healthcare products; (ii) medical service costs directly related to registered physicians in providing online consultations and cost of sales in relation to the operations of our offline hospital; (iii) staff costs, representing wages, benefits and bonuses of our sales and marketing personnel for our customized content and marketing solutions and staff of our offline hospital; (iv) content production costs in connection with our customized content and marketing solutions; and (v) others, mainly representing depreciation and amortization.

Our cost of sales increased by 27.0% from RMB1,225.2 million for the six months ended June 30, 2025 to RMB1,555.9 million for the six months ended June 30, 2026, primarily reflecting an increase in overall sales volume.

Gross Profit and Gross Profit Margin

Our gross profit increased by 0.1% from RMB268.3 million for the six months ended June 30, 2025 to RMB268.5 million for the six months ended June 30, 2026. Our overall gross profit margin decreased from 18.0% for the six months ended June 30, 2025 to 14.7% for the six months ended June 30, 2026, primarily reflecting changes in margins for each underlying business segment, and shifts in segment mix.

Other Net Income/Loss

Other net income or loss primarily consists of (i) fair value (loss)/gain on financial assets measured at FVPL; (ii) foreign exchange loss; and (iii) other gain or loss, mainly representing interest income from cash deposits and our donations.

Our other net loss amounted to RMB7.8 million for the six months ended June 30, 2026 from other net income of RMB2.7 million for the six months ended June 30, 2025, primarily reflecting the increase in fair value loss on financial assets measured at FVPL.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) advertising and platform service fees, which mainly represent advertising and marketing fees we paid to third-party online platforms to promote our brand and services; (ii) service fees to registered physicians as compensation for their activities on our platform; (iii) logistics expenses for engaging third-party couriers for delivery services; (iv) staff costs, representing wages, benefits and bonuses of our sales and marketing personnel; (v) outsourcing expenses charged by outsourcing agencies in connection with the outsourced support staff for our operations, such as customer service personnel and warehouse workers; (vi) telecommunication expenses in relation to our promotional activities; (vii) share-based compensation to our sales and marketing personnel; and (viii) others, including utilities and depreciation and amortization.

Our selling and distribution expenses increased by 1.2% from RMB190.7 million for the six months ended June 30, 2025 to RMB193.0 million for the six months ended June 30, 2026, but decreased as a percentage of revenue from 12.8% for the six months ended June 30, 2025 to 10.6% for the six months ended June 30, 2026. These shifts were primarily due to ongoing improvements in our operational efficiency and effective cost optimization strategies related to personnel, logistics, and other operating expenditures.

Administrative Expenses

Our administrative expenses primarily consist of (i) research and development costs; (ii) staff costs, representing wages, benefits and bonuses of our administrative personnel; (iii) professional service fees, which primarily represent fees paid to professional parties, including auditors, lawyers and consultants; (iv) handling fees that we paid to third-party payment platforms in relation to our sales of pharmaceutical and other products; (v) business expenses, including business development fees, office expenses and travel expenses incurred in our daily operations; (vi) technical service fees paid to third-party service providers for online technical support solutions; (vii) share-based compensation attributable to our administrative personnel; (viii) depreciation of right-of-use assets; (ix) outsourcing expenses for certain administrative functions; and (x) others, including rent and utility expenses, telecommunication expenses related to administrative activities, and depreciation and amortization.

Our administrative expenses decreased by 5.7% from RMB66.6 million for the six months ended June 30, 2025 to RMB62.7 million for the six months ended June 30, 2026, and also decreased as a percentage of revenue from 4.5% for the six months ended June 30, 2025 to 3.4% for the six months ended June 30, 2026, reflecting the continued improvement in our administrative efficiency and effective cost optimization strategies related to personnel and other administrative expenditures.

Recognition of Impairment Losses

Our recognition of impairment losses, mainly representing impairment losses recognized on trade receivables from enterprise customers of our customized content and marketing solutions business, decreased from RMB565,000 for the six months ended June 30, 2025 to RMB147,000 for the six months ended June 30, 2026, which was due to an improved aging profile of our trade receivables and the reversal of conservative impairment provisions recognized in prior periods.

Finance Costs

Our finance costs mainly represent interest on lease liabilities and bank loans.

Our finance costs decreased by 31.6% from RMB765,000 for the six months ended June 30, 2025 to RMB523,000 for the six months ended June 30, 2026, primarily due to the decrease in right-of-use liabilities from reductions in rent.

Income Tax

For the six months ended June 30, 2026, we recognized an income tax credit of RMB4.5 million, compared to an income tax expense of RMB34,000 for the six months ended June 30, 2025.

Profit and Total Comprehensive Income for the Period

As a result of the foregoing, our profit and total comprehensive income for the period declined from a profit of RMB12.5 million for the six months ended June 30, 2025 to a profit of RMB8.9 million for the six months ended June 30, 2026.

Non-HKFRS Measures: Adjusted Net Profit and Adjusted Net Profit Margin

We believe that the presentation of non-HKFRS measures, namely adjusted net profit (non-HKFRS measure) and adjusted net profit margin (non-HKFRS measure), facilitates comparisons of operating performance from year to year and provides useful information for investors to understand and evaluate our consolidated results of operations in the same manner as our management by eliminating the impact of certain items. The use of adjusted net profit (non-HKFRS measure) and adjusted net profit margin (non-HKFRS measure) has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS Accounting Standards.

We define adjusted net profit (non-HKFRS measure) as profit and total comprehensive income for the period after excluding the effects of (i) equity settled share-based transactions; and (ii) fair value loss on financial assets measured at FVPL. We account for the compensation cost from equity settled share-based transactions with employees, since it is a non-cash item and does not result in cash outflow. The fair value loss on financial assets measured at FVPL does not reflect our underlying operating performance. We define adjusted net profit margin (non-HKFRS measure) as adjusted net profit (non-HKFRS measure) divided by revenue for the period and multiplied by 100%.

The following table reconciles our adjusted net profit (non-HKFRS measure) for the six months ended June 30, 2026, compared to the six months ended June 30, 2025:

	For the six months ended June 30,	
	2026 RMB'000, except for percentages (unaudited)	2025 RMB'000, except for percentages (unaudited)
Profit and total comprehensive income for the period	**8,905**	12,482
Add:		
Equity settled share-based transactions	**2,882**	5,804
Fair value loss/(gain) on financial assets measured at FVPL	**6,921**	(702)
Adjusted net profit (non-HKFRS measure)	**18,708**	17,584
Adjusted net profit margin (non-HKFRS measure)	**1.0%**	1.2%

Property, Plant and Equipment

Our property, plant and equipment consist of (i) right-of-use assets; (ii) furniture, fixtures and other equipment; (iii) leasehold improvement; (iv) machinery and equipment; and (v) motor vehicles.

Our property, plant and equipment decreased by RMB8.1 million to RMB28.6 million as of June 30, 2026, compared to RMB36.7 million as of December 31, 2025, primarily due to the decrease in right-of-use assets from reductions in rent.

Intangible Assets

Our intangible assets primarily consist of computer software, licenses, patents, and trademarks. Our intangible assets remained relatively unchanged at RMB2.5 million and RMB2.7 million as of June 30, 2026 and December 31, 2025, respectively.

Inventories

Our inventories mainly consist of pharmaceutical and healthcare products. Our inventories increased by 18.0% to RMB212.9 million as of June 30, 2026, compared to RMB180.4 million as of December 31, 2025, primarily due to the growth in sales volume of pharmaceutical and healthcare products.

Trade and Other Receivables

Our trade receivables decreased to RMB52.3 million as of June 30, 2026 from RMB61.8 million as of December 31, 2025, primarily reflecting improved collection efficiency for monthly-settled receivables from our enterprise customers and social healthcare insurance.

Our other receivables primarily represented rebates from suppliers and deposits in connection with our procurement of pharmaceutical and other products. Our other receivables remained relatively stable at RMB97.7 million as of June 30, 2026, compared to RMB94.8 million as of December 31, 2025.

Prepayments

Our prepayments primarily represent prepayments to service providers for renovation, decoration, online promotional and advertising services provided to us and prepayments for our procurement of pharmaceutical and other products. Our prepayments increased to RMB13.6 million as of June 30, 2026, compared to RMB10.0 million as of December 31, 2025, primarily due to the growth in purchase volume of pharmaceutical and healthcare products.

Trade and Other Payables

Our trade payables primarily represent payables to our suppliers and registered physicians on our platform, which are normally settled within 30 to 75 days. Our other payables primarily consist of (i) staff cost payables; (ii) other tax payables; (iii) deposits from suppliers for the procurement of pharmaceutical products; and (iv) other payables and accrued charges, primarily representing rent payables, payables to registered physicians and payables to suppliers for online promotional and advertising services and logistics services.

Our trade and other payables increased to RMB631.2 million as of June 30, 2026, compared to RMB602.9 million as of December 31, 2025, primarily due to the growth in the scale of our business over the Reporting Period.

Contract Liabilities

Our contract liabilities represent (i) payments we receive in advance from customers for sales of pharmaceutical and healthcare products, which are recognized as revenue when the products are delivered; and (ii) advances from our loyalty points program, which are recognized as revenue when users pay using loyalty points or when loyalty points expire. Our contract liabilities remained relatively stable, amounting to RMB20.7 million as of June 30, 2026, compared to RMB19.7 million as of December 31, 2025.

Liquidity and Capital Resources

During the Reporting Period, we primarily financed our operations through cash flows from operating activities and equity financing. As of June 30, 2026, we had cash and cash equivalents of RMB358.9 million, compared to RMB233.5 million as of December 31, 2025. We monitor and maintain a level of cash and cash equivalents we believe adequate to finance our operations and mitigate the effects of fluctuations in cash flows.

The Directors believe that the Group has sufficient working capital to meet our present and anticipated cash requirements for the second half of 2026, taking into account our anticipated improvement in operating cash flows, working capital management, efforts to obtain more favorable credit terms from suppliers and the unutilized net proceeds from the Global Offering and the Placing and Subscription.

Bank Loans

As of June 30, 2026, the repayment schedule of bank loans was within one year and the balances were unsecured. Our bank loans during the Reporting Period were denominated in RMB and were primarily used to supplement our working capital. We had bank loans of RMB20 thousand at 2.7% interest as of June 30, 2026, compared to approximately RMB4.0 million at 2.5% interest as of December 31, 2025.

Lease Liabilities

We recognized right-of-use assets and the corresponding lease liabilities in respect of all leases, except for short-term leases and leases of low value assets. Our lease liabilities decreased from RMB31.8 million as of December 31, 2025 to RMB22.9 million as of June 30, 2026, primarily due to reductions in rent.

Capital Commitments

As of June 30, 2026 and December 31, 2025, we had no material capital commitments.

Contingent Liabilities

As of June 30, 2026, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that are likely to have a material and adverse effect on our business, financial condition or results of operations.

Capital Expenditures

Our capital expenditures primarily consist of purchases of property, plant and equipment and intangible assets. Our capital expenditures were RMB1.6 million for the six months ended June 30, 2026 and RMB2.2 million for the six months ended June 30, 2025.

We expect our capital expenditures in 2026 will primarily be used to purchase property, plant and equipment and intangible assets. We plan to fund our planned capital expenditures with our cash balance.

Key Financial Ratios

The following table sets forth the key financial ratios for the periods indicated:

	As at June 30, 2026	As at December 31, 2025
Gross profit margin[(1)]	**14.7%**	15.9%
Net profit margin[(2)]	**0.5%**	0.3%
Adjusted net profit margin (non-HKFRS measure)[(3)]	**1.0%**	0.6%
Current ratio[(4)]	**1.4**	1.2
Quick ratio[(5)]	**1.1**	0.9

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue for the period/year and multiplied by 100%.

(2) Net profit margin is calculated using net profit divided by revenue for the period/year and multiplied by 100%.

(3) Adjusted net profit margin (non-HKFRS measure) is calculated using the adjusted net profit (non-HKFRS measure) divided by revenue for the period/year and multiplied by 100%.

(4) Current ratio is calculated by using current assets divided by current liabilities as of the same date.

(5) Quick ratio is calculated by using current assets less inventories and divided by current liabilities as of the same date.

Significant Investments

We did not make any significant investments during the six months ended June 30, 2026. In addition, there is no plan of our Group for material investments or additions of material capital assets as of the date of this report.

Material Acquisitions and Disposals

We did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended June 30, 2026.

Foreign Exchange Risk and Hedging

Our Group's financial statements were expressed in RMB, but our Group undertook certain transactions in foreign currencies, which exposed us to foreign currency risk. We currently do not hold any financial instruments for hedging purposes. Our Group manages our currency risks by closely monitoring the movement of the foreign currency rates and would consider hedging significant foreign currency exposure should the need arise.

Pledge of Assets

As of June 30, 2026, our Group pledged a restricted bank deposit of RMB86.5 million in a margin account to secure bills payable. Apart from this deposit, the Group did not have any pledge of assets.

Employees and Remuneration

As of June 30, 2026, our Group had 514 employees. The total remuneration cost incurred by our Group for the six months ended June 30, 2026 was RMB60.7 million, as compared to RMB68.9 million for the six months ended June 30, 2025. This decrease was primarily due to improved staff efficiency and a reduction in expenses incurred under our RSU Scheme.

The following table sets forth the number of full-time employees by function as of June 30, 2026.

	Number of employees	**% of total**
General and administrative personnel	107	20.9%
In-house medical professionals	52	10.1%
Operational personnel	121	23.5%
Research and development personnel	113	22.0%
Sales and marketing personnel	121	23.5%
Total	**514**	**100.0%**

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing provident fund through a PRC government-mandated benefit contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time.

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

Our Company also adopted the RSU Scheme to provide incentives for our employees. Please refer to the section headed "Statutory and General Information — D. RSU Scheme" in Appendix IV to the Prospectus for further details.

Gearing Ratio

Our Group monitored its capital sufficiency using gearing ratio. As of June 30, 2026 and December 31, 2025, our Group's gearing ratio (total liabilities/total assets) was 0.7 and 0.8, respectively.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ANY OF OUR ASSOCIATED CORPORATIONS

As of the end of the Reporting Period, the interests and/or short positions (as applicable) of our Directors and chief executives in the shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Capacity and nature of interest	Number of Share held	Approximate percentage of shareholding of Shares[(1)]
Mr. Zhou	Interest in controlled corporations[(3)]	234,904,960 (L)	16.96%
	Interest of a party to an agreement[(2)]	300,538,362 (L)	21.69%
Mr. ZOU Yuming	Beneficial owner	3,500,000 (L)	0.25%
	Interest in a controlled corporation[(4)]	10,000,000 (L)	0.72%
Dr. WANG Haizhong	Beneficial owner	100,000 (L)	0.01%
Ms. KANG Wei	Beneficial owner	100,000 (L)	0.01%
Mr. ZHU Xiaolu	Beneficial owner	100,000 (L)	0.01%

(L) denotes a long position

Notes:

(1) The calculation is based on the total number of 1,385,448,457 Shares in issue as of June 30, 2026.

(2) Mr. Xie and Mr. Zhou are parties to the Concert Deed, according to which Mr. Xie and Mr. Zhou confirmed and agreed that they have acted and will continue to act in concert and collectively for all material management affairs and the arrival and/or execution of all commercial decisions, including but not limited to financial and operational matters, of our Group since date of the Concert Deed, and they have cast and will continue to cast unanimous vote collectively for or against all resolutions in all Board and Shareholders' meetings and discussions of our Group. Therefore, Mr. Xie and Mr. Zhou are deemed to be jointly interested in the aggregate number of Shares held by each other.

(3) Each of Celaeno Group Limited and Silica Brothers Corp. is wholly owned by Mr. Zhou. Approximately 48.16% of the interest in Asia Tech Investments Ltd. is held by Mr. Zhou. Therefore, under the SFO, Mr. Zhou is deemed to be interested in the 136,158,297 Shares, 50,465,760 Shares and 48,280,903 Shares held by Celaeno Group Limited, Silica Brothers Corp. and Asia Tech Investments Ltd., respectively.

(4) Torano Investments Limited is wholly owned by Mr. Zou. Therefore, under the SFO, Mr. Zou is deemed to be interested in the 10,000,000 Shares held by Torano Investments Limited.

As of the end of the Reporting Period, save as disclosed above, so far as is known to any Director or the chief executive of our Company, none of the Directors nor the chief executives of our Company had any interests or short positions in the shares, underlying shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions (as applicable) which he/she was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

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

As of the end of the Reporting Period, so far as our Directors are aware, the following persons (other than the Directors or chief executives of our Company) had interests and/or short positions in the Shares or underlying Shares which would be required to be notified to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity and nature of interest	Number of Share held	Approximate percentage of shareholding of Shares[1]
Mr. Xie	Interest in controlled corporations[2]	294,819,265 (L)	21.28%
	Interest of a party to an agreement[7]	240,624,057 (L)	17.37%
Fangrong Management Limited	Beneficial owner[2]	246,538,362 (L)	17.79%
Celaeno Group Limited	Beneficial owner[3]	136,158,297 (L)	9.83%
Mr. Antony Peter Ressler	Interest in controlled corporations[4][5][6][8]	437,443,815 (L)	31.57%
Ares Partners Holdco LLC	Interest in controlled corporations[4][5][6][8]	437,443,815 (L)	31.57%
Ares Management Corporation	Interest in controlled corporations[8]	437,443,815 (L)	31.57%
Ares Holdings L.P.	Interest in controlled corporations[8]	437,443,815 (L)	31.57%
Ares Management Asia Holdings, L.P.	Interest in controlled corporations[8]	437,443,815 (L)	31.57%
Crescent Institutional Investment Management Ltd	Interest in controlled corporations[4]	115,165,045 (L)	8.31%
Crescent ACSO Institutional Holdings I Pte. Ltd.	Interest in controlled corporations[4]	115,165,045 (L)	8.31%
Crescent Trident Singapore Pte. Ltd.	Beneficial owner[4]	115,165,045 (L)	8.31%
Crescent Capital Investments Ltd.	Interest in controlled corporations[5][6]	322,278,770 (L)	23.26%
PharmaTech Holdings II Ltd.	Interest in controlled corporations[5]	126,151,645 (L)	9.11%
PharmaTech Investments II Ltd.	Interest in controlled corporations[5]	126,151,645 (L)	9.11%
CP Pharmatech Singapore Pte. Ltd.	Beneficial owner[5]	126,151,645 (L)	9.11%
Tech-Med Holdings III Ltd.	Interest in controlled corporations[6]	138,430,610 (L)	9.99%
Tech-Med Cayman III Ltd.	Interest in controlled corporations[6]	138,430,610 (L)	9.99%
Tech-Med Investments (S) Pte. Ltd.	Beneficial owner[6]	138,430,610 (L)	9.99%

(L) denotes a long position

Notes:

(1) The calculation is based on the total number of 1,385,448,457 Shares in issue as of June 30, 2026.

(2) Fangrong Management Limited is wholly owned by Mr. Xie. Therefore, Mr. Xie is deemed to be interested in the 246,538,362 Shares held by Fangrong Management Limited under the SFO. Approximately 51.59% of interest in Asia Tech Investments Ltd. was held by Mr. Xie. Therefore, Mr. Xie is deemed to be interested in the Shares held by Asia Tech Investments Ltd. in accordance with the SFO.

(3) Each of Celaeno Group Limited and Silica Brothers Corp. is wholly owned by Mr. Zhou. Therefore, Mr. Zhou is deemed to be interested in 136,158,297 and 50,465,760 Shares held by Celaeno Group Limited and Silica Brothers Corp., respectively, under the SFO.

(4) Crescent Trident Singapore Pte. Ltd. is wholly controlled by Crescent ACSO Institutional Holdings I Pte. Ltd., which is in turn wholly controlled by Crescent Institutional Investment Management Ltd. Crescent Institutional Investment Management Ltd. is ultimately controlled by Ares Partners Holdco LLC, of which Mr. Antony Peter Ressler holds veto authority over members' decisions.

(5) CP PharmaTech Singapore Pte. Ltd. is wholly controlled by PharmaTech Investments II Ltd., which is in turn controlled by PharmaTech Holdings II Ltd. PharmaTech Holdings II Ltd. is wholly controlled by Crescent Capital Investments Ltd., which is ultimately controlled by Ares Partners Holdco LLC, of which Mr. Antony Peter Ressler holds veto authority over members' decisions.

(6) Tech-Med Investments (S) Pte. Ltd. is wholly controlled by Tech-Med Cayman III Ltd., which is in turn wholly controlled by Tech-Med Holdings III Ltd. Tech-Med Holdings III Ltd. is wholly controlled by Crescent Capital Investments Ltd., which is ultimately controlled by Ares Partners Holdco LLC, of which Mr. Antony Peter Ressler holds veto authority over members' decisions.

(7) Mr. Xie and Mr. Zhou are parties to the Concert Deed, according to which Mr. Xie and Mr. Zhou confirmed and agreed that they have acted and will continue to act in concert and collectively for all material management affairs and the arrival and/or execution of all commercial decisions, including but not limited to financial and operational matters, of our Group since date of the Concert Deed, and they have cast and will continue to cast unanimous vote collectively for or against all resolutions in all Board and Shareholders' meetings and discussions of our Group. Therefore, Mr. Xie and Mr. Zhou are deemed to be jointly interested in the aggregate number of Shares held by each other.

(8) Ares Management Asia Holdings L.P. is controlled by Ares Holdings L.P., which is in turn controlled by Ares Management Corporation. Ares Management Corporation is controlled by Ares Partners Holdco LLC. Mr. Antony Peter Ressler holds veto authority over members' decisions of Ares Partners Holdco LLC. Therefore, Mr. Antony Peter Ressler is deemed to be interested in the 437,443,815 Shares held by Ares Partners Holdco LLC and its controlled entities under the SFO.

As of the end of the Reporting Period, save as disclosed above, the Directors and the chief executives of our Company are not aware of any other person (other than the Directors or chief executives of our Company) who had an interest or short position in the Shares or underlying Shares of our Company which would be required to be notified to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On July 9, 2024, the Shares of our Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering were HK$67.09 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, which will be used in accordance with the intended use of net proceeds as disclosed in the Prospectus by our Company.

As of the date of this interim report, there has been no change in the intended use of net proceeds disclosed in the Prospectus. The expected timeline for utilizing the net proceeds from the Global Offering is based on the best estimate of future progress of regulatory approvals and market conditions made by our Company and subject to changes in accordance with our actual business operations and market conditions. The table below sets out the details of the use of the net proceeds of the Company as of June 30, 2026:

Use of proceeds from the Global Offering	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Unutilized net proceeds as of January 1, 2026 *(HK$ million)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Utilized net proceeds as of June 30, 2026 *(HK$ million)*	Unutilized net proceeds as of June 30, 2026 *(HK$ million)*	Expected time frame for unutilized amount
Business expansion	**45.22**	**67.4%**	**9.19**	**9.19**	**45.22**	**-**	**-**
1. Promoting brand awareness	11.61	17.3%	–	–	11.61	–	–
2. Enhancing user growth and engagement, and maintaining a highly active user base	14.42	21.5%	2.39	2.39	14.42	–	–
3. Attracting and retaining talents, especially those with extensive experience in media and technology-powered medical services and insights in the fields of CDM	15.50	23.1%	5.13	5.13	15.50	–	–
4. Expanding product offerings and enhancing supply chain capabilities	3.69	5.5%	1.67	1.67	3.69	–	–

Use of proceeds from the Global Offering	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Unutilized net proceeds as of January 1, 2026 *(HK$ million)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Utilized net proceeds as of June 30, 2026 *(HK$ million)*	Unutilized net proceeds as of June 30, 2026 *(HK$ million)*	Expected time frame for unutilized amount
Research and development activities	**10.74**	**16.0%**	**2.43**	**2.43**	**10.74**	**–**	**–**
1. Recruiting a team of approximately 40 software engineers by 2028, of which 70% are senior software engineers and the remainder are junior software engineers	4.70	7.0%	1.06	1.06	4.70	–	–
2. (i) Improve the application of AI technology and big data analysis capabilities in CDM to more accurately capture user habits throughout their activities, from seeking consultations, purchasing pharmaceutical products to their preferences for viewing content on our platform, thereby improving user experience and improving the conversion rate of paying users on our platform; (ii) optimize our infrastructure in various technological areas, such as (a) computer vision, to improve the efficiency of order identification and processing and user information management, (b) natural language processing, to optimize the question-answering engine of our AI medical assistant, and (c) search-based recommendation algorithms to deliver the most relevant information catered to the users' evolving needs; (iii) improve stability of the system to withstand the increasing pressure as we scale our online operations; and (iv) optimize the functions of our WeChat mini programs and perform routine system upgrade and maintenance	6.04	9.0%	1.37	1.37	6.04	–	–
Potential investments and acquisitions or strategic alliances with other stakeholders in the value chain of the online CDM industry	**7.78**	**11.6%**	**3.23**	**–**	**4.55**	**3.23**	**Before December 2028**
Working capital and general corporate purposes	**3.35**	**5.0%**	**0.72**	**0.72**	**3.35**	**–**	**–**
Total	**67.09**	**100.0%**	**15.57**	**12.34**	**63.86**	**3.23**	

USE OF PROCEEDS FROM THE PLACING AND SUBSCRIPTION

References are made to the announcements of the Company dated January 27, 2026 and February 2, 2026, respectively (the “**Announcements**”).

On January 27, 2026, the Vendor, the Company and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which (a) the Vendor agreed to appoint the Placing Agent as agent, and the Placing Agent agreed to procure, on a best effort basis, purchasers to purchase the Placing Shares at the Placing Price; and (b) the Vendor agreed to subscribe for, and the Company agreed to allot and issue to the Vendor, the Subscription Shares at the Subscription Price.

The Directors considered that the Placing and Subscription represented an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors considered that the Placing and Subscription, and the terms of the Placing and Subscription Agreement were fair and reasonable and on normal commercial terms and that the entering into of the Placing and Subscription Agreement was beneficial to the Company and in the interests of the Company and the Shareholders as a whole.

The completion of the Placing took place on January 29, 2026, and the completion of the Subscription took place on February 2, 2026. A total of 45,181,000 Placing Shares were successfully placed at the Placing Price of HK$3.32 per Share by the Placing Agent. The aggregate nominal value of the Subscription Shares is US$903.62. The closing price of the Shares as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement (i.e., January 27, 2026) was HK$3.03 per Share.

The Placing Shares were successfully placed at the Placing Price by the Placing Agent to not less than six Placees. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners were third parties independent of, and not connected with, the Company and its connected persons, and not acting in concert with the Vendor, its associates and persons acting in concert with the Vendor. None of the Placees and their ultimate beneficial owners became a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing and the Subscription.

The net proceeds (after deduction of all costs and expenses) from the Placing and Subscription amounted to approximately HK$144.30 million, representing a net price to the Company of approximately HK$3.19 per Subscription Share which will be deployed in accordance with the intended use of net proceeds as disclosed in the Announcements by the Company.

As of the date of this interim report, there has been no change in the intended use of net proceeds disclosed in the Announcements. The expected timeline for utilizing the net proceeds from the Placing and Subscription is based on the best estimate of future progress of regulatory approvals and market conditions made by our Company and subject to changes in accordance with our actual business operations and market conditions. The table below sets out the details of the use of the net proceeds from the Placing and Subscription as of June 30, 2026:

Use of proceeds from the Placing and Subscription	Amount of net proceeds for planned applications *(HK$ million)*	Percentage of total net proceeds *(%)*	Utilized net proceeds during the Reporting Period *(HK$ million)*	Utilized net proceeds as of June 30, 2026 *(HK$ million)*	Unutilized net proceeds as of June 30, 2026 *(HK$ million)*	Expected time frame for unutilized amount
(i) Accelerating development of the Company's AI-driven CDM platform, encompassing model development and optimization, infrastructure and computational resource expansion, talent recruitment across AI and clinical specialties, data collection and annotation and knowledge base development, and roll-out and marketing of AI-enhanced services to capture underserved patient and physician populations	129.87	90.0%	35.80	35.80	94.07	Before December 2028
(ii) Working capital and other general corporate purposes	14.43	10.0%	4.76	4.76	9.67	Before December 2028
Total	**144.30**	**100.0%**	**40.56**	**40.56**	**103.74**	

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

Save for the Placing and Subscription, neither our Company nor any of its subsidiaries purchased, sold or redeemed any of our Company's listed securities (including sale of treasury Shares, if any) during the Reporting Period and up to the date of this interim report. Please refer to the section headed "Corporate Governance and Other Information – Use of Proceeds from the Placing and Subscription" for further details.

As of June 30, 2026, the Company did not hold any treasury Shares (as defined in the Listing Rules).

RSU SCHEME

The RSU Scheme was approved and adopted by the Board on January 1, 2020, to attract, retain and motivate our senior management, employees, advisors and such other participants through the grant of awards (the "**Awards**") for their contribution to the growth and profits of our Group, and to allow such senior management, employees, advisors and other persons to participate in the growth and profitability of our Group. A summary of the principal terms of the RSU Scheme is set out in the section headed "Statutory and General Information — D. RSU Scheme" in Appendix IV to the Prospectus. The RSU Scheme became effective upon its adoption date, and continued in effect for a term of five (5) years from the adoption. The RSU Scheme expired on December 31, 2024. Accordingly, no further Awards have been or may be granted under the RSU Scheme since the Listing Date, and no Awards were available for grant under the scheme at the beginning or at the end of the Reporting Period.

As of June 30, 2026, RSUs in respect of an aggregate of 238,664,648 Shares had been granted to five Directors and senior management and 164 other employees and business consultants who made contributions to our Group pursuant to the RSU Scheme. No new Shares will be issued in respect of the RSUs granted.

Details of the movements of the RSUs granted under the RSU Scheme during the Reporting Period are as follows:

Grantees	Position	Grant date	Vesting period	Grant price	Exercise price	Number of RSUs granted but not yet vested as at January 1, 2026	Number of RSUs granted during the Reporting Period	Vesting Date(s) (during the Reporting Period)	Number of RSUs vested during the Reporting Period	Number of RSUs cancelled during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of RSUs granted but not yet vested as at June 30, 2026	Weighted average closing price of RSUs vested during the Reporting Period (HK$)
Other Grantees (excluding Directors) in aggregate	N/A	from 2020/12/31 to 2024/04/01	from 2021/01/01 to 2028/10/31	N/A	–	4,430,000	–	January 1, 2026 – June 30, 2026	1,062,500	–	–	3,367,500	1.25
Total						**4,430,000**	**-**		**1,062,500**	**-**	**-**	**3,367,500**	**1.25**

Note: As of January 1, 2026 and June 30, 2026, no Director or chief executive held any unvested RSUs, and no RSUs were granted to, vested in, cancelled, or lapsed for any Director or chief executive during the Reporting Period.

CONTRACTUAL ARRANGEMENTS

The Board has reviewed the overall performance of the Contractual Arrangements and believes that our Group complied with the Contractual Arrangements in all material respects during the Reporting Period and up to the date of this interim report. Please refer to the section headed “Contractual Arrangements” of the Prospectus for details.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 the Shareholders and to enhance corporate value and accountability.

Our Company’s corporate governance practices are based on the principles and code provisions set forth in the Corporate Governance Code. We have adopted certain corporate governance measures in compliance with the Corporate Governance Code. We aim to achieve a high standard of corporate governance, which is crucial to safeguard the interests of the Shareholders. During the Reporting Period and up to the date of this interim report, our Company complied with all applicable code provisions set out in the Corporate Governance Code, except for the following during the period from January 1, 2026 to March 25, 2026:

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

The positions of the chairman of the Board and the chief executive officer of the Company (“**CEO**”) were held by Mr. Xie, until his resignation as the chairman of the Board and CEO with effect from December 7, 2025, when the Board appointed Mr. David McKee HAND, a non-executive Director, as the chairman of the Board effective the same date, while the CEO position remained vacant. On March 26, 2026, the Board appointed Mr. WANG Haijiao as CEO and an executive Director. Since then, the roles of chairman of the Board and CEO have been separated and performed by two different individuals in compliance with code provision C.2.1 of the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE

Our Company has adopted the Model Code as its code of conduct regarding Directors’ dealing in our Company’s securities. Having made specific enquiries to all of the Directors, all Directors confirmed that they have fully complied with the required standard set out in the Model Code during the Reporting Period and up to the date of this interim report.

Our Company’s senior management and employees, who are likely to be in possession of inside information of our Company, are also subject to the Model Code for securities transactions. During the Reporting Period and up to the date of this interim report, we did not detect any incident of non-compliance with the Model Code by our Company’s relevant senior management and employees.

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

Mr. WANG Haijiao was appointed as CEO and an executive Director effective March 26, 2026. In addition, Mr. Xie ceased to be a non-executive Director with effect from the conclusion of the AGM. For further details, please refer to the Company's announcement dated June 16, 2026.

Save as disclosed above, there were no other changes in the composition of the Board or the chief executive, nor any other change in the information of the Directors and the chief executive required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules during the Reporting Period and up to the date of this interim report.

REVIEW OF THE INTERIM REPORT BY THE AUDIT COMMITTEE

We have established the Audit Committee with terms of reference in compliance with Rule 3.21 of the Listing Rules as well as paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. ZHU Xiaolu, Dr. WANG Haizhong and Ms. KANG Wei. The chairman of the Audit Committee is Mr. ZHU Xiaolu, who has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The interim report of the Group for the six months ended June 30, 2026 has been reviewed by the Audit Committee.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by our Group and has discussed matters in relation to auditing, internal control, risk management and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results and the interim report of our Group for the six months ended June 30, 2026. The Audit Committee considers that the interim financial results and the interim report for the six months ended June 30, 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

MATERIAL LITIGATION

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

PUBLIC FLOAT

We have applied to the Stock Exchange to request the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules, and the Stock Exchange has granted our Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, pursuant to which the public float of our Company may fall below 25% of the total issued share capital (excluding treasury Shares) of our Company. For details of the relevant waiver, see "Waivers from Strict Compliance with the Listing Rules — Waiver in relation to Public Float" in the Prospectus. Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this interim report, the Company has maintained the minimum public float as permitted by the Stock Exchange under the waiver granted.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

INTERIM DIVIDEND

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

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

After the Reporting Period and up to the date of this interim report, save as disclosed in this interim report, there were no other significant events that occurred which had a material adverse impact on the performance and value of our Group.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business, financial condition and results of operations could be materially and adversely affected by certain risks and uncertainties. For details, please see the section headed "Risk Factors" of the Prospectus.

By order of the Board
Fangzhou Inc.
Mr. WANG Haijiao
Chief Executive Officer and Executive Director

Hong Kong, August 27, 2026

KPMG

REVIEW REPORT TO THE BOARD OF DIRECTORS OF FANGZHOU INC.

INTRODUCTION

We have reviewed the interim financial report set out on pages 37 to 54 which comprises the consolidated statement of financial position of Fangzhou Inc. (the "Company") and its subsidiaries (together as "the Group") as at June 30, 2026 and the related consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 Interim financial reporting as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting.*

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

August 27, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

		Six months ended June 30,	
	Note	**2026** **RMB'000**	2025 RMB'000
Revenue	3	**1,824,466**	1,493,571
Cost of sales		**(1,555,930)**	(1,225,239)
Gross profit		**268,536**	268,332
Other net (loss)/income	4	**(7,754)**	2,732
Selling and distribution expenses		**(192,975)**	(190,660)
Administrative expenses		**(62,736)**	(66,558)
Impairment loss on trade and other receivables		**(147)**	(565)
Profit from operations		**4,924**	13,281
Finance costs	5(a)	**(523)**	(765)
Profit before taxation	5	**4,401**	12,516
Income tax	6	**4,504**	(34)
Profit and total comprehensive income for the period		**8,905**	12,482
Earnings per share			
Basic and diluted (in RMB)	7	**0.01**	0.01

The accompanying notes form part of this interim financial report.

Consolidated Statement of Financial Position

As at June 30, 2026 – unaudited
(Expressed in RMB)

	Note	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Non-current assets			
Property, plant and equipment	8	**28,578**	36,689
Intangible assets		**2,506**	2,707
Deferred tax assets		**4,769**	–
Other non-current assets		**2,261**	2,261
		38,114	41,657
Current assets			
Financial assets measured at fair value through profit or loss ("FVPL")	9	**59,784**	80,990
Inventories	10	**212,886**	180,404
Trade and other receivables	11	**149,995**	156,581
Other current assets		**53,478**	47,842
Prepayments		**13,561**	10,044
Restricted bank deposits	12	**86,545**	62,881
Cash and cash equivalents	13	**358,943**	233,490
		935,192	772,232
Current liabilities			
Trade and other payables	14	**631,162**	602,853
Contract liabilities		**20,711**	19,737
Bank loans		**20**	4,012
Lease liabilities		**13,776**	15,390
Other current liabilities		**1,858**	1,639
Current taxation		**229**	141
		667,756	643,772
Net current assets		**267,436**	128,460
Total assets less current liabilities		**305,550**	170,117

	Note	**As at June 30, 2026 RMB'000**	As at December 31, 2025 RMB'000
Non-current liability			
Lease liabilities		**9,092**	16,388
		9,092	16,388
NET ASSETS		**296,458**	153,729
CAPITAL AND RESERVES			
Share capital	16(b)	**195**	189
Reserves		**296,263**	153,540
TOTAL EQUITY		**296,458**	153,729

Approved and authorized for issue by the Board of Directors on August 27, 2026.

Wang Haijiao
Chief Executive Officer

Zou Yuming
Chief Financial Officer

The accompanying notes form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended June 30, 2026 – unaudited
(Expressed in RMB)

	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Share held for the RSU Incentive plan RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at January 1, 2025		189	913,852	1,214,395	(2)	19,099	(2,015,829)	131,704
Changes in equity for the six months ended June 30, 2025								
Profit and total comprehensive income for the period		–	–	–	–	–	12,482	12,482
Equity settled share-based transactions	15(b)	–	–	–	–	5,804	–	5,804
Shares vested under the RSU Incentive Plan		–	9,605	–	-*	(9,605)	–	–
Balance at June 30, 2025		189	923,457	1,214,395	(2)	15,298	(2,003,347)	149,990
Balance at January 1, 2026		189	923,456	1,214,395	(2)	19,688	(2,003,997)	153,729
Changes in equity for the six months ended June 30, 2026								
Profit and total comprehensive income for the period		–	–	–	–	–	8,905	8,905
Equity settled share-based transactions	15(b)	–	–	–	–	2,882	–	2,882
Shares vested under the RSU Incentive Plan		–	12,444	–	-*	(12,444)	–	–
Issuance of shares upon placement	16(b)	6	130,936	–	–	–	–	130,942
Balance at June 30, 2026		195	1,066,836	1,214,395	(2)	10,126	(1,995,092)	296,458

* Less than RMB1,000

	Note	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Operating activities			
Cash generated from operations		**21,249**	35,896
Income tax paid		**(177)**	(48)
Net cash generated from operating activities		**21,072**	35,848
Investing activities			
Payment for purchase of financial assets measured at FVPL		**–**	(14,712)
Proceed from redemption of financial assets measured at FVPL		**14,285**	21,884
Payments for purchases of property, plant and equipment and intangible assets		**(1,613)**	(2,206)
Net cash generated from investing activities		**12,672**	4,966
Financing activities			
Proceeds from bank loans		**9,020**	7,382
Payments of restricted bank deposits		**(103,445)**	(79,857)
Proceeds from maturity of restricted bank deposits		**79,781**	91,135
Net proceeds from issuance of shares upon placement		**130,942**	–
Repayments of bank loans		**(13,010)**	(10,373)
Capital element of lease rentals paid		**(8,350)**	(8,947)
Interest element of lease rentals paid		**(443)**	(716)
Interest paid		**(82)**	(50)
Net cash generated from/(used in) financing activities		**94,413**	(1,426)
Net increase in cash and cash equivalents		**128,157**	39,388
Cash and cash equivalents at the beginning of the period		**233,490**	174,638
Effect of foreign exchange rate changes		**(2,704)**	(27)
Cash and cash equivalents at the end of the period	13	**358,943**	213,999

The accompanying notes form part of this interim financial report.

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorized for issue on August 27, 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted 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 report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (together as "the Group") since the 2025 annual financial statements. The condensed consolidated interim financial statement and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG 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 HKICPA. KPMG's independent review report to the Board of Directors is included on page 36.

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

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on this interim report.

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

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are online retail pharmacy services, comprehensive medical services, wholesale and customized content and marketing solutions.

Disaggregation of revenue

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
Revenue from contracts with customers within the scope of HKFRS 15		
Online retail pharmacy services	**1,094,830**	863,688
Comprehensive medical services	**379,073**	357,172
Wholesale	**323,075**	235,004
Customized content and marketing solutions	**27,488**	37,707
	1,824,466	1,493,571

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is set out as below:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Disaggregated by timing of revenue recognition		
– Point in time	**1,796,978**	1,455,864
– Over time	**27,488**	37,707
	1,824,466	1,493,571

No revenue from individual customer contributes over 10% of total revenue of the Group for the six months ended June 30, 2026 (six months ended June 30, 2025: Nil).

The Group applies the practical expedient in paragraph 121 of HKFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts of the Group are within one year or less.

3 REVENUE AND SEGMENT REPORTING *(continued)*

(b) Segment Reporting

The Group manages its businesses by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented four reportable segments. The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

(i) Segment results

	Six months ended June 30,	
	2026 RMB'000	2025 RMB'000
Disaggregated by segment		
Online retail pharmacy services		
Revenue	**1,094,830**	863,688
Gross profit	**195,218**	190,276
Comprehensive medical services		
Revenue	**379,073**	357,172
Gross profit	**42,595**	47,368
Wholesale		
Revenue	**323,075**	235,004
Gross profit	**6,971**	2,258
Customized content and marketing solutions		
Revenue	**27,488**	37,707
Gross profit	**23,752**	28,430
Reportable segment gross profit derived from the Group's external customers	**268,536**	268,332

3 REVENUE AND SEGMENT REPORTING *(continued)*

(b) Segment Reporting *(continued)*

(ii) Reconciliations of reportable segment profit or loss

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Disaggregated by segment		
Reportable segment profit derived from the Group's external customers	**268,536**	268,332
Other net (loss)/income	**(7,754)**	2,732
Selling and distribution expenses	**(192,975)**	(190,660)
Administrative expenses	**(62,736)**	(66,558)
Impairment loss on trade and other receivables	**(147)**	(565)
Finance costs	**(523)**	(765)
Consolidated profit before taxation	**4,401**	12,516

(iii) Geographic information

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as over 99% of the Group's profit from operations for the six months ended June 30, 2026 (six months ended June 30, 2025: over 99%) are generated from the Chinese Mainland market.

4 OTHER NET (LOSS)/INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Foreign exchange loss	**(4,123)**	(27)
Fair value (loss)/gain on financial assets measured at FVPL	**(6,921)**	702
Others	**3,290**	2,057
	(7,754)	2,732

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
(a) Finance costs		
Interest on lease liabilities	**443**	716
Interest on bank loans	**80**	49
	523	765
(b) Staff costs (including directors' emoluments)		
Salaries, contributions to defined contribution retirement plan and other benefits	**57,801**	63,127
Equity settled share-based transactions (note 15)	**2,882**	5,804
	60,683	68,931
(c) Other items		
Amortization		
– intangible assets	**201**	171
Depreciation (note 8)		
– property, plant and equipment	**1,696**	1,895
– right-of-use assets	**7,467**	9,006
	9,163	10,901
Research and development costs (i)	**17,674**	17,292
Cost of inventories	**1,543,100**	1,211,596

Note:

(i) During the six months ended June 30, 2026, research and development costs include staff costs, depreciation and amortization of RMB17,206,000 (six months ended June 30, 2025: RMB16,801,000), which amounts are also included in the respective total amounts disclosed separately above or in note 5 for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Current tax		
Provision for the period	**264**	34
Deferred tax		
Origination of temporary differences	**(4,768)**	–
Income tax	**(4,504)**	34

(i) The Cayman Islands income tax

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

(ii) Hong Kong income tax

For the subsidiary in Hong Kong, the first HKD2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. No Hong Kong profits tax on the subsidiary has been provided as there was no assessable profit arising in Hong Kong during the reporting period.

(iii) The PRC corporate income tax

The provision for current income tax in Chinese Mainland is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the Corporate Income Tax Law of the PRC and the respective regulations except for the following subsidiaries:

Fangzhou Information Technology Co., Ltd. and Beijing Fangyixing Information Technology Co., Ltd. were certified as "High and New Technology Enterprises" and entitled to the preferential income tax rate of 15%.

Certain subsidiaries were eligible as a small low-profit enterprise and entitled to a tax relief policy. The portion of annual taxable income amount of a small low-profit enterprise, which does not exceed RMB3 million, shall be computed at a reduced rate of 25% as taxable income amount, and be subject to enterprise income tax at 20% tax rate.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares as below:

	Six months ended June 30,	
	2026	2025
Net profit attributable to ordinary equity shareholders of the Company (RMB'000)	**8,905**	12,482
Weighted average number of ordinary shares for the period	**1,373,349,297**	1,331,147,862

(b) Diluted earnings per share

For the six months ended June 30, 2026, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB8,905,000 and the weighted average number of ordinary shares of 1,374,370,769.

For the six months ended June 30, 2025, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB12,482,000 and the weighted average number of ordinary shares of 1,337,188,664.

8 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount of property, plant and equipment

	Machinery and equipment RMB'000	Motor vehicles RMB'000	Furniture, fixtures and other equipment RMB'000	Leasehold improvement RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost:						
As at January 1, 2025	4,641	1,465	8,912	10,109	74,439	99,566
Addition	142	–	1,709	1,069	5,328	8,248
Disposals	–	–	(53)	–	(9,979)	(10,032)
As at December 31, 2025 and January 1, 2026	**4,783**	**1,465**	**10,568**	**11,178**	**69,788**	**97,782**
Addition	**53**	**261**	**1,012**	**287**	**3,933**	**5,546**
Disposals	**–**	**–**	**(3)**	**–**	**(10,523)**	**(10,526)**
As at June 30, 2026	**4,836**	**1,726**	**11,577**	**11,465**	**63,198**	**92,802**
Accumulated depreciation:						
As at January 1, 2025	(2,502)	(1,275)	(5,616)	(8,160)	(28,558)	(46,111)
Charge for the year	(298)	(156)	(1,703)	(1,323)	(17,228)	(20,708)
Written back on disposals	–	–	53	–	5,673	5,726
As at December 31, 2025 and January 1, 2026	**(2,800)**	**(1,431)**	**(7,266)**	**(9,483)**	**(40,113)**	**(61,093)**
Charge for the period (note 5(c))	**(154)**	**(23)**	**(906)**	**(613)**	**(7,467)**	**(9,163)**
Written back on disposals	**–**	**–**	**1**	**–**	**6,031**	**6,032**
As at June 30, 2026	**(2,954)**	**(1,454)**	**(8,171)**	**(10,096)**	**(41,549)**	**(64,224)**
Net book value:						
As at June 30, 2026	**1,882**	**272**	**3,406**	**1,369**	**21,649**	**28,578**
As at December 31, 2025	1,983	34	3,302	1,695	29,675	36,689

9 FINANCIAL ASSETS MEASURED AT FVPL

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Listed securities	**8,162**	15,829
Units in private funds	**51,622**	65,161
	59,784	80,990

10 INVENTORIES

During the six months ended June 30, 2026, RMB1,625,000 (June 30, 2025: RMB8,215,000) of write-down of inventories made in prior years was reversed due to an increase in the estimated net realizable value as a result of a change in market conditions.

11 TRADE AND OTHER RECEIVABLES

As at the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Within 3 months	**29,194**	44,569
Over 3 months but within 6 months	**10,619**	5,623
Over 6 months but within 1 year	**6,920**	7,525
Over 1 year	**5,528**	4,046
Trade receivables, net of loss allowance	**52,261**	61,763
Purchase rebates with suppliers	**71,686**	54,212
Deposits	**11,319**	11,441
Other receivables	**14,729**	29,165
	149,995	156,581

Trade receivables are generally due within 180 days from the date of billing.

12 RESTRICTED BANK DEPOSITS

As at June 30, 2026, bank deposits of RMB86,545,000 (December 31, 2025: RMB62,881,000) were pledged as securities for bills payable.

13 CASH AND CASH EQUIVALENTS

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Cash on hand	**401**	152
Cash at bank	**344,648**	221,070
Cash equivalents placed at payment platforms	**13,894**	12,268
	358,943	233,490

As at June 30, 2026, the Group's cash and cash equivalents located in Chinese Mainland amounted to RMB201,341,000 (December 31, 2025: RMB210,946,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange policy.

14 TRADE AND OTHER PAYABLES

As at the end of the reporting period, the ageing analysis of total trade and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Within 1 month	**223,620**	252,177
1 to 3 months	**214,911**	175,797
Over 3 months but within 6 months	**110,681**	67,537
Over 6 months but within 1 year	**156**	113
Over 1 year	**158**	102
Total trade and bills payables	**549,526**	495,726
Staff cost payables	**12,625**	23,817
Other tax payables	**12,395**	16,630
Deposits	**1,606**	1,567
Other payables and accrued charges	**55,010**	65,113
	631,162	602,853

15 EQUITY SETTLED SHARE-BASED TRANSACTIONS

RSU Incentive Plan

On January 1, 2020, the board of the Company approved the RSU Incentive Plan, which is a share-based incentive plan to reward, retain and motivate the Group's eligible persons as approved by the Board or the authorized administrator of the RSU Incentive Plan. Under the RSU Incentive Plan, the Directors of the Company are authorized, at their discretion, to grant restricted shares of the Company to eligible persons on a fair and reasonable basis with reference to the performance of the Company and contribution of the individuals.

The shares granted would vest on specific dates, on condition that eligible persons remain in service without any performance requirements. Once the vesting conditions underlying the respective shares are met, the shares are considered duly and validly issued to the eligible persons.

(a) *Movements in RSUs granted are as follows:*

	Number of shares
Outstanding as at January 1, 2025	10,204,688
Shares vested during the year	(5,774,688)
Outstanding as at December 31, 2025 and January 1, 2026	**4,430,000**
Shares vested during the period	**(1,062,500)**
Outstanding as at June 30, 2026	**3,367,500**

(b) *Equity settled share-based transactions expenses recognized in the consolidated statement of profit or loss and other comprehensive income:*

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Administrative expenses	**1,590**	3,275
Selling and distribution expenses	**1,292**	2,529
	2,882	5,804

16 CAPITAL AND RESERVES

(a) Authorized share capital

The authorized share capital of the Company was USD50,000 divided into 2,500,000,000 shares of a nominal value of USD0.00002 each.

(b) Issued shares

Details of the changes in the Company's issued ordinary shares:

	Number of ordinary shares issued	Nominal value of ordinary shares USD'000	Nominal value of ordinary shares RMB'000
Ordinary shares, Issued			
As at January 1, 2025, December 31, 2025 and January 1, 2026	**1,340,267,457**	**26**	**189**
Issuance of shares upon placement (note)	**45,181,000**	**1**	**6**
As at June 30, 2026	**1,385,448,457**	**27**	**195**

Note: On February 2, 2026, the Company completed the issuance of 45,181,000 subscription shares and received a net consideration equivalent to RMB130,942,000. The subscription shares are equivalent to approximately 3.26% of the issued share capital of the Company after being allocated and expanded through the issuance of subscription shares.

(c) Dividends

During the six months ended June 30, 2026 and 2025, the Company did not declare nor pay dividends to the equity shareholders.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at amortized cost are not materially different from their fair values as at December 31, 2025 and June 30, 2026.

18 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of HKFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

HKFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of HKFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of HKFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures. The assessment remains subject to change as the Group continues its implementation work.