



藥師幫股份有限公司 YSB Inc.

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 9885

2025 ANNUAL REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Buzhen Zhang (張步鎮)
(Chairman and Chief Executive Officer)
Mr. Fei Chen (陳飛)

Non-Executive Director

Mr. Ziyang Zhu (朱梓陽)

Independent Non-Executive Directors

Ms. Rong Shao (邵蓉)
Mr. Sam Hanhui Sun (孫含暉)
Mr. Hongqiang Zhao (趙宏強)

AUDIT COMMITTEE

Mr. Hongqiang Zhao (趙宏強) (Chairman)
Ms. Rong Shao (邵蓉)
Mr. Sam Hanhui Sun (孫含暉)

REMUNERATION COMMITTEE

Mr. Sam Hanhui Sun (孫含暉) (Chairman)
Ms. Rong Shao (邵蓉)
Mr. Hongqiang Zhao (趙宏強)

NOMINATION COMMITTEE

Mr. Buzhen Zhang (張步鎮) (Chairman)
Ms. Rong Shao (邵蓉) (appointed on 27 June 2025)
Mr. Sam Hanhui Sun (孫含暉)
Mr. Hongqiang Zhao (趙宏強)

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE COMMITTEE

Mr. Hongqiang Zhao (趙宏強) (Chairman)
Ms. Rong Shao (邵蓉)
Mr. Sam Hanhui Sun (孫含暉)

JOINT COMPANY SECRETARIES

Mr. Fei Chen (陳飛)
Ms. Fung Wai Sum (馮慧森)

AUTHORIZED REPRESENTATIVES

Mr. Fei Chen (陳飛)
Ms. Fung Wai Sum (馮慧森)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

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LEGAL ADVISORS

As to Hong Kong law
King & Wood

As to PRC law
Anjie Broad Law Firm

As to Cayman Islands law
Harney Westwood & Riegels

COMPLIANCE ADVISOR

Maxa Capital Limited
Unit 2602, 26/F, Golden Centre
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Sheung Wan, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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P.O. Box 31119 Grand Pavilion
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Cayman Islands

PRINCIPAL BANKS

China Merchants Bank, Guangzhou Branch
Ping An Bank, Guangzhou Branch
Bank Of China, Guangzhou Panyu Branch

STOCK CODE

9885

COMPANY WEBSITE

www.ysebang.cn

Financial Highlights

	Year ended 31 December		
	2025	2024	Change (%)
	<i>(in RMB thousands, except specified otherwise or percentages)</i>		
Revenue	20,969,650	17,903,608	17.1
– Self-operation Business	20,065,552	16,972,895	18.2
– Online Marketplace	866,025	881,075	(1.7)
– Other Businesses	38,073	49,638	(23.3)
Gross profit	2,306,982	1,813,451	27.2
Profit attributable to the owners of the Company	152,965	30,013	409.7
Non-IFRS: Adjusted Net Profit ⁽¹⁾	237,058	156,734	51.2
Earnings per share			
– Basic (RMB)	0.224	0.047	376.6
– Diluted (RMB)	0.220	0.046	378.3
Dividend per share for the year (RMB)	0.110	0.075	46.7

- (1) The adjusted net profit (the "Adjusted Net Profit") represents profit for the year adding back (i) equity-settled share-based payment expenses; and (ii) acquisition-related expenses in relation to the acquisition of Folding Space (Cayman) Ltd and its subsidiaries ("Yikuai Pharmaceutical").



Chairman's Statement

First of all, on behalf of the Board of YSB Inc. (the "Company", or "YSB" for short, together with its subsidiaries and consolidated affiliated entities, collectively referred to as the "Group"), I would like to present the operating results of the Company for 2025, and express my heartfelt gratitude to our shareholders, business partners and all sectors of the community for their consistent trust and support over these years.

In 2025, pharmaceutical and healthcare industry in China continued its transformation further under standardisation, steadily moved forward amidst pressure and breakthroughs. At the policy level, a series of measures guided by the "Healthy China" strategy have consistently driven the development of the industry towards innovation, efficiency and accessibility, further optimising the market ecosystem. From a market perspective, despite the short-term fluctuations brought by a complex and uncertain macroeconomic environment, long-term trends such as the accelerating aging of the population and the upgrading of health consumption concepts have injected strong momentum to the development of the industry. New quality productive forces such as artificial intelligence (AI) large models and smart healthcare experienced explosive growth, and the trends of industrial digitalisation and service refinement have become increasingly prominent, opening up new growth opportunities for players with technological and business model innovation capabilities. Meanwhile, industry competition has seen a new trend of "focus on value creation", with digitalisation capabilities, supply chain efficiency and professional service levels becoming the core competitiveness of enterprises.

In this context, the Company focused on its core objectives of enhancing quality and efficiency and achieving win-win ecosystem development, and continued to upgrade its omni-channel service capabilities. We not only constantly provided stable services to hundreds of thousands of downstream terminals, but also empowered upstream and downstream partners in the industry chain to improve operational efficiency and tap into growth potential through ongoing iteration of digital solutions, jointly injecting new vitality into the prosperity of the outside-of-hospital pharmaceutical and healthcare market.

CONSOLIDATING THE DUAL ENGINES OF ONLINE MARKETPLACE AND SELF-OPERATION BUSINESS, CULTIVATING DIVERSIFIED GROWTH MOMENTUM

We drove the value upgrades of the platform through "diversified ecosystem + quality supply chain infrastructure". By leveraging demand insights to expand product matrix and through a comprehensive quality control system, we have built a triple barrier of "coverage, penetration and trust" in the outside-of-hospital pharmaceutical market. We collaborated with over 11,000 upstream sellers on the platform to create a high-quality supply ecosystem together, not only promoting the systematic upgrades of the platform in the aspects of category breadth, quality standards and service depth, but also continuously elevating the value of the platform from facilitating transactions to serving as an industry collaborative network through precise data-driven supply-and-demand matching, forward-looking category planning and innovative service model co-construction. Such collaborative ecosystem has made the platform a strategic partner for merchants to expand incremental markets and the preferred platform for downstream buyers to achieve efficient and reliable procurement and operational upgrades. We continued the iteration of refined operation and management models and optimised upstream sellers service systems, providing collaborative support such as intelligent product selection planning and dynamic pricing strategies for upstream sellers, significantly reducing the overall operating costs of upstream sellers and achieving a dual improvement in sales reach and operational efficiency. Furthermore, by deeply integrating data intelligence and the supply chain network, the platform empowered downstream buyers with dynamic inventory optimisation and digital operations, enhancing their long-term competitiveness and operational sustainability on a systematic basis.

Chairman's Statement

In terms of the Self-operation Business, based on the supply chain upgrades, supported by digital and intelligent operations, and with quality service as the core, we continuously strengthened the foundation of business development to achieve synergistic development of scale and high quality. We continued to establish full-chain strategic partnerships with leading pharmaceutical companies such as Kenvue (China) (科赴中國) and Yiling Pharmaceutical (以嶺藥業), and built a high-quality, resilient and compliant industrial-grade supply chain system through in-depth collaboration and value co-creation, further consolidating our core hub position in the supply chain of the outside-of-hospital pharmaceutical and healthcare market. With the intelligent operational hub after comprehensive iteration, our overall fulfillment efficiency and service quality have been on the rise. During the Reporting Period, the on-time delivery rate climbed steadily to 96.70%, which was attributable to our accumulated efforts in the warehouse network optimisation, logistics route planning and full-chain digital management. Relying on a full-chain digital and intelligent operational foundation, we have connected core nodes such as inventory, sales and compliance, and built a closed-loop system with data-driven decision-making, solidifying the core competitiveness of Self-operation Business through cycles with accurate market predictions and extreme operational efficiency.

Our Targeted Product Launch Business serves not only as the core engine for the high-quality development of our Self-operation Business, but also as a strategic pivot for reshaping the value distribution logic of the industry chain. It achieved a leapfrog growth throughout the year, driving the transformation of Self-operation Business towards high gross margins and high added value. During the Reporting Period, the total number of SKUs related to our own brands exceeded 1,200, with the transaction amounts achieving an explosive year-on-year growth of over 280%. By exploring the potential of exclusive strategic partnerships in-depth and iterating products of our own brands, the Company has built a solid foundation for sustainable profitability, and our Self-operation Business has embarked on a new chapter of value leap.



DRIVING INNOVATION WITH DIGITAL TECHNOLOGY, BUILDING A VIRTUOUS CYCLE OF BUSINESS AND SOCIAL VALUE

In 2025, we deeply integrated AI technology into all scenarios of our business services, achieving a value symbiosis between technology and business. In the platform ecosystem, we have built a dynamic supply-demand balance mechanism by iterating sales forecasting models and intelligent product sourcing algorithms, which has strengthened the supply chain resilience of best-selling products. Precise replenishment and product recommendations based on user profiles have significantly optimised the procurement efficiency and experience of downstream buyers. On the Self-operation Business side, we have optimised operational processes with AI by launching intelligent services such as AI Operations Expert, AI Procurement, AI Smart Customer Service and AI Staff Training, thus achieving a full-chain digitalised closed loop across inventory turnover, procurement decisions and cost control, exploring structural cost reduction and efficiency improvement opportunities in the extremely refined management. On the SaaS service side, we have deeply embedded AI capabilities into the Cloud Consultation SaaS (光譜雲診SaaS) system, enabling functions such as AI-assisted prescription review and AI-assisted diagnosis, promoting the widespread accessibility of high-quality medical resources and constructing new infrastructure for the smart primary healthcare through technology. AI has become a core productive force driving the efficient operation, precise services and sustainable growth of the Company. Furthermore, during the Reporting Period, we formed a strategic partnership with the robotic company Shenzhen Dobot Corp Ltd to jointly explore the application of pharmaceutical cobots in intelligent warehousing and distribution, laying a foundation for the intelligent upgrade of supply chain.

As always, we regard ESG as the cornerstone of corporate sustainable development, deeply anchoring on core issues such as industry standards, green and low-carbon practices and primary healthcare accessibility, reshaping the industry ecosystem through responsible business practices. In terms of external ecosystem building, we made contribution to the construction of a comprehensive digital regulatory ecosystem, empowering the industry's compliance process with digital benchmarks. Meanwhile, we devoted resources to developing primary healthcare capabilities and cultivating pharmaceutical talents, working with all parties to jointly build a defence line for primary healthcare. In terms of internal operations management, with green operations as our engine, we have established a full-chain low-carbon closed loop by reshaping the pharmaceutical supply chain, promoting green and lightweight packaging and optimising logistics routes, actively responding to the national "dual-carbon" strategy. Owing to our solid ESG practices and outstanding social responsibility contributions, we received several authoritative recognitions in 2025, including "Outstanding Enterprise in ESG Sustainable Development (ESG可持續發展卓越企業)" and the "2025 Product Responsibility Award (2025年產品責任獎)".

Chairman's Statement

In 2025, YSB consolidated its foundation and extended new growth boundaries amidst a complex environment. We continued to strengthen the dual-drive foundation of Online Marketplace and Self-operation Businesses and deepened supply chain collaboration. Even more, through forward-looking deployments in scenarios such as on-demand pharmaceutical retail, we began to broaden growth boundaries and penetrated further to reach wider and more diverse grassroots pharmaceutical terminals, achieving a strategic upgrade from an industry enabler to a new ecosystem builder. Looking ahead to 2026, YSB will remain committed to its core position in outside-of-hospital pharmaceutical and healthcare area, striving to build a more intelligent pharmaceutical supply chain management, a more precise health service assistant and a more open industry interconnection platform. Leveraging our advancing digital technology and ecosystem connectivity capabilities, we aim to provide every industry partner with more powerful digital tools and enable every downstream user to enjoy more accessible and higher-quality healthcare services.

Buzhen Zhang

Chairman and Chief Executive Officer

23 March 2026



Business Outlook and Review

As 2025 marked a crucial juncture in the in-depth implementation of the “Healthy China 2030 (健康中國2030)” strategy, the outside-of-hospital pharmaceutical and healthcare industry in China also witnessed structural opportunities of demand upgrade and growing grassroots needs. Against this backdrop, YSB firmly adhered to the driving strategy of “diversified ecosystem + digital infrastructure”, systematically improving its product category supply matrix and service fulfillment system, and deeply empowering upstream and downstream users to upgrade their digital operational capabilities. Despite market uncertainties, we have driven resilient growth in our core business through extreme efficiency and precise reach of the supply chain, further consolidating the platform competitiveness and ecosystem value of the Company in the outside-of-hospital pharmaceutical sector.

During the Reporting Period, the Company demonstrated remarkable resilience in a volatile market and achieved steady business growth, which was attributable to our continuous understanding of user needs, the development of full-scenario service capabilities, and the deep empowerment of digital tools. During the Reporting Period, we had an average number of monthly active buyers (“MAB”) of 461,000, representing a year-on-year increase of 6.5%. The average number of monthly paying buyers (“MPB”) reached 435,000, representing a year-on-year increase of 8.4%. As user loyalty has significantly increased, our paying ratio, i.e. the proportion of average number of MPB to average number of MAB, remained high at 94%, and the average number of orders per paying buyer per month was around 29.6.

ONLINE MARKETPLACE

As a leading digital service platform for the outside-of-hospital pharmaceutical industry in China, we continued to strengthen the construction of our digital capabilities, optimise user experience, and solidify the platform’s service offerings, achieving synergistic improvement in customer loyalty and market competitiveness.

During the Reporting Period, we comprehensively improved the diversity of products on our platform to cover a wider range of customer needs and scenarios. Through big data analysis and users’ needs insight, our platform meticulously curated product selections, optimised and expanded categories to ensure that listed products are aligned with market demands. During the Reporting Period, the average monthly SKUs on the platform continued to increase to approximately 4,200,000. In response to the consumption upgrading trend of Traditional Chinese Medicine (“TCM”) decoction pieces, our platform has built a comprehensive digital ecosystem spanning the entire process from field breeding to downstream buyers delivery by optimising and promoting Jinfang standards, strengthening user education and coverage, and utilising digital technology innovation. Meanwhile, the Online Marketplace rigorously adheres to stringent quality control standards for TCM decoction pieces, advancing the industry transformation from “experience-based” to “data-driven”. YSB expanded its footprint in the production regions for medicinal materials to ensure quality control of raw materials from source. Simultaneously, leveraging 365 established Jinfang varieties and 898 standards, we encouraged those TCM decoction pieces upstream sellers on YSB’s platform to extend their industrial chains to TCM production regions, optimising the industrial chain traceability system and enhancing the quality control during the entire process of TCM production. During the Reporting Period, we sold approximately 40,000 tons of TCM decoction pieces to downstream buyers, representing a year-on-year increase of approximately 32.8%.

Business Outlook and Review

During the Reporting Period, our platform accumulated a group of upstream sellers with both high-quality supply capabilities and strong compliance awareness. Leveraging the big data-driven and category-focused strategy, we accurately identified the long-term core needs of downstream buyers, empowering upstream sellers to achieve precise supply and efficient turnover through supply chain collaboration and in-depth inventory management support. Simultaneously, the platform provided downstream terminals with plenty of big data insights, enabling them to make scientific predictions and optimise procurement strategies. This comprehensive response mechanism not only reshaped the flexibility and responsiveness of the supply chain, but also strengthened user loyalty with in-depth services. During the Reporting Period, the steady growth in the average number of both MAB and MPB is sound evidence of the platform's value as a "connector" and "amplifier" in the supply-demand relationship.

We charge upstream sellers a commission, which is based on a certain percentage of their sales on our Online Marketplace. During the Reporting Period, the average Online Marketplace commission rate we charged, which equals the commissions we receive from third-party sellers divided by the corresponding transaction amounts, was 3.3%. In return, our Online Marketplace provides subsidies in the form of coupon to our downstream buyers. Without compromising platform retention and user engagement, our Online Marketplace subsidy ratio, which equals the amount of subsidies provided to buyers and used on Online Marketplace divided by the transaction amounts from Online Marketplace, was 0.5% for 2025, representing a decrease of approximately 0.1 percentage points compared to 2024.

GENERAL SELF-OPERATION BUSINESS

During the Reporting Period, we focused on comprehensive advancement in the four core dimensions of "wide selection, fast delivery, superior quality, and cost efficiency", continuously enhancing the operating capabilities of our Self-operation Business and user experience and achieving steady development in this segment.

In the dimension of "wide selection", we leveraged our supply chain integration capabilities to continuously accelerate the comprehensive coverage of our Self-operation Business across all product categories. Based on the big data of transactions on the platform and downstream demand insights, we have established a decision-making mechanism for digital procurement encompassing "demand forecasting – intelligent product selection – quality control", focusing on the introduction of SKUs with high procurement frequency and high-quality standards. Simultaneously, we expanded health consumer categories such as medical devices and tonics on a systematic basis to meet the diversified procurement needs of downstream buyers. As of 31 December 2025, the suppliers of Self-operation Business exceeded 12,000, the average monthly SKUs reached 430,000, and the variety of products and the quality of supply have improved simultaneously.



Business Outlook and Review

In terms of “fast delivery”, by focusing on improving the efficiency of the intelligent supply chain, we continuously optimised the comprehensive smart supply chain system of “procurement – warehousing – distribution” to achieve efficient fulfillment of pharmaceutical and healthcare products. During the Reporting Period, the on-time delivery rate further improved to 96.70% in 2025. Against the backdrop of continuous business expansion, we fulfilled the promised delivery time to downstream buyers with higher standards, effectively improving the end procurement experience and driving the improvement of customer loyalty.

For “superior quality”, we upheld our bottom line on quality, establishing a solid foundation of quality through rigorous selection standards and a full-process traceability mechanism to ensure the safety and reliability of each product we delivered. We have established a comprehensive quality control system covering procurement, inspection and acceptance, warehousing, distribution and after-sales service, implementing strict supplier admission and product review mechanisms. Relying on a digital system, we ensured the traceability of the source and destination of pharmaceutical products, and the accountability, thus guaranteeing the safety and reliability of pharmaceutical and health products at source.

In the dimension of “cost efficiency”, we persisted in refined operations and full-chain cost control, unlocking higher value through optimisation for extreme efficiency. We insisted on furthering supply chain transformation under the model of “direct procurement at source + direct supply from manufacturers”, directly converting price advantages into procurement discount for downstream buyers by shortening intermediate links. During the Reporting Period, we formed strategic partnerships with premium brands such as Yiling Pharmaceutical, Guangzhou Baiyunshan Zhongyi Pharmaceutical (廣州白雲山中一藥業), and Guangzhou Baiyunshan Qixing Pharmaceutical (廣州白雲山奇星藥業), establishing a stable and cost-effective supply system. In addition, through a variety of discount policies such as free shipping for single items, subsidies on promoted brands and member-exclusive prices, we have effectively reduced the procurement costs for downstream buyers, enabling them to truly enjoy more convenient procurement, better cost control and easier operation.

Business Outlook and Review

TARGETED PRODUCT LAUNCH BUSINESS

Leveraging the industry experience and market insights accumulated in Online Marketplace and General Self-operation Business, our Targeted Product Launch Business accurately identifies high-potential products. Through a “dual-drive approach by deep collaboration with pharmaceutical companies and proprietary brands”, it turned potential market opportunities into tangible sales performance. This creates value for our partners while providing downstream buyers with higher quality and more diverse pharmaceutical and health product options, continuously driving the Company’s business growth and profitability. During the Reporting Period, the transaction amounts of our Targeted Product Launch Business amounted to RMB2,445 million, representing a year-on-year increase of 111.2%.

During the Reporting Period, we focused the strategic layout of our Targeted Product Launch Business on expanding the coverage of products under our own brands in downstream pharmacies and primary healthcare institutions, driving the deep penetration of our brand influence. In terms of the expansion of our own brands, by upholding quality and safety and based on the actual needs of downstream pharmacies and primary healthcare institutions, we are committed to continuously identifying products with the potential to become channel bestsellers and comprehensively enhancing the product coverage of our own brands and use these measures as the key to differentiating ourselves from competition and enhancing profitability.

As of the end of the period, we have successfully established a portfolio of own brands including Leyaoshi (樂藥師), Yuandian (元典), Huitai (回泰), Antaibang (安泰邦), Futai (輔太), Bowei (博為), Peitong (培彤), Shizhenling (時珍令) and Xinglintai (杏林泰). These brands span multiple high-potential categories such as Chinese patent medicines, gynecological medications, medical devices and consumables, and wellness Chinese herbs, with more than 1,200 SKUs. They extensively reach the full spectrum of customer types, including monomer pharmacies, chain pharmacies, and primary healthcare institutions. What’s more important, owing to their significantly higher gross margin compared to the General Self-operation Business, own brands have effectively contributed to an increase in the overall gross margin of our Self-operation Business. They have become a core engine for the Company’s profit growth and a key element in the differentiation competition. During the Reporting Period, the transaction amounts of our own brands reached RMB1,937 million, representing a year-on-year increase of approximately 282.8%.

During the Reporting Period, YSB efficiently advanced the integration of its acquisition of Yikuai Pharmaceutical. The reuse of resources and channel synergies have been translated into tangible operational results. In 2025, both the year-on-year growth rate of revenue and its net profit of core business of Yikuai Pharmaceutical met the annual performance targets set at the time of acquisition, demonstrating robust growth potential. This is also an adequate proof of the significant synergistic value of the strategic acquisition in terms of expanding market share, optimising supply chain costs, and enhancing service capabilities.



OTHER BUSINESSES

ClouMinihouse (光譜小屋)

During the Reporting Period, the Company seized opportunities in digital healthcare by continuously refining the comprehensive solutions for “ClouMinihouse (光譜小屋)” primary smart healthcare system. Through “FutureClou (未來光譜)” series products, the point-of-care testing and monitoring devices, “Cloud Consultation SaaS (光譜雲診 SaaS)”, a digital primary healthcare institution management system, and “ClouWiseDoctor (光譜智醫)”, a smart AI doctors-aid system, the Company comprehensively empowered primary healthcare institutions.

Leveraging our platform’s vast user base and extensive market data, we have accurately identified potential demands within critical scenarios in primary healthcare, such as disease prevention, acute disease treatment, chronic disease rehabilitation, as well as epidemic monitoring. We strategically launched three “FutureClou” series point-of-care testing devices: Clou Immuno Cube (光譜免疫小方盒), Clou Chronic Disease Analyzer (光譜慢病檢測儀), and Clou Micro Hematology Analyzer (光譜微型血球儀). With core advantages of “immediate testing, multi-parameter coverage, compact and portability, and ease of operation”, these product series deeply empower primary healthcare institutions. From chronic disease monitoring to acute infection diagnosis, from respiratory pathogen detection to epidemic warning, these devices effectively enhance diagnostic efficiency and service accessibility for primary healthcare institutions, facilitating physicians for precise prescribed medication use. As of 31 December 2025, these devices covered more than 22,000 end users with sales exceeding 33,000 units.

We also continued to upgrade the “Cloud Consultation” SaaS service for primary healthcare institutions. In 2025, we deeply integrated AI technology to introduce auxiliary consultation, intelligent prescription review, and voice-enabled medical record functions, reduce workload and enhance efficiency for primary care doctors through technology while comprehensively improving diagnostic accuracy and prescription safety. As of 31 December 2025, the number of paying users of “Cloud Consultation” exceeded 2,800. During the Reporting Period, we continued to advance the integration with medical insurance and health administration platforms. As of 31 December 2025, medical insurance functions covered over 100 cities. In addition, for downstream customers such as chain primary healthcare institutions with deep operational needs, we further launched the Professional Edition of Cloud Consultation, focusing on refined marketing and intelligent management for primary healthcare institutions, empowering users to achieve the transition from informatisation to intelligentisation.

Business Outlook and Review

Other SaaS solutions

During the Reporting Period, we remained focused on the core objective of enhancing operational efficiency of the upstream and downstream participants in the outside-of-hospital pharmaceutical industry chain. Leveraging digital empowerment and innovative services, we continued to strengthen the synergy effect of the outside-of-hospital pharmaceutical ecosystem.

We continuously upgraded the “CloudComm (雲商通)” SaaS service for upstream sellers to digitally upgrade their inventory management, order processing, market analysis, etc., significantly improving operational efficiency and market responsiveness. Leveraging accurate data insights and the support of smart supply chain, we helped our upstream partners reduce their operating costs and expand market coverage. As of 31 December 2025, we provided the service to over 9,600 sellers, with approximately 1,200 new sellers during the Reporting Period.

We continuously refined our “ePalm (掌店易)” SaaS service for downstream buyers, providing pharmacies and primary healthcare institutions with one-stop purchasing, inventory management, sales analysis and other tools to facilitate their efficient operations and accurate decision-making. As of 31 December 2025, “ePalm” provided the service to over 73,000 buyers, with more than 13,000 new buyers during the Reporting Period. Meanwhile, we assisted buyers from 243 cities in connecting with medical insurance departments. In addition, the “PHDS Pharmacy Health Diagnosis System (PHDS藥房健康診斷系統)”, which was specially designed for chain pharmacies, leverages data and algorithms to accurately target and identify issues through efficient multi-dimensional analysis and gives optimisation suggestions based on analysis reports, effectively improving the operational efficiency and effectiveness of chain pharmacies. As of the end of 2025, the system served approximately 850 chain headquarters users.

YSB eLearn

During the Reporting Period, we continued to further the development of the professional pharmacist service ecosystem. We strengthened the professional knowledge reserves and practical skills of pharmacists through a systematic curriculum system, effectively enhancing the professional service capabilities of end users. As of 31 December 2025, we provided online trainings to approximately 327,000 pharmacists and prospective pharmacists.



SUPPLY CHAIN MANAGEMENT

Our self-developed smart supply chain management system is an integral key player in the continuous expansion of business scale. Relying on advanced algorithm technology and the profound insights accumulated from extensive transacting on our Self-operation Business and Online Marketplace, we have successfully realised the in-depth integration and comprehensive consolidation of the front and back ends of the supply chain, which covers the whole process of procurement, warehousing and payment, driving the intelligent upgrading and substantial enhancement of the efficiency throughout the supply chain system. During the Reporting Period, order processing and dispatch were completed in approximately 4 hours on average, well ahead of the industry average. During the Reporting Period, by leveraging the refined operations of smart supply chain management, we maintained payable turnover days at around 69.6 days, inventory turnover days at around 32.6 days and receivable turnover days at only around 1.9 days. Accordingly, our cash conversion cycle was around -35.0 days, and the operating cash flow remained net inflow. This quick turnover business model not only significantly improves our cash management efficiency, but also brings considerable idle cash to the platform, which greatly improves our liquidity and provides a solid guarantee for us to safely and quickly scale up our business. Meanwhile, the availability of idle cash also brings us extra revenue streams in addition to higher gross profit, further improving the overall profitability and driving the sustainable development of our business.

In terms of payment, we use advanced digital technology for efficient integration of business, logistics, information flow, and capital, forming a full-chain supply chain financial ecosystem linking up upstream and downstream enterprises. With the use of platform transaction data, we partnered with third-party financial institutions to tailor financing products for downstream buyers, ensuring that credit facilities are restricted to purchases within our platform, enhancing capital utilisation efficiency and achieving value co-creation in the supply chain. During the Reporting Period, the number of downstream active users for order financing products was over 12,000; the cumulative lending amount was approximately RMB9,110 million, representing a year-on-year increase of 10.1%, of which the cumulative lending amount of order financing products from downstream chain pharmacy buyers was approximately RMB7,283 million, representing a year-on-year increase of 15.3%. The supply chain financial business significantly relieved the pressure on capital turnover of downstream buyers by optimising their capital flow management, while boosting the willingness of chain pharmacies in purchasing on our platform. During the Reporting Period, the average number of MPB from chain headquarters users was over 5,000, representing approximately 75.0% of the total number of chain headquarters users nationwide.

BUSINESS DEVELOPMENT

Leveraging our profound accumulation in the outside-of-hospital pharmaceutical sector, we have established our core capabilities in precise market insights, efficient resource deployment, and excellent customer service. Based on such core capabilities, we have tailored our business expansion strategies in line with our own development and market needs. We have been closely monitoring the immense potential and opportunities in the market, while keeping track on regulatory policy changes to continuously optimise our strategic layout, in order to comply with the dual guidance of policy and market. This strategy drove a dual leap in organisational efficiency and market coverage. As of 31 December 2025, we had approximately 2,700 business development team members (excluding the team from Yikuai Pharmaceutical). Through refining the expansion strategies, the staff efficiency of our business development team further improved as compared to the previous year. Each member can manage approximately 200 pharmacies on average. Our efficient offline promotion capabilities enabled us to reach 376,000 primary healthcare institution users, with approximately 50,000 new users during the year. Moreover, our registered buyers covered 98.9% of counties and 91.5% of towns in China.

Business Outlook and Review

PUBLIC WELFARE AND SOCIAL RESPONSIBILITY

We have always incorporated the concept of sustainable development into our corporate DNA, and been active in fulfilling corporate social responsibility and committed to creating long-term value for society. During the Reporting Period, we continued to devote efforts across multiple areas including community and primary healthcare welfare, as well as public welfare donations, giving back to society with concrete actions.

In terms of community and primary healthcare welfare, we donated “Leyaoshi Compound Cold and Flu Granules (樂藥師複方感冒靈)”, “Leyaoshi Huoxiang Zhengqi Kou Fu Ye (樂藥師藿香正氣口服液)”, and heatstroke prevention supplies to various sub-districts in Guangzhou and frontline social workers, safeguarding the health of city guardians and community residents.

In terms of public welfare donations, we donated funds to support rural revitalisation initiatives, continuously exploring diverse assistance methods. We actively participated in public welfare programmes for agricultural support through charitable purchasing, contributing concrete efforts to rural revitalisation. Meanwhile, we actively responded to the public welfare project “Gather the power of love and carry on the spirit of Lei Feng” jointly launched by the China Medical Supplies Association and the Lei Feng Foundation, and actively donated funds to support charitable cause, interpreting the spirit of Lei Feng in the new era through practical actions. Furthermore, we make quarterly donations to the Green & Shine Foundation as a support for the improvement of rural education environments. In terms of disaster relief, we donated medical supplies including disinfectants and heatstroke prevention medicines to flood-affected areas such as Sangzhi, Huaiji, and Rongjiang, helping disaster-stricken communities overcome difficulties.

OUTLOOK

As a leader in the digital ecosystem of the outside-of-hospital pharmaceutical industry, we will navigate amidst the waves of digital transformation of outside-of-hospital pharmaceutical by virtue of our profound industry accumulation as well as our cutting-edge technological capability. We will further deepen the full-chain collaboration to comprehensively empower industry chain partners in efficiency improvement and revenue growth. We will drive industrial upgrade with digital and intelligent engines to make quality pharmaceutical resources accessible to all.

In terms of Online Marketplace, we will pursue the core strategy of “Empowering Partners, Leading Standards”, dedicating ourselves to becoming the digital growth engine and supply chain hub for upstream sellers. On one hand, we will further refine our comprehensive digital operation system, empowering upstream sellers to enhance operational efficiency and achieve healthy growth through accurate market trend analysis, intelligent inventory management system, and customised marketing strategies. On the other hand, we will continue to further develop a high-quality supply chain, optimise our product matrix, expand category boundaries, and integrate quality pharmaceutical resources and healthcare services to achieve precise reach and instant fulfilment of user needs.



Business Outlook and Review

In terms of General Self-operation Business, we will fully unlock the core potential of our smart supply chain management system, continue to iterate our warehousing network and logistics distribution system to build a “digital infrastructure” for efficient fulfilment. On the upstream procurement side, we will deepen strategic collaboration with leading pharmaceutical companies for not only enriching our product matrix but also enhancing supply chain resilience and partnership value through direct procurement at source and value co-creation. On the downstream service side, we will leverage data intelligence to precisely match terminal demand, keep on optimising the procurement, fulfilment experience, and after-sales support, in a bid to establish our General Self-operation Business as the “first-choice, trusted” pharmaceutical and healthcare supply chain partner for downstream buyers.

In terms of the Targeted Product Launch Business, we will firmly deepen the “Go Upstream (向上走)” strategy, anchored by “supply chain value co-creation” and “own-brand ecosystem development”. In terms of category coverage, we will build a full-scenario product matrix covering common diseases, chronic disease management, and health wellness, forming a complete closed loop from basic treatment to health prevention. In brand building, we will deeply capture user mindshare through differentiated positioning and refined operations, establishing a brand perception of “superior quality at competitive prices”. At the market penetration level, leveraging our digital full-chain collaboration capabilities, we will precisely reach and deeply cultivate grassroots pharmaceutical terminals, continuously tapping into incremental markets with high conversion efficiency, and steadily increasing the market share of our own brands in grassroots healthcare.

In terms of technology innovation, we will continue to deepen the full-scenario application of AI technology in the outside-of-hospital pharmaceutical and healthcare industry, driving platform value towards intelligent and collaborative development in depth. By iterating our digital and intelligent dynamic supply chain system, we will inject technological momentum into cost reduction and efficiency enhancement across the entire supply chain. In terms of business innovation, we will continue to focus on exploring optimal fulfilment models for business models such as on-demand pharmaceutical retail, achieving the ultimate balance between cost and efficiency through refined operations, and building an intelligent fulfilment network available anytime, anywhere.

Looking further ahead, we will adhere to the investment strategy of “strategic prudence + proactive advancement”, breaking business boundaries and activating new growth momentum through industrial chain investments and merger and acquisition planning, while maintaining healthy financial conditions. Ultimately, we aim to build a new pharmaceutical and healthcare industry ecosystem with comprehensive synergy and self-evolving ability.

Management Discussion and Analysis

REVENUE

For the year ended 31 December 2025, the Group recorded a revenue of RMB20,969.7 million, representing an increase of 17.1% as compared with RMB17,903.6 million for the year ended 31 December 2024. The increase in revenue was mainly attributable to (i) the continued development of the Self-operation Business during the Reporting Period; and (ii) our acquisition has injected new impetus into the Group's revenue growth.

The Group's revenue from the Self-operation Business increased from RMB16,972.9 million for the year ended 31 December 2024 to RMB20,065.6 million for the year ended 31 December 2025, primarily attributable to (i) enlarged buyer base and the continuous optimization of buyers' experience such as logistics and customer services; (ii) the number of MPB of our Self-operation Business recorded a continuous and stable increase as compared with the same period of last year; and (iii) our acquisition has injected new impetus into the Group's revenue growth.

The Group's revenue from the Online Marketplace decreased slightly from RMB881.1 million for the year ended 31 December 2024 to RMB866.0 million for the year ended 31 December 2025, primarily attributable to the downturn in the pharmaceutical retail market, which had a relatively significant impact on the industry and, accordingly, on third-party sellers. During the Reporting Period, the commission rate applied to third-party sellers remained stable.

The Group's revenue from the other businesses decreased by 23.3% from RMB49.6 million for the year ended 31 December 2024 to RMB38.1 million for the year ended 31 December 2025, mainly attributable to the adjustment of the operation/service model of ClouDiagnos.

COST OF SALES

The Group's cost of sales increased by 16.0% from RMB16,090.2 million for the year ended 31 December 2024 to RMB18,662.7 million for the year ended 31 December 2025, primarily due to the increase in sales of our Self-operation Business.

The cost of sales of the Group's Self-operation Business increased by 16.3% from RMB15,929.1 million for the year ended 31 December 2024 to RMB18,519.4 million for the year ended 31 December 2025. The increase in cost of sales for the year ended 31 December 2025 was primarily due to the growth of purchase demand from buyers, as a result of which we increased the procurement of pharmaceutical products accordingly.

The cost of sales of the Group's Online Marketplace slightly decreased by 2.3% from RMB146.0 million for the year ended 31 December 2024 to RMB142.7 million for the year ended 31 December 2025, mainly due to a lower average overall transaction processing fee rate.

The cost of sales of the Group's other businesses decreased significantly by 96.0% from RMB15.1 million for the year ended 31 December 2024 to RMB0.6 million for the year ended 31 December 2025, mainly due to the decrease in costs in relation to ClouDiagnos.



Management Discussion and Analysis

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, the Group's gross profit increased significantly by 27.2% from RMB1,813.5 million for the year ended 31 December 2024 to RMB2,307.0 million for the year ended 31 December 2025. The Group's gross profit margin increased from 10.1% for the year ended 31 December 2024 to 11.0% for the year ended 31 December 2025, mainly due to the downstream demand for the Group's own-branded products has remained strong, and the scale of this high-gross-margin business has continued to expand, thereby continuously improving the Group's gross profit margin.

The gross profit margin for the Group's Self-operation Business recorded an increase from 6.2% for the year ended 31 December 2024 to 7.7% for the year ended 31 December 2025, primarily due to the implementation of the "Go Upstream" strategy by gradually increasing the percentages of our own brand in our product pipeline, which has much higher gross profit margin than other products.

The gross profit margin for the Group's Online Marketplace increased slightly from 83.4% for the year ended 31 December 2024 to 83.5% for the year ended 31 December 2025.

The gross profit margin for the Group's other businesses increased significantly from 69.6% for the year ended 31 December 2024 to 98.5% for the year ended 31 December 2025, mainly due to (i) the year-on-year growth of revenue of our SaaS solution, which has a higher gross profit margin, and the corresponding increase of its proportion of revenue; and (ii) the adjustment of the operation/service model of ClouDiagnos.

SELLING AND MARKETING EXPENSES

The Group's selling and marketing expenses increased by 19.3% from RMB1,461.2 million for the year ended 31 December 2024 to RMB1,743.3 million for the year ended 31 December 2025, mainly due to (i) our acquisition of Yikuai Pharmaceutical, which has led to an increase in overall expenses; and (ii) we continued to expand our business operations. Fulfillment expenses increased by 12.8% from RMB312.3 million for the year ended 31 December 2024 to RMB352.3 million for the year ended 31 December 2025, among which logistics expenses increased from RMB232.7 million for the year ended 31 December 2024 to RMB269.6 million for the year ended 31 December 2025. Although the Group's selling and marketing expenses had increased during the Reporting Period, due to the corresponding growth in the Group's overall revenue, the selling and marketing expenses as a percentage of the Group's revenue remained largely stable.

GENERAL AND ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by 14.3% from RMB354.0 million for the year ended 31 December 2024 to RMB404.5 million for the year ended 31 December 2025, mainly due to our acquisition of Yikuai Pharmaceutical, which has led to an increase in overall expenses. Although general and administrative expenses had increased during the Reporting Period, the ratio to the Group's revenue decreased slightly.

Management Discussion and Analysis

RESEARCH AND DEVELOPMENT EXPENSES

The Group's research and development expenses increased by 1.6% from RMB94.2 million for the year ended 31 December 2024 to RMB95.7 million for the year ended 31 December 2025, primarily attributable to an increase in salaries and welfare benefits expenses resulting from the acquisition of Yikuai Pharmaceutical.

OTHER INCOME

The Group's other income decreased from RMB91.2 million for the year ended 31 December 2024 to RMB73.3 million for the year ended 31 December 2025. The decrease was primarily attributable to (i) a decrease in both interest income from bank deposits and investment income from financial assets at fair value through profit or loss as a result of the decline in interest rates; and (ii) a decrease in government grants.

OTHER GAINS AND LOSSES

The Group recorded net other gains of RMB18.5 million for the year ended 31 December 2025 as compared to net other gains of RMB30.2 million for the year ended 31 December 2024. The difference was primarily due to (i) the fair value change of contingent consideration payables; and (ii) the impact of exchange rate fluctuations.

FINANCE COSTS

Finance costs increased by 5.3% from RMB11.3 million for the year ended 31 December 2024 to RMB11.9 million for the year ended 31 December 2025 due to the increase in interest expense on discounted note receivables.

PROFIT FOR THE YEAR

As a result of the foregoing, the Group's profit for the year increased significantly from RMB15.1 million for the year ended 31 December 2024 to RMB146.0 million for the year ended 31 December 2025.



Management Discussion and Analysis

NON-IFRS MEASURE

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

The Adjusted Net Profit, which is unaudited, represents profit for the year adding back (i) equity-settled share-based payment expenses; and (ii) acquisition-related expenses in relation to the acquisition of Yikuai Pharmaceutical. The Adjusted Net Profit of the Group increased significantly from RMB156.7 million for the year ended 31 December 2024 to RMB237.1 million for the year ended 31 December 2025, representing a year-on-year growth of 51.2%.

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

	Year ended 31 December	
	2025 (RMB'000)	2024 (RMB'000)
Profit for the year	145,982	15,081
Add back:		
Equity-settled share-based payment expenses	64,128	137,692
Acquisition-related expenses in relation to the acquisition of Yikuai Pharmaceutical	26,948	3,961
Adjusted Net Profit, a non-IFRS measure	237,058	156,734
Adjusted Net Profit margin, a non-IFRS measure	1.1%	0.9%

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

Management Discussion and Analysis

LIQUIDITY AND SOURCE OF FUNDING AND BORROWING

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

As at 31 December 2025, the Group's cash and cash equivalents decreased by 31.8% from RMB1,041.2 million as at 31 December 2024 to RMB710.0 million. The decrease in cash and cash equivalents for the year ended 31 December 2025 was mainly due to the Group's increased placement in restricted bank deposits, time deposits, other financial assets at amortised cost and financial assets at fair value through profit or loss, which resulted in the increase of cash used in investing activities. Among these, restricted bank deposits are mainly used to issue notes payable for upstream procurement settlements and maintain adequate liquidity for business operations.

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

	Year ended 31 December	
	2025 (RMB'000)	2024 (RMB'000)
Net cash generated from operating activities	637,700	655,858
Net cash used in investing activities	(896,275)	(253,579)
Net cash used in financing activities	(70,967)	(109,805)
Net (decrease)/increase in cash and cash equivalents	(329,542)	292,474
Cash and cash equivalents at the beginning of the year	1,041,228	745,693
Effect of foreign exchange rate changes	(1,727)	3,061
Cash and cash equivalents at the end of the year	709,959	1,041,228

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

NET CASH GENERATED FROM OPERATING ACTIVITIES

For the year ended 31 December 2025, net cash generated from operating activities was RMB637.7 million, mainly attributable to our profit before tax of RMB137.0 million for the year, as adjusted by (i) non-cash and non-operating items, which primarily comprised equity-settled share-based payment expenses of RMB64.1 million; and (ii) changes in working capital, which were mainly due to the increase of RMB929.8 million in trade and other payables, but offset by increase in trade and other receivables of RMB167.1 million and the increase in inventories of RMB414.0 million.

Management Discussion and Analysis

NET CASH USED IN INVESTING ACTIVITIES

For the year ended 31 December 2025, net cash used in investing activities was RMB896.3 million. It was mainly due to (i) the net outflow of RMB502.0 million from the placement of restricted bank deposits; (ii) the net outflow of RMB231.9 million from the placement of the time deposits; and (iii) the purchase of other financial assets at amortised cost of RMB150.0 million.

NET CASH USED IN FINANCING ACTIVITIES

For the year ended 31 December 2025, net cash used in financing activities was RMB71.0 million, which was mainly attributable to (i) share repurchase; and (ii) dividends paid.

SIGNIFICANT INVESTMENTS

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

MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2025, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies.

PLEDGE OF ASSETS

As at 31 December 2025, the Group's interest-bearing deposits of RMB2,225.1 million (2024: RMB1,490.2 million) were used as pledge for the issuance of bank acceptance notes.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have detailed future plans for material investments or capital assets as at 31 December 2025.

GEARING RATIO

The Group's gearing ratio is calculated as total interest-bearing borrowings divided by total equity. As of 31 December 2025, as the Group had bank borrowings arising from discounted notes, its gearing ratio was 6.4% (as of 31 December 2024: 0.9%).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, there are no other significant events that might affect the Group since the end of the Reporting Period and up to the date of this annual report.

On 10 February 2026, 2,533,700 award Shares were granted to employee participants, representing approximately 0.37% of the total issued Shares (excluding any treasury Shares) of the Company as of the date of grant, details of which were disclosed in the announcement of the Company dated 10 February 2026.

On 23 March 2026, a total of 490,000 consideration Shares were allotted and issued under the general mandate at the issue price of HK\$12 per consideration Share as the part I contingent consideration payable in 2025 due to the achievement of the 2025 performance targets of part I contingent consideration, details of which were disclosed in the announcements of the Company dated 15 October 2024, 28 October 2024, 26 November 2024, 14 January 2025 and 23 March 2026.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION

As at 31 December 2025, the Group had 6,950 employees. The following table sets forth the total number of employees by function as at 31 December 2025:

Function	Number of employees
General and Administrative	1,018
Selling and Marketing	3,299
Operations	2,292
Research and Development	341
Total	6,950

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

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

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

The total remuneration cost incurred by the Group for the year ended 31 December 2025 was RMB1,321.4 million, as compared to RMB1,120.4 million for the year ended 31 December 2024.

For the year ended 31 December 2025, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.



Management Discussion and Analysis

FOREIGN EXCHANGE EXPOSURE

For the year ended 31 December 2025, the Group mainly operated in China and the majority of the transactions were settled in RMB, the Company's primary consolidated affiliated entities' functional currency. We are exposed to foreign exchange risk arising mainly from bank balances and financial assets at fair value through profit or loss denominated in foreign currency of certain entities of the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure and foreign exchange risk management strategies closely and will consider hedging significant foreign currency exposure should the need arises to minimise its foreign exchange risk.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 (2024: Nil).



Report of Directors

The Board is pleased to present this report of Directors together with the consolidated financial statements of the Group for FY 2025.

OVERVIEW OF OUR BOARD

The Directors who held office during the Reporting Period and up to the date of this annual report are:

Executive Directors

Mr. Buzhen Zhang (*Chairman and Chief Executive Officer*)
Mr. Fei Chen

Non-Executive Director

Mr. Ziyang Zhu

Independent Non-Executive Directors

Ms. Rong Shao
Mr. Sam Hanhui Sun
Mr. Hongqiang Zhao

Biographical details of the Directors are set out in “Directors and Senior Management” in this annual report. Save as disclosed therein, none of the members of the Board is related to one another, including financial, business, family or other material/relevant relationships.

In accordance with Article 15.1 of our articles of association, Mr. Buzhen Zhang and Ms. Rong Shao shall retire at our upcoming annual general meeting. Each of these Directors, being eligible, will offer themselves for re-election at our upcoming annual general meeting.

OVERVIEW OF OUR COMPANY

The Company was incorporated in the Cayman Islands on 27 August 2018 as an exempted company with limited liability, and the Shares were listed on the Main Board of the Stock Exchange on the Listing Date.



Our Business

We operate a digital pharmaceutical platform serving businesses outside of hospitals in China. We develop technology-backed solutions that connect and empower both upstream (including pharmaceutical companies, distributors and vendors) and downstream (including pharmacies and primary healthcare institutions. Primary healthcare institutions refer to downstream pharmaceutical retailer that is not a hospital or a pharmacy, including, but not limited to, a private clinic, township health centre, village clinic, and community medical institution) players in the pharmaceutical value chain, through our ecosystem. We achieve this through our two primary businesses: (a) Online Marketplace dedicated to registered pharmaceutical sellers and buyers to interact and transact with one another; and (b) Self-operation Business, in which we carefully select quality products and sell these to downstream pharmacies and primary healthcare institutions through our proprietary fulfilment system. Additionally, as part of our ecosystem, we operate add-on services and ancillary businesses, including ClouMinihouse, SaaS Solutions, and YSB eLearn to improve the operating efficiency of our upstream and the downstream customers and partners, and to empower pharmacies and primary healthcare with market insights and professional knowledge to enhance their service capability and quality.

Subsidiaries

Particulars of the Company's subsidiaries are set out in Note 38 to the consolidated financial statements.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company repurchased a total of 7,435,000 Shares on the Stock Exchange at an aggregate consideration of HK\$59,686,444.24. Details of the Shares repurchased are as follows:

Month of repurchase	No. of Shares aggregate repurchased	Price paid per Share		Aggregate consideration (HKD)
		Highest (HKD)	Lowest (HKD)	
May	5,175,000	8.36	6.98	39,702,308.24
June	460,000	10.34	9.55	4,595,876.00
August	100,000	10.27	10.21	1,023,110.00
October	400,000	11.21	9.72	4,260,620.00
November	1,300,000	8.20	6.95	10,104,530.00
Total	7,435,000			59,686,444.24

Save as disclosed above, neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury Shares) (as defined under the Listing Rules) during the Reporting Period. Among the total number of 7,435,000 repurchased Shares, 5,635,000 repurchased Shares were cancelled on 4 July 2025 and the remaining 1,800,000 repurchased Shares will be cancelled in due course. As at 31 December 2025, the Company did not hold any treasury Shares.

Report of Directors

Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company had maintained the prescribed percentage of public float under the Listing Rules.

OVERVIEW OF OUR PERFORMANCE OVER THE REPORTING PERIOD

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Chairman's Statement", "Business Outlook and Review" and "Management Discussion and Analysis" in this annual report. Those discussions form part of this report. Events affecting the Company that have occurred since the end of the Reporting Period is set out in "Significant Events after the Reporting Period" in this annual report. An account of the Company's key relationships with our employees, customers and suppliers and others that have a significant impact on the Company is set out on page 29 of this annual report and will also be set out in the "Environmental, Social and Governance Report" to be published at the same time of this annual report.

Results of our Group

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss in this annual report.

Financial Summary

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years is set out on pages 168 to 169 of this annual report. This summary does not form part of the consolidated financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under our articles of association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro-rata basis to Shareholders.

Tax Relief and Exemption

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

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in Note 14 to the consolidated financial statements.

Share Capital and Shares Issued

The Company has one class of Shares with a nominal or par value of US\$0.0000025 each. Details of movements in the share capital of the Company, and details of our shares issued, during the Reporting Period are set out in Note 28 to the consolidated financial statements.

Debenture Issued

The Group did not issue any debenture during the Reporting Period.

Equity-linked Agreements

Save as disclosed in “Other Information – Share Incentive Plans” in this annual report, no equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

Final Dividends

The Board recommended the payment of a final dividend of RMB0.110 (equivalent to HK\$0.125, which is based on the rate of HK\$1 to RMB0.87946, being the average of central parity rates of Hong Kong dollars against RMB announced by the China Foreign Exchange Trade System under the authorisation of the People’s Bank of China on 18 March, 19 March and 20 March 2026) per Share for the year ended 31 December 2025. The final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (the “AGM”) to be held on 21 May 2026 and the final dividend will be paid in Hong Kong dollars at HK\$0.125 per Share. The final dividend will be paid on or around 24 June 2026 to the Shareholders whose names appear on the register of members of the Company on 2 June 2026. It is expected that the Company will adopt a long-term stable cash dividend policy in case of sustained profitability in the future.

As at the date of this annual report, so far as the Directors are aware, no Shareholder has waived or agreed to waive any dividends, and no such arrangement has been entered into by the Company or any of its Shareholders.

Permitted Indemnity

Pursuant to our articles of association and subject to the applicable laws and regulations, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force over the Reporting Period. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

Distributable Reserves

As at 31 December 2025, the Company had distributable reserves of approximately RMB3,486.8 million.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in Note 27 to the consolidated financial statements.

Major Customers and Suppliers

We have a broad base of customers. During the Reporting Period, our major customers were mainly pharmacies and primary healthcare institutions. For the year ended 31 December 2025, the revenue generated from the Group’s five largest customers combined accounted for less than 30% of the Group’s revenue in the same year.

Our suppliers are primarily pharmaceutical companies, pharmaceutical manufacturers or their distributors. For the year ended 31 December 2025, purchases from the Group’s five largest suppliers combined accounted for less than 30% of the Group’s total purchase amount in the same year.

Report of Directors

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond our control:

- (a) ability to accurately predict and effectively cater to changing preferences, particularly in terms of product offerings and supply, in relation to upstream and downstream players in the pharmaceutical value chain;
- (b) ability to protect, maintain and enhance our brand;
- (c) uncertainties with compliance with laws and regulations in the PRC and other jurisdictions relating to data privacy and security;
- (d) uncertainties with respect to the enactment, interpretation and implementation of certain laws, regulations and government policies in the PRC;
- (e) ability to effectively execute monetisation strategies;
- (f) competition with other business-to-business (B2B) pharmaceutical sales platforms and traditional pharmaceutical distributors; and
- (g) risks related to industry, business, and operations.

The above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in our Shares.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We are committed to furthering our social responsibility, namely in promoting employee benefits and development, and protecting the environment around us and giving back to the community and achieving sustainable growth. Further details are set out in the Environmental, Social and Governance Report which is published at the same time of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

To the best of our knowledge, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.



INFORMATION RELATING TO OUR DIRECTORS

Directors' Service Contracts

Each of the Directors entered into an appointment service contract with the Company on 12 June 2023. Under the contracts, the term of the respective Director's appointment shall be for an initial term of three years from the Listing Date or until the third annual general meeting of the Company after the Listing Date, whichever is sooner (subject to retirement as and when required under the articles of association). All of the director service contracts have been renewed for a further three years, and either party may terminate the contract by giving not less than three months' written notice.

The above appointments are subject to the provisions of retirement of Directors under our articles of association.

None of the Directors proposed for re-election at our upcoming annual general meeting has a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

None of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of FY 2025.

Directors' Rights to Acquire Shares or Debenture

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

Emolument Policy and Directors' Remuneration

In compliance with Rule 3.25 of the Listing Rules and the CG Code, the Company has established a remuneration committee to assist the Board in formulating remuneration policies. Remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position, and seniority. Their remuneration is determined by the Board upon recommendation from the Board's remuneration committee. The Directors and the senior management personnel are eligible participants of our share incentive plan (details of which are summarised in "Other Information – Share Incentive Plans" in this annual report). Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 11 to the consolidated financial statements.

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

Over the Reporting Period, the aggregate amount of remuneration (including basic salaries, housing allowances, other allowances, and benefits in kind, contributions to pension plans and discretionary bonuses) for the Directors was approximately RMB9.5 million (as set out in Note 11 to the consolidated financial statements).

Report of Directors

Contracts with Controlling Shareholders

Save as disclosed in this Annual Report, none of the controlling Shareholder or any of its connected entities had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the Group's business to which the Company or any of its subsidiaries or fellow subsidiaries was a party during or at the end of FY 2025, and no contract of significance for the provision of services to the Company or any of its subsidiaries or fellow subsidiaries by the controlling Shareholder or any of its subsidiaries was entered into during or at the end of FY 2025.

Competing Interests

To the best knowledge and belief of the Directors, the Directors have no contracts of significance with us or have any competing business which would require disclosure under Rule 8.10 of the Listing Rules.

Management Contracts

Save as disclosed in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in the Prospectus and in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Group engaged in certain transactions with the following persons that constituted continuing connected transactions under the Listing Rules.

Name of connected person	Relationship
Mr. Buzhen Zhang ^(Notes)	Executive Director, Chief Executive Officer and substantial shareholder of our Company

Set out below is a summary of the continuing connected transactions of the Group during the Reporting Period.

Notes:

- The Onshore Holdcos and their subsidiaries are collectively our Consolidated Affiliated Entities. The Onshore Holdcos are Guangzhou Sudao Information Technology Co., Ltd. (廣州速道信息科技有限公司, "Guangzhou Sudao") and Guangzhou Yaobang Information Technology Co., Ltd. (廣州藥幫信息科技有限公司, "Guangzhou Yaobang"). The subsidiary of Guangzhou Sudao is Henan Subiao Information Technology Co., Ltd. (河南速標信息科技有限公司, "Henan Subiao"). The subsidiaries of Guangzhou Yaobang are Guangzhou Yuewei Medical Laboratory Co., Ltd. (廣州閱微醫學檢驗有限公司, "Guangzhou Yuewei") and Guangzhou Spectrum Health Technology Co., Ltd. (廣州光譜健康科技有限公司, "Guangzhou Spectrum").
- The registered shareholders of Guangzhou Sudao are Mr. Buzhen Zhang, the Director (as to 85.92%), Mr. Jiangwei Wang (as to 3.18%), Mr. Jiahao Shao (as to 0.92%), and Guangzhou Yaodao Information Technology Partnership (Limited Partnership), which is controlled by Mr. Zhang (as to 9.98%). Mr. Wang and Mr. Shao are independent third parties. The registered shareholder of Guangzhou Yaobang is Mr. Zhang.

Contractual Arrangements

We engage in certain activities that are subject to foreign investment restrictions under PRC laws and regulations. These activities are namely: (a) development and application of gene diagnosis and treatment technologies, which is prohibited from any foreign investment; and (b) value-added telecommunications, which requires EDI (electronic data interchange and transaction processing) and ICP (internet content provider) licences that are subject to foreign investment restrictions; entities holding these licences must be approved by the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部).

As a result of these foreign investment restrictions under PRC laws and regulations, these businesses are operated by our Consolidated Affiliated Entities, which are in turn, controlled by us and from which we derive the economic benefits through a series of contractual arrangements. These contractual arrangements are narrowly tailored to achieve our business purpose and minimise the potential for conflict with relevant PRC laws and regulations.

Risks relating to the Contractual Arrangements and actions taken to mitigate the risks

We believe the following risks are associated with our contractual arrangements. Further details of these risks are set out in the “Risk Factors” section of the Prospectus.

- (a) If the PRC government finds that the agreements which establish the structure for operating our businesses in China do not comply with PRC regulations on foreign investment in internet and other related businesses, or if these regulations or their interpretation change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.
- (b) We rely on contractual arrangements with our Consolidated Affiliated Entities and their shareholders for our operations in China, which may not be as effective in providing operational control as direct ownership.
- (c) We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are important to our business if our Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.
- (d) Contractual arrangements we have entered into with our Consolidated Affiliated Entities may be subject to scrutiny by the PRC tax authorities. A finding that we owe additional taxes could negatively affect our financial condition and the value of your investment.
- (e) If the chops of our PRC subsidiaries, including our Consolidated Affiliated Entities, are not kept safely, are stolen or are used by unauthorised persons or for unauthorised purposes, the corporate governance of these entities could be severely and adversely compromised.
- (f) Substantial uncertainties exist with respect to how the Foreign Investment Law may impact the viability of our current corporate structure and operations.

Summary of the agreements underlying our contractual arrangements

The contractual arrangements in place during the Reporting Period include:

- (a) an exclusive business cooperation agreement (獨家業務合作協議) dated 16 May 2022 entered into between Guangzhou Sudaoyi Information Technology Co., Ltd. (廣州速道易信息科技有限公司) (“Guangzhou Sudaoyi”) and Guangzhou Sudaoyi.
- (b) an exclusive option agreement (獨家購買權合同) dated 16 May 2022 entered into among Guangzhou Sudaoyi, Guangzhou Sudaoyi and its registered shareholders, Mr. Buzhen Zhang (張步鎮), Mr. Wang Jiangwei (汪薑維) (“Mr. Wang”), Mr. Shao Jiahao (邵佳豪) (“Mr. Shao”), and Guangzhou Yaodao Information Technology Partnership (Limited Partnership) (廣州藥道信息科技合夥企業(有限合夥)) (“Guangzhou Yaodao” and collectively with Mr. Zhang, Mr. Wang and Mr. Shao, the “Guangzhou Sudaoyi Shareholders”).
- (c) a share pledge agreement (股權質押合同), dated 16 May 2022, entered into among Guangzhou Sudaoyi, Guangzhou Sudaoyi and each of Guangzhou Sudaoyi Shareholders.
- (d) voting entrustment agreements (授權委託協議), each dated 16 May 2022 and entered into among Guangzhou Sudaoyi, Guangzhou Sudaoyi and each of the Guangzhou Sudaoyi Shareholders.

Report of Directors

- (e) an exclusive business cooperation agreement (獨家業務合作協議) dated 16 May 2022 entered into between Guangzhou Sudaoyi and Guangzhou Yaobang.
- (f) an exclusive option agreement (獨家購買權合同) dated 16 May 2022 entered into among Guangzhou Sudaoyi, Guangzhou Yaobang and its registered shareholder, Mr. Zhang.
- (g) a share pledge agreement (股權質押合同), dated 16 May 2022, entered into among Guangzhou Sudaoyi, Guangzhou Yaobang and Mr. Zhang.
- (h) a voting entrustment agreement (授權委託協議), dated 16 May 2022 and entered into among Guangzhou Sudaoyi, Guangzhou Yaobang and Mr. Zhang.

In FY 2025, the revenue contribution of our Consolidated Affiliated Entities to the Group accounted for approximately 4.33% of our total revenue (2024: 5.21%).

No dividends or other distributions have been made by Guangzhou Sudaoyi and Guangzhou Yaobang to the holders of their equity interests.

For further details of the relevant foreign ownership regulations in the PRC and a discussion of the material terms of the agreements underlying our contractual arrangements are set out in “Contractual Arrangements” section of the Prospectus.

Implication under the Listing Rules and Confirmations

Waivers applied for under the Listing Rules

For the purposes of Chapter 14A of the Listing Rules, our Consolidated Affiliated Entities are treated as connected persons of the Company, and as such, the contractual arrangements are considered continuing connected transactions for the Company.

We have applied for, and the Stock Exchange has granted us, in respect of the contractual arrangements, (i) a waiver from strict compliance with the announcement, circular and independent shareholders’ approval (including recommendation from an independent financial advisor) requirements under Chapter 14A of the Listing Rules; (ii) a waiver from strict compliance with the requirement to set a term of not exceeding three years under Rule 14A.52 of the Listing Rules; and (iii) a waiver from strict compliance with the requirements to set monetary annual caps under Rule 14A.53(1) of the Listing Rules, subject to certain conditions set out in the Prospectus.

Confirmation from Independent Non-executive Directors

Our independent non-executive Directors had reviewed the agreements underlying the Contractual Arrangements and confirm the factors listed under Rule 14A.55 of the Listing Rules and that the transactions carried out during the Reporting Period under the Contractual Arrangements had been in accordance with the relevant provisions of the agreements.

Confirmations from the Company's Independent Auditor

Deloitte Touche Tohmatsu, the auditor of the Company, has confirmed in a letter to the Board that, with respect to the transactions underlying the Contractual Arrangements, nothing has come to their attention that would cause them to believe that any of the factors listed under Rule 14A.56 of the Listing Rules, where applicable, had existed during the Reporting Period.

During the Reporting Period, save as disclosed in "Continuing Connected Transactions" of this annual report, no related party transactions disclosed in Note 37 to the financial statements constituted a connected transaction or continuing connected transaction that should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to these continuing connected transactions entered into by the Group during the Reporting Period.

USE OF PROCEEDS FROM GLOBAL OFFERING

The Company's Shares were listed on the Stock Exchange on 28 June 2023. The net proceeds raised from the Global Offering were approximately HK\$242.2 million, which includes the additional proceeds received following the partial exercise of the Over-allotment Option as defined in the Prospectus.

As of 31 December 2025, all of the net proceeds had been fully utilised in the manner consistent with that disclosed in the Prospectus under the section headed "Future Plans and Use of Proceeds" and the announcement of the Company dated 15 October 2024.

AUDITOR

There has been no change in auditor during the Reporting Period and the preceding three years. The consolidated financial statements of the Group have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants and Registered Public Interest Entity Auditors, who will retire and, being eligible, offer themselves for reappointment at our upcoming annual general meeting.

By the order of the Board

Mr. Buzhen Zhang

Chairman

Hong Kong
23 March 2026

Directors and Senior Management

As at the date of this annual report, the Board comprises two executive Directors, one non-executive Director and three independent non-executive Directors.

DIRECTORS

Executive Directors

Mr. Buzhen Zhang (張步鎮), aged 50, is our executive Director, Chairman of our Board and Chief Executive Officer and chairman of the Nomination Committee. Mr. Zhang co-founded our Group and has served as our Chief Executive Officer since January 2015, and as the Director of our Company since its incorporation in August 2018. Prior to founding our Group, Mr. Zhang held a number of positions with Fang Holdings Limited, which is listed on the New York Stock Exchange (stock symbol: SFUN) from April 1999 to October 2014, including separately as chief technology officer, and vice president of Fang Holdings Limited, responsible for the technology development and business management. Mr Zhang received a bachelor's degree majoring in communication engineering from the Beijing Institute of Electronic Science and Technology (北京電子科技學院) in China in July 1997.

Mr. Fei Chen (陳飛), aged 42, is our executive Director, Chief Financial Officer and joint company secretary. Mr. Chen joined our Group in April 2022 and has served as our Director since April 2022 and our Chief Financial Officer since May 2022. Prior to joining our Group, Mr. Chen previously worked as an investment banker with HSBC from July 2008 to May 2010, advising on financings and mergers and acquisitions for domestic and foreign clients. From May 2010 to May 2018, Mr. Chen worked with UBS AG Hong Kong Branch, also advising on a broad range of financings and mergers and acquisitions. From May 2018 to April 2022, Mr. Chen was the chief financial officer and board secretary at Tubatu Group Co., Ltd. (土巴兔集團股份有限公司), overseeing their financial and investment activities. Mr. Chen is currently an independent non-executive director of Shanghai REFIRE Group Limited (上海重塑能源集團股份有限公司), a company listed on the Stock Exchange (stock code: 2570) since December 2024. Mr. Chen received a bachelor's degree in finance in July 2006 and a master's degree in finance in July 2008 from Peking University (北京大學) in China. Mr. Chen holds a chartered financial analyst certificate from the CFA Institute, awarded in September 2012, and a board secretary certification from the Shenzhen Stock Exchange, awarded in November 2020.

Non-executive Director

Mr. Ziyang Zhu (朱梓陽), aged 30, is our non-executive Director. Mr. Zhu joined our Group in February 2021. Mr. Zhu has been the Vice President, at Hopson Development Holdings Limited (合生創展集團有限公司), a company listed on the Stock Exchange (stock code: 754) and a fellow subsidiary of Million Surplus Developments Limited (i.e., both are controlled corporations of Sounda Properties Limited), since July 2021. Mr. Zhu has served as a non-executive director at Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), a company listed on the Stock Exchange (stock code: 1833), since December 2021. Mr. Zhu served as a non-executive director, the chairman of the Risk Control Committee and the member of the Strategy Committee at Genertec Universal Medical Group Company Limited (通用環球醫療集團有限公司), a company listed on the Stock Exchange (stock code: 2666), from July 2021 to November 2025. Mr. Zhu was an assistant to the strategic committee director at Hopson Development Holdings Limited (合生創展集團有限公司). Mr. Zhu received his bachelor's degree majoring in information management and information systems from the Beijing Institute of Technology (北京理工大學) in China in June 2017. Mr. Zhu is a nephew of Mr. Chu Mang Yee (朱孟依), a substantial shareholder of the Company.

Directors and Senior Management

Independent Non-executive Directors

Ms. Rong Shao (邵蓉), aged 63, is our independent non-executive Director and members of the Nomination Committee, Audit Committee, Remuneration Committee and Environmental, Social and Corporate Governance Committee. Ms. Shao joined our Group in June 2023. Ms. Shao has been the Executive Dean of the Institute of Drug Regulatory Sciences, China Pharmaceutical University, in charge of regulatory science disciplines and research, since October 2021. Ms. Shao is or has been an independent director of several listed corporations, including being an independent director of Jiangsu GDK Biotechnology Co., Ltd. (江蘇金迪克生物技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688670), since June 2020, an independent non-executive director of Alibaba Health Information Technology Limited (阿里健康信息技術有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 241), since August 2023, an independent director of Shanghai Innostar Bio-tech Co., Ltd. (上海益諾思生物技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688710), since December 2023, and an independent director of Hainan Haiyao Co., Ltd. (海南海藥股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000566), since July 2025. From June 2021 to June 2024, Ms. Shao was an independent director of I-Mab, a company listed on Nasdaq (stock symbol: IMAB). Ms. Shao received her bachelor's degree in medicinal chemistry from Nanjing College of Pharmacy (南京藥學院) (now China Pharmaceutical University (中國藥科大學)) in China in July 1983, her second bachelor's degree in law was from Nanjing University in China in July 1989, and a PhD in Pharmacy from Shenyang Pharmaceutical University (瀋陽藥科大學) in China in July 2010. Ms. Shao is a qualified lawyer, licenced by the Jiangsu Justice Department (江蘇司法廳) in 2009.

Mr. Sam Hanhui Sun (孫含暉), aged 53, is our independent non-executive Director, the chairman of the Remuneration Committee, and members of the Audit Committee, Nomination Committee and Environmental, Social and Corporate Governance Committee. Mr. Sun joined our Group in June 2023. Mr. Sun has been the chairman of VSP Private Fund Management (Zhuhai) Co., Ltd. (維世私募基金管理(珠海)有限公司) since December 2020, and the chairman of VSP Investment Consulting (Shenzhen) Co., Ltd. (維世投資諮詢(深圳)有限公司) since August 2021. Mr. Sun assumed various positions at Qunar Cayman Islands Limited, a mobile and online travel platform listed on Nasdaq until February 2017. Mr. Sun currently holds positions in various listed companies, namely an independent director of iQIYI Inc. (愛奇藝), a company listed on Nasdaq (stock symbol: IQ) since March 2018, an independent director of Yiren Digital Ltd. (宜人金科), a company listed on the New York Stock Exchange (stock symbol: YRD) since December 2015, and an independent non-executive director of JINGDONG Industrials, Inc. (京東工業股份有限公司), a company listed on the Stock Exchange (stock code: 7618) since December 2025. Mr. Sun has also served as an independent director and the chairman of the Audit Committee of Antalpha Platform Holding Co., a company listed on Nasdaq (stock symbol: ANTA) since May 2025. From August 2014 to July 2021, Mr. Sun acted as an independent non-executive director of CAR Inc. (神州租車有限公司), a company formerly listed on the Stock Exchange until July 2021. From March 2018 to July 2019, Mr. Sun served as an independent director of Sunlands Technology Group (formerly known as Sunlands Online Education Group), a company listed on the New York Stock Exchange (stock symbol: STG). From September 2010 to May 2019, Mr. Sun served as an independent director of Fang Holdings Limited (formerly known as SouFun Holdings Limited), a company listed on the New York Stock Exchange (stock symbol: SFUN). From March 2021 to May 2025, Mr. Sun served as an independent director of Zhihu Inc. (知乎), a company listed on the Stock Exchange (stock code: 2390) and the New York Stock Exchange (stock symbol: ZH). Mr. Sun received a bachelor's degree in business administration from Beijing Institute of Technology in China in July 1993. Mr. Sun was also awarded his PRC certified public accountant (non-practicing member) certificate from the Beijing Institute of Certified Public Accountants (北京註冊會計師協會).

Directors and Senior Management

Mr. Hongqiang Zhao (趙宏強), aged 49, is our independent non-executive Director, the chairman of the Audit Committee and Environmental, Social and Corporate Governance Committee, and members of the Remuneration Committee and Nomination Committee. Mr. Zhao joined our Group in June 2023. Mr. Zhao has been an independent non-executive director of Beisen Holding Limited (北森控股有限公司), a company listed on the Stock Exchange (stock code: 9669) since March 2023, GOGO Holdings Limited (快狗打車控股有限公司), a company listed on the Stock Exchange (stock code: 2246) since August 2021, Li Auto Inc. (理想汽車), a company listed on Nasdaq (stock symbol: LI) and the Stock Exchange (stock code: 2015) since July 2020, and an independent director of HUYA Inc. (虎牙直播), a company listed on the New York Stock Exchange (stock symbol: HUYA) since May 2018. From June 2018 to May 2023, he was an executive director and the chief financial officer of Bairong Inc. (百融雲創), a company listed on the Stock Exchange (stock code: 6608), and from August 2013 to October 2014, he was the vice president of finance at Fang Holdings Limited, a company listed on the New York Stock Exchange (stock symbol: SFUN). Mr. Zhao formerly served as an assistant Chief Auditor on the Public Company Accounting Oversight Board, in 2009. Mr. Zhao received his bachelor's degree in accounting from Tsinghua University (清華大學) in China in July 1999, and his master's degree in accountancy from George Washington University in Washington D.C., the United States, in May 2001.

SENIOR MANAGEMENT

Mr. Buzhen Zhang is our executive Director, Chairman of the Board and Chief Executive Officer. See “– Executive Directors” for Mr. Zhang's biography.

Mr. Fei Chen is our executive Director and Chief Financial Officer. See “– Executive Directors” for Mr. Chen's biography.

Mr. Haodong Xiao (肖浩東), aged 52, is our Vice President. Mr. Xiao joined our Group in December 2018. Aside from our Group, Mr. Xiao previously held positions with Xi'an Janssen Pharmaceutical Ltd. (西安楊森製藥有限公司), including as the Commercial Regional Sales Director, South, responsible for southern region dealers and market management, from January 1999 to December 2013. From January 2014 to February 2017, Mr. Xiao worked as the general manager of Guangzhou Pharmaceuticals Corporation's Popular Drug Sales Branch (廣州醫藥有限公司大眾藥品銷售分公司). Following this, from March 2017 to November 2018, Mr. Xiao joined Johnson & Johnson Medical (Shanghai) Ltd. (強生(上海)醫療器材有限公司) as the Director of Channel Management, responsible for company-wide commercial channels management. Mr. Xiao received his certification in culinary and hospitality enterprise management (餐旅企業管理) from Shenzhen University in China in June 1993 and his MBA in business management from Hong Kong Baptist University in November 2011.

Mr. Zhuoqi Chen (陳焯杞), aged 47, is our Chief Technology Officer as well as a director of our subsidiary Leyou Investment Limited. Mr. Chen joined our Group in January 2015. From November 2009 to May 2013, Mr. Chen worked at New Post Telecommunication Equipment Co., Ltd. (新郵通信設備有限公司), and from June 2013 to January 2015, as system architect at Vtron Group Co., Ltd. (威創集團股份有限公司), a company listed on the Shenzhen stock exchange (stock code: 002308) (formerly known as 廣東威創視訊科技股份有限公司). Mr. Chen received his Bachelor of Science degree (majoring in applied physics) from the Southeast University (東南大學) in China in June 2001.

Directors and Senior Management

COMPANY SECRETARIES

Mr. Fei Chen is a joint company secretary of our Company. See “– Executive Directors” for Mr. Chen’s biography.

Ms. Emily Fung (馮慧森), also known as Ms. Fung Wai Sum, is a joint company secretary of our Company. Ms. Fung is a Senior Manager of Corporate Services of Tricor Services Limited (a member of Vistra Group), a global professional services provider specialising in integrated business, corporate and investor services. Ms. Fung has over 20 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Fung is currently the company secretary/joint company secretary of various listed companies on the Stock Exchange, namely FriendTimes Inc. (友誼時光股份有限公司) (stock code: 6820), Tongdao Liepin Group (同道獵聘集團) (stock code: 6100), Greenland Hong Kong Holdings Limited (綠地香港控股有限公司) (stock code: 337), Shenzhen Neptunus Interlong Bio-technique Company Limited (深圳市海王英特龍生物技術股份有限公司) (stock code: 8329), China ZhengTong Auto Services Holdings Limited (中國正通汽車服務控股有限公司) (stock code: 1728), ClouDr Group Limited (stock code: 9955) and Migao Group Holdings Limited (米高集團控股有限公司) (stock code: 9879). Ms. Fung is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Fung obtained her master’s degree in professional accounting and corporate governance from City University of Hong Kong in November 2008.

Changes in Director’s Information

Changes in Director’s information is set out below pursuant to Rule 13.51(B) of the Listing Rules:

- 1) Mr. Ziyang Zhu ceased to act as a non-executive director, the chairman of the Risk Control Committee and a member of the Strategy Committee at Genertec Universal Medical Group Company Limited (通用環球醫療集團有限公司), a company listed on the Stock Exchange (stock code: 2666) with effect from November 2025.
- 2) Ms. Rong Shao has served as an independent director of Hainan Haiyao Co., Ltd. (海南海藥股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000566) since July 2025.
- 3) Mr. Sam Hanhui Sun has served as an independent non-executive director of JINGDONG Industrials, Inc. (京東工業股份有限公司), a company listed on the Stock Exchange (stock code: 7618) since December 2025. Mr. Sun has also served as an independent director and the chairman of the Audit Committee of Antalpha Platform Holding Co., a company listed on Nasdaq (stock symbol: ANTA) since May 2025.

Save as disclosed above, there is no other change in information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the last published interim report.

Other Information

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations

As at 31 December 2025, the interests and short positions of the Directors or chief executives of the Company in any of our Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)), as recorded in the register required to be kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in the Company

Name of Director	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding ⁽¹⁾	Long position/ Short position
Mr. Buzhen Zhang ⁽²⁾	Interest in a controlled corporation	125,316,184	18.40%	Long position
	Interest of spouse	5,400,000	0.79%	Long position
Mr. Fei Chen ⁽³⁾	Beneficial owner	9,150,000	1.34%	Long position

Notes:

- (1) The calculation is based on the total number of 681,196,858 Shares in issue as at 31 December 2025.
- (2) Represents (i) 125,316,184 Shares held by MIYT Holdings Limited, a company controlled by MIYT Worldwide Limited, which in turn is wholly owned by a trust for the benefit of Mr. Buzhen Zhang, the Director; and (ii) 4,800,000 Shares underlying options granted under the 2019 Share Incentive Plan and 600,000 Shares granted under the 2023 Share Incentive Plan, both held by Ms. Xiaoye Xu, the spouse of Mr. Zhang. Under the SFO, Mr. Zhang is deemed to be interested in the entire interests of MIYT Holdings Limited and Ms. Xu in our Company.
- (3) Represents (i) 5,300,000 Shares underlying options granted to Mr. Chen under the 2019 Share Incentive Plan; and (ii) 3,850,000 Shares.

Save as disclosed above, as at 31 December 2025, so far as is known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in our Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding ⁽¹⁾	Long position/ Short position
MIYT Holdings Limited⁽²⁾	Beneficial owner	125,316,184	18.40%	Long position
MIYT Worldwide Limited ⁽²⁾	Interest of a controlled corporation	125,316,184	18.40%	Long position
TMF (Cayman) Ltd. ⁽²⁾	Interest of a controlled corporation	125,316,184	18.40%	Long position
Buzhen Zhang ⁽²⁾⁽³⁾	Interest of a controlled corporation	125,316,184	18.40%	Long position
	Interest of spouse	5,400,000	0.79%	Long position
Million Surplus Developments Limited⁽⁴⁾	Beneficial owner	63,324,784	9.30%	Long position
Meta Group Limited ⁽⁴⁾	Interest of a controlled corporation	63,324,784	9.30%	Long position
Sounda Hopson Technology Holdings Limited ⁽⁴⁾	Interest of a controlled corporation	63,324,784	9.30%	Long position
Sounda Hopson Technology Investment Limited ⁽⁴⁾	Interest of a controlled corporation	63,324,784	9.30%	Long position
Sounda Hopson Investment Holdings Limited ⁽⁴⁾	Interest of a controlled corporation	63,324,784	9.30%	Long position
Sounda Properties Limited⁽⁴⁾	Beneficial owner	16,400,000	2.41%	Long position
	Interest of a controlled corporation	63,324,784	9.30%	Long position
Chu Mang Yee ⁽⁴⁾	Interest of a controlled corporation	79,724,784	11.70%	Long position
H Capital V, L.P.⁽⁵⁾	Beneficial owner	55,831,444	8.20%	Long position
H Capital V GP, L.P. ⁽⁵⁾	Interest of a controlled corporation	55,831,444	8.20%	Long position
H Capital V GP, Ltd. ⁽⁵⁾	Interest of a controlled corporation	55,831,444	8.20%	Long position
Xiaohong Chen ⁽⁵⁾	Interest of a controlled corporation	55,831,444	8.20%	Long position

Other Information

Name of Shareholder	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding ⁽¹⁾	Long position/ Short position
Internet Fund V Pte Ltd.⁽⁶⁾	Nominee for another person	53,497,200	7.85%	Long position
Internet Fund Holding V. Ltd. ⁽⁶⁾	Interest of a controlled corporation	53,497,200	7.85%	Long position
Tiger Global Private Investment Partners XI, L.P. ⁽⁶⁾	Beneficial owner	53,497,200	7.85%	Long position
Tiger Global Management LLC ⁽⁶⁾	Investment manager	53,497,200	7.85%	Long position
Tiger Global PIP Performance XI, L.P. ⁽⁶⁾	Interest of a controlled corporation	53,497,200	7.85%	Long position
Charles P. Coleman III ⁽⁶⁾	Interest of a controlled corporation	53,497,200	7.85%	Long position

Notes:

- (1) The calculation is based on the total number of 681,196,858 Shares in issue as at 31 December 2025.
- (2) MIYT Holdings Limited is controlled by MIYT Worldwide Limited which in turn is the holding vehicle wholly owned by TMF (Cayman) Ltd., the trustee of a trust for the benefit of Mr. Buzhen Zhang, the Director. Accordingly, under Part XV of SFO, each of Mr. Buzhen Zhang, TMF (Cayman) Ltd. and MIYT Worldwide Limited is deemed to be interested in all of the Shares held by MIYT Holdings Limited.
- (3) Ms. Xiaoye Xu, the spouse of Mr. Buzhen Zhang, is interested in (i) 4,800,000 Shares underlying options granted under the 2019 Share Incentive Plan; and (ii) 600,000 Shares granted under the 2023 Share Incentive Plan. By virtue of Part XV of the SFO, Mr. Buzhen Zhang is deemed to be interested in the entire interest of Ms. Xiaoye Xu in our Company.
- (4) Million Surplus Developments Limited is wholly owned by Meta Group Limited which is in turn controlled by Sounda Hopson Technology Holdings Limited and by Sounda Hopson Technology Investment Limited. Both Sounda Hopson Technology Holdings Limited and Sounda Hopson Technology Investment Limited are wholly owned by Sounda Hopson Investment Holdings Limited which is turn is wholly owned by Sounda Properties Limited. Sounda Properties Limited is controlled by Mr. Chu Mang Yee. Accordingly, under Part XV of SFO, each of Mr. Chu Mang Yee, Sounda Properties Limited, Sounda Hopson Investment Holdings Limited, Sounda Hopson Technology Holdings Limited, Sounda Hopson Technology Investment Limited and Meta Group Limited is deemed to be interested in all of the Shares held by Million Surplus Developments Limited.
- (5) H Capital V GP, L.P. is the general partner of H Capital V, L.P. H Capital V GP, Ltd. is the general partner of H Capital V GP, L.P. and is controlled by Ms. Xiaohong Chen. Accordingly, under Part XV of SFO, each of Ms. Xiaohong Chen, H Capital V GP, Ltd. and H Capital V GP, L.P. is deemed to be interested in all of the Shares held by H Capital V, L.P.
- (6) Internet Fund V Pte. Ltd. is wholly owned by Internet Fund Holding V. Ltd., which is in turn controlled by Tiger Global Private Investment Partners XI, L.P., whose general partner is Tiger Global PIP Performance XI, L.P. and is wholly owned by Tiger Global Management, LLC. Both Tiger Global PIP Performance XI, L.P. and Tiger Global Management, LLC are controlled by Mr. Charles P. Coleman III. Accordingly, under Part XV of SFO, each of Mr. Charles P. Coleman III, Tiger Global PIP Performance XI, L.P., Tiger Global Management, LLC, Tiger Global Private Investment Partners XI, L.P. and Internet Fund Holding V. Ltd. is deemed to be interested in all of the Shares held by Internet Fund V Pte Ltd.

Save as disclosed above, as at 31 December 2025 based on publicly available information, no other person (other than the Directors or chief executives of the Company) had an interest or short position in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or which were required to be entered in the register required to be kept under section 336 of the Securities and Futures Ordinance.

SHARE INCENTIVE PLANS

Details of Share Incentive Plans of our Company

Overview

Adoption

The Company had two share incentive plans in effect during the Reporting Period: (a) the 2019 Share Incentive Plan, which was adopted before Listing and does not constitute a share scheme governed by Chapter 17 of the Listing Rules and under which we may not grant any new incentive units (or awards) after Listing; and (b) the 2023 Share Incentive Plan (collectively, the “Plans”), which was adopted immediately prior to Listing and constitutes a share scheme governed by Chapter 17 of the Listing Rules.

Purpose of the Plans

The purpose of both Plans is to, among others, attract and retain talent, provide incentives to participants under the Plans and to promote the success of business of the Group by aligning the personal interests of participants with those of shareholders of the Company.

Awards

Under the 2019 Share Incentive Plan, we were able to grant options, unit purchase rights, or unit awards, with each option/unit entitling the holder to receive two Shares. Following the Listing, we have ceased granting any new incentive units (or awards) under the 2019 Share Incentive Plan. Under the 2023 Share Incentive Plan, we are able to grant options or restrictive share units (each being an award), with each entitling the holder to receive one newly issued or existing Share.

Further details of the Plans

The following table summarises the material terms of the Plans. For further information about the 2019 Share Incentive Plan, please see pages IV-15 to IV-16 of Appendix IV to the Prospectus. For further information about the 2023 Share Incentive Plan, please see pages IV-19 to IV-28 of Appendix IV to the Prospectus.

980,000 new Shares, representing approximately 0.14% of the weighted average of issued share capital (excluding any treasury Shares) of the Company, may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the 2019 Share Incentive Plan and the 2023 Share Incentive Plan.

Other Information

	2019 Share Incentive Plan	2023 Share Incentive Plan
Scheme mandate limit	47,772,984 Shares	63,235,005 new Shares; and subject to an annual limit of 5% of the total issued shares immediately upon Listing, for awards over existing Shares (which is automatically refreshed on 1 January of each year up to 5% of the total issued share number on 31 December of the previous year, and which may be adjusted by the Board from time to time).
Service provider sublimit	N/A	1,264,700 new Shares
Number of options and awards (either to be satisfied by new Shares or existing Shares) available for grant under the scheme mandate and the service provider sublimit (if applicable) at the beginning and the end of the financial year	No further grant of awards would be made under the 2019 Share Incentive Plan after Listing. As at 1 January 2025 and 31 December 2025, the aggregate number of underlying Shares pursuant to the outstanding options granted under the 2019 Share Incentive Plan were 30,542,723 and 28,401,072 Shares, respectively.	As at 1 January 2025, 48,208,655 Award Shares (to be satisfied by new Shares) were available for grant under the 2023 Share Incentive Plan. During the Reporting Period, 980,000 Award Shares (to be satisfied by new Shares) had been granted and 838,673 Award Shares had lapsed pursuant to the 2023 Share Incentive Plan. As at 31 December 2025, the total number of Shares available for grant under the 2023 Share Incentive Plan was 48,067,328 Shares.
Number of Shares available for issue (i.e., new Shares) pursuant to awards granted and ungranted under the plan <i>(assuming no granted awards have lapsed or are cancelled or satisfied in a manner other than issuing new shares)</i>	28,401,072 Shares, representing 4.14% of the Company's total issued share number (excluding treasury Shares) as at the date of the annual report, all of which represent awards already granted prior to Listing.	53,405,163 Shares, representing 7.79% of the Company's total issued share number (excluding treasury Shares) as at the date of the annual report.



Other Information

	2019 Share Incentive Plan	2023 Share Incentive Plan
Eligible participants	<p>Eligibility is determined by the plan administrator, and includes:</p> <ul style="list-style-type: none"> employees, director or consultant (collectively, "service providers"), or trusts or companies established in connection with an employee benefit plan of our Company (including this plan) for the benefit of a service provider. Employees and directors refer to our Group, our parent or an affiliate of our Company. Consultant refers to an entity that is engaged by our Group or our parent to provide and is compensated for providing consulting or advisory services. 	<p>Eligibility is determined by the plan administrator, and includes, for grants over new Shares:</p> <ul style="list-style-type: none"> directors and employees of the Company and its subsidiaries ("employee participants"); directors and employees of our parent and a fellow subsidiary or associated company of the Company ("related entity participants"); and service providers that, in the opinion of the plan administrator, provide services to the Group on a continuing or recurring basis in our ordinary and usual course of business and that are in the interests of the long-term growth of the Group or to which grants of awards under the 2023 Share Incentive Plan would be in the interest of the Company and our shareholders as a whole, and shall include those identified on page IV-20 and IV-21 of Appendix IV to the Prospectus (the "service provider participants"). <p>Eligibility is determined by the plan administrator, and includes, but is not limited to, for grants over existing Shares, employee participants, related entity participants and service provider participants.</p>
Maximum entitlement of each participant	None	None; however, grants over new Shares may be subject to additional approval requirements as specified under Rules 17.04 and 17.03D of the Listing Rules.

Other Information

	2019 Share Incentive Plan	2023 Share Incentive Plan
Exercise period for options	10 years from date of grant.	For grants over new Shares: 10 years from date of grant; for grants over existing Shares: none.
Vesting period	A period to be determined by the plan administrator.	For grants over new Shares: a minimum of 12 months from the date of grant, except limited circumstances set out on page IV-24 of Appendix IV to the Prospectus. For grants over existing Shares: no restrictions under the 2023 Share Incentive Plan.
Consideration payable for accepting a grant	None, unless otherwise specified by the plan administrator.	None, unless otherwise specified by the plan administrator.
Basis of determining the exercise price of options	None, unless otherwise specified by the plan administrator.	For grants of options over new Shares: at a price specified by the administrator, provided that the exercise price shall be the higher of: (i) closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date.
Basis of determining the purchase price of awards (other than options)	None, unless otherwise specified by the plan administrator.	None, unless otherwise specified by the plan administrator.
Scheme life <i>(unless terminated earlier by the Board)</i>	10 years from adoption date, with a scheme life of approximately 3 years remaining.	10 years from adoption date, with a scheme life of approximately 7 years remaining.



Details of grants made under the Plans

2019 Share Incentive Plan

The following table sets out details of grantees holding outstanding share options under the 2019 Share Incentive Plan during the Reporting Period; no grants of other awards were made under the 2019 Share Incentive Plan that ought to be disclosed in this annual report.

Name or category of grantee ⁽¹⁾	Position/Relationship	Date of grant	Vesting period (from date of grant) and/or performance target ⁽²⁾	Exercise price per Share ⁽³⁾	Number of options outstanding as at beginning of Reporting Period	Number of options granted during the Reporting Period	Number of options exercised during the Reporting Period	Number of options forfeited during the Reporting Period	Number of options outstanding as at the end of Reporting Period	Number of Shares underlying the options as at end of Reporting Period	Closing price of Shares immediately before the date of grant	Fair value of options on date of grant and the standard accounting policy adopted ⁽⁴⁾	Weighted average closing price of Shares immediately before the exercise date
Fei Chen	Director, Chief Financial Officer, Joint Company Secretary	5 May 2022	Two-third of the outstanding options will be vested within 4 years, and one-third of the outstanding options will be vested upon the completion of the core projects	US\$0.40	2,650,000	-	-	-	2,650,000	5,300,000	N/A	N/A	N/A
Xiaoye Xu ⁽⁵⁾	Chief Operation Officer of Online Marketplace	1 October 2019 to 1 November 2021	4 years	US\$0.525-1.00	2,400,000	-	-	-	2,400,000	4,800,000	N/A	N/A	N/A
Employee participants in aggregate		1 July 2017 to 10 June 2023	4 years	US\$0.14-1.00	10,171,362	-	866,576	204,250	9,100,536	18,201,072	N/A	N/A	9.63
Service provider participants (consultants) in aggregate		1 January 2023	4 years	Nil	50,000	-	-	-	50,000	100,000	N/A	N/A	N/A
Total					15,271,362	-	866,576	204,250	14,200,536	28,401,072			

Other Information

Notes:

- (1) With respect to each award granted, upon each vesting date, the portion of the award that vests shall depend on the grantee meeting the vesting requirements, which are typically performance targets for a specified threshold in their performance evaluations during the one-year period prior to the vesting date, or upon successful completion of specified projects.
- (2) The exercise period of these options commences from the vesting date of the relevant options and ends on the tenth anniversary of the grant date thereof, subject to the terms of the 2019 Share Incentive Plan and the share option agreement signed by the grantee.
- (3) No consideration was payable by grantees for these share options.
- (4) The fair value of share options was calculated according to the binomial option pricing model. The fair value was determined based on a number of factors, including market conditions (e.g., share price volatility and fluctuations), the impact of any non-vesting conditions (e.g., lock-up restrictions), and excluding any impact of service and non-market performance vesting conditions (e.g., profitability, sales growth targets, employment tenure). For the relevant accounting standard and policy adopted, please see Note 3 and Note 29 to the "Notes to the Consolidated Financial Statements".
- (5) Ms. Xu is the spouse (and therefore a close associate) of Mr. Buzhen Zhang, the Director. She is a former Director.

2023 Share Incentive Plan

The following table sets out details of grantees holding outstanding Award Shares over new Shares under the 2023 Share Incentive Plan during the Reporting Period; no grants of other awards over new Shares were made under the 2023 Share Incentive Plan that ought to be disclosed in this annual report.

Name or category of grantee	Position/Relationship	Date of grant	Vesting period (from date of grant)	Performance target	Details of movements during the Reporting Period						Closing price of Shares immediately before the date of grant	Fair value of Award Shares on date of grant and the accounting standard adopted ⁽⁷⁾	Weighted average closing price of Shares immediately before the exercise date
					Outstanding as at beginning of Reporting Period	Granted during the Reporting Period	Exercised during the Reporting Period	Forfeited during the Reporting Period	Outstanding as at the end of Reporting Period				
Directors, Chief Executive, Substantial Shareholders and Associates													
Xiaoye Xu ⁽⁸⁾	Chief Operation Officer of Online Marketplace	6 November 2024	3 years	See Note 6	600,000	-	200,000	-	400,000	N/A	N/A	HK\$8.52	
Other Grantees													
992 grantees	Employee participants	4 September 2023	2-4 years ⁽¹⁾	See Note 6	2,269,750	-	852,700	182,350	1,234,700	N/A	N/A	HK\$10.34	
618 grantees	Employee participants	6 February 2024	1-4 years ⁽²⁾	See Note 6	9,827,400	-	4,355,242	626,323	4,845,835	N/A	N/A	HK\$5.91	
1 grantee	Service provider participant	6 February 2024	2 years ⁽³⁾	See Note 6	120,000	-	60,000	-	60,000	N/A	N/A	HK\$5.91	
35 grantees	Employee participants	6 November 2024	1-4 years ⁽⁴⁾	See Note 6	1,228,000	-	488,000	30,000	710,000	N/A	N/A	HK\$8.71	
10 grantees	Employee participants	3 April 2025	2-3 years ⁽⁵⁾	See Note 6	Nil	980,000	-	-	980,000	HK\$8.26	HK\$8.26	N/A	
Total					14,045,150	980,000	5,955,942	838,673	8,230,535				

Other Information

Notes:

- (1) 627,900 Award Shares shall vest over two years equally on annual basis in arrears from the date of grant; and 3,190,100 Award Shares shall vest over four years equally on annual basis in arrears from the date of grant. No consideration was payable on the grant of these Award Shares.
- (2) 1,462,500 Award Shares shall vest one year from the date of grant; 3,275,000 Award Shares shall vest over two years equally on annual basis in arrears from the date of grant; 5,655,000 Award Shares shall vest over three years equally on annual basis in arrears from the date of grant; and 40,000 Award Shares shall vest over four years equally on annual basis in arrears from the date of grant. No consideration was payable on the grant of these Award Shares.
- (3) 120,000 Award Shares shall vest over two years equally on annual basis in arrears from the date of grant. No consideration was payable on the grant of these Award Shares.
- (4) 2,000 Award Shares shall vest one year from the date of grant; 444,000 Award Shares shall vest over two years from the date of grant equally on an annual basis in arrears; 600,000 Award Shares shall vest over three years from the date of grant equally on an annual basis in arrears; 30,000 Award Shares shall vest in two batches, with 50% to be vested on 26 March 2025 and 50% to be vested on 26 March 2026; 130,000 Award Shares shall vest in two batches, with 50% to be vested on 21 July 2025 and 50% to be vested on 21 July 2026; 12,000 Award Shares shall vest in three batches with one-third to be vested on 7 July 2025, one-third to be vested on 7 July 2026 and one-third to be vested on 7 July 2027; and 40,000 Award Shares shall vest in four batches, with 25% to be vested on 11 July 2025, 25% to be vested on 11 July 2026, 25% to be vested on 11 July 2027 and 25% to be vested on 11 July 2028.
- (5) 980,000 Award Shares shall vest between 3 April 2026 and 3 April 2028. The period between the grant date and the first vesting date is more than 12 months. No consideration was payable on the grant of these Award Shares.
- (6) Each vesting of the award Shares granted to the award grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by each award grantee and the Company. These performance targets are set against certain benchmarks in which the individual grantee achieves, including but not limited to annual sales target, and various project milestone achievements, etc. The vesting percentage of the award Shares will be adjusted based on his/her annual performance evaluation at each vesting.
- (7) The fair value of Award Shares was determined based on the market price of the Company's Shares at the grant date. For the relevant accounting standard and policy adopted, please see Note 3 and Note 29 to the "Notes to the Consolidated Financial Statements".
- (8) Ms. Xu is the spouse (and therefore a close associate) of Mr. Buzhen Zhang, the Director. She is a former Director.

Corporate Governance Report

The Board is pleased to present the corporate governance report for the Company for FY 2025.

CORPORATE GOVERNANCE PRACTICES

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

During FY 2025, the Company has adopted and complied with all applicable code provisions of the CG Code contained in Appendix C1 to the Listing Rules except for the deviation as set out below.

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

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

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

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



BOARD OF DIRECTORS

Board Composition

During the Reporting Period, our Board comprised two executive Directors, one non-executive Director and three independent non-executive Directors.

For details on the members of the Board and their biographies, see “Directors and Senior Management” of this annual report.

Save as disclosed in this report, none of the Directors and members of senior management are related to other Directors or members of senior management.

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. Buzhen Zhang. Please refer to “Corporate Governance Practices” above for further details.

Board Meetings, Committee Meetings and General Meetings

During the Reporting Period, the Company held six Board meetings, three Audit Committee meetings and one Remuneration Committee meeting, three Nomination Committee meetings, one Environmental, Social and Corporate Governance Committee meeting and one annual general meeting. The Company will fully/continue to comply with code provision C.5.1 of the CG Code to hold Board meetings at least four times a year, and at approximately quarterly intervals.

A summary of the attendance record of the Directors at the Board meetings and committee meetings during the Reporting Period is set out in the following table below:

Name of Director	Meetings Attended/Meetings Held during Tenure of Office					
	Board meeting(s)	Remuneration Committee meeting(s)	Nomination Committee meeting(s)	Audit Committee meeting(s)	General meeting(s)	Environmental, Social and Corporate Governance Committee meeting(s)
Executive Directors						
Mr. Buzhen Zhang	6/6	–	3/3	–	1/1	–
Mr. Fei Chen	6/6	–	–	–	1/1	–
Non-executive Director						
Mr. Ziyang Zhu	6/6	–	–	–	1/1	–
Independent Non-executive Directors						
Ms. Rong Shao	6/6	1/1	1/1	3/3	1/1	1/1
Mr. Sam Hanhui Sun	6/6	1/1	3/3	3/3	1/1	1/1
Mr. Hongqiang Zhao	6/6	1/1	3/3	3/3	1/1	1/1

Corporate Governance Report

Apart from regular Board meetings, the Chairman of our Board also held one meeting with the independent non-executive Directors without the presence of the other executive Director during the Reporting Period.

Independence of Independent Non-Executive Directors

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

The Company confirms that it considers the independent non-executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules.

Appointment, Re-election and Removal of Directors

The non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of 3 years, subject to renewal after the expiry of the then current term.

The procedures and process of appointment, re-election and removal of Directors are laid down in the articles of association of the Company. The Nomination Committee is responsible for reviewing the composition of the Board, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and succession planning for Directors and assessing the independence of independent non-executive Directors.

At every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the annual general meeting at which he/she retires and shall be eligible for re-election thereat. The articles of association of the Company also provide that all Directors appointed to fill a casual vacancy or as an addition to the existing Board shall hold office only until the annual general meeting after their appointment and shall then be eligible for re-election at such meeting.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

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

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge, and professionalism to the Board for its efficient and effective functioning.

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

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

Corporate Governance Report

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

Continuous Professional Development of Directors

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

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

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for the Directors would be arranged and reading materials on relevant topics would be provided to the Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, all Directors had participated in continuous professional development in the following manner in compliance with code provision C.1 of the CG Code:

	Types of training
Executive Directors	
Mr. Buzhen Zhang	A, B
Mr. Fei Chen	A, B
Non-executive Director	
Mr. Ziyang Zhu	A, B
Independent non-executive Directors	
Ms. Rong Shao	A, B
Mr. Sam Hanhui Sun	A, B
Mr. Hongqiang Zhao	A, B

Note:

Types of Training

- A. Attending training sessions, including but not limited to briefings, seminars and/or conferences, on various topics, such as on Listing Rules and Hong Kong law compliance, directors' duties, risk management and internal controls, corporate governance, environmental, social and governance requirements, etc.
- B. Reading relevant news alerts, newspaper articles, journals and relevant publications on various topics, such as on industry and business updates, Hong Kong law compliance, etc.

For the year ended 31 December 2025, all of the Directors participated in a training session on directors' duties, responsibilities and obligations under the Listing Rules and the SFO.

Corporate Governance Report

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against Directors, officers and senior management of the Company arising out of corporate activities. See also "Permitted Indemnity" on page 29 of this annual report.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Environmental, Social and Corporate Governance Committee, for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference. Copies of these terms of reference are available on the websites of the Stock Exchange and the Company.

Board Committee	Chairman (C)/Members	Description and summary of work performed
Audit Committee	<i>Independent non-executive Directors</i> Mr. Hongqiang Zhao (C) Ms. Rong Shao Mr. Sam Hanhui Sun	<p>The purpose of this committee is to assist and advise the Board in establishing formal and transparent arrangements to consider how the Board should apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the Company's auditor.</p> <p>Its scope of duties includes, among others, advising on significant issues relating to the financial reporting, operational and compliance controls, the effectiveness of risk management and internal control systems and internal audit function, recommending the appointment of external auditors and engagement of non-audit services and relevant scope of works.</p> <p>It has reviewed, in respect of the year ended 31 December 2025, the interim financial results and report for the period ended 30 June 2025, the annual financial results and report for the year ended 31 December 2024 and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works, connected transactions and arrangements for employees to raise concerns about possible improprieties.</p>



Corporate Governance Report

Board Committee	Chairman (C)/Members	Description and summary of work performed
Remuneration Committee	<p><i>Independent non-executive Directors</i></p> <p>Mr. Sam Hanhui Sun (C) Ms. Rong Shao Mr. Hongqiang Zhao</p>	<p>The purpose of this committee is to make recommendations to the Board on the policy and structure for the remuneration of Directors and senior management, to establish a formal and transparent procedure for developing policy, to evaluate the performance of Directors and senior management, to review and approve the terms of and/or matters relating to incentive schemes including share schemes under Chapter 17 of the Listing Rules, and to ensure that such schemes and arrangements comply with Chapter 17 of the Listing Rules and other applicable regulatory requirements, so as to maintain the compliance, fairness and transparency of the incentive schemes.</p> <p>Its scope of duties includes, among others, reviewing proposed remuneration packages for Directors and senior management, including their share incentive packages, and making recommendations to the Board.</p> <p>For the year ended 31 December 2025, it has considered and reviewed the existing remuneration policies and structures, and reviewed and made recommendations to the Board on the remuneration policy and the remuneration packages (which includes the grant of awards under the Company's incentive schemes, where applicable) of the Directors and senior management.</p>
Nomination Committee	<p><i>Executive Director</i></p> <p>Mr. Buzhen Zhang (C)</p> <p><i>Independent non-executive Directors</i></p> <p>Ms. Rong Shao Mr. Sam Hanhui Sun Mr. Hongqiang Zhao</p>	<p>The purpose of this committee is to identify, consider and recommend to the Board appropriate candidates to serve as Directors, to oversee the process for evaluating the performance of the Board, and to develop and recommend to the Board the nomination guidelines, which shall be consistent with any applicable laws, regulations and listing standards.</p> <p>Its scope of duties includes, among others, reviewing the current Board composition at least annually, assisting the Board in developing a board skills matrix, assessing diversity and needs of the Board, and making recommendations about future Director appointments.</p> <p>For the year ended 31 December 2025, it has conducted an annual review of the Board Diversity Policy, the Director Nomination Policy and the composition of the Board, and reviewed the annual confirmation of independence of the independent non-executive Directors and assessed their independence.</p>

Corporate Governance Report

Board Committee	Chairman (C)/Members	Description and summary of work performed
Environmental, Social and Corporate Governance Committee	<i>Independent non-executive Directors</i> Mr. Hongqiang Zhao (C) Ms. Rong Shao Mr. Sam Hanhui Sun	<p>The purpose of this committee is to review and monitor the Company's environmental, social and corporate governance policies and practices to ensure compliance with the relevant legal and regulatory requirements, monitor and respond to emerging ESG issues.</p> <p>Its scope of duties includes, among others, reviewing the ESG report prepared by the Company and making further ESG related suggestions and recommendations to the Board to further enhance ESG practices and achieve ESG targets of the Group.</p> <p>The key area of consideration performed by the committee for the year ended 31 December 2025 includes reviewing the Company's compliance with the Listing Rules with respect to ESG matters; analysing the current ESG status of the Company; and assessing the adequacy of the Company's policies and practices on ESG matters.</p>

Other than Mr. Buzhen Zhang, who is the Chairman of the Board, Chief Executive Officer and executive Director, the other members of the Board committees are all independent non-executive Directors.

Director and Senior Management Remuneration

Details of the Directors' remuneration for FY 2025 are set out in Note 11 to the consolidated financial statements.

The remuneration of the senior management (other than Directors) of the Group by band for FY 2025 are:

Remuneration Bands (HK\$)	Number of Persons
HK\$3,000,001 – HK\$3,500,000	1
HK\$5,000,001 – HK\$8,000,000	1
TOTAL	2

BOARD POLICIES AND CORPORATE GOVERNANCE FUNCTIONS

Board Diversity Policy

The Company has adopted a board diversity policy (the “Board Diversity Policy”) which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company’s competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. Pursuant to the Board Diversity Policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

The Nomination Committee has conducted an annual review of the Board Diversity Policy to ensure its effectiveness. The review results are satisfactory. The Nomination Committee and the Board consider that the current composition of the Board is sufficiently diverse and has met the objectives set out in the Board Diversity Policy and provided the Company with a good balance of skills, experience and diversity of perspectives appropriate to the requirements of its business, and accordingly have not set other measurable objectives.

Gender Diversity

The Company values gender diversity across all levels of the Group. Currently, the Board has one female Director and five male Directors, and the Group’s Chief Executive Officer, representing its senior management, is male. The Board targeted to achieve and has achieved to have at least one female Director, and considers that the above current gender diversity in the Board is satisfactory. The Board will continue to embrace gender diversity when making future board appointments but no specific targets or timelines to further enhance gender diversity have been set as the Board is of the view that all aspects of diversity should be considered as a whole in the selection of candidates for directorship. The same approach to gender diversity at the Board level also applies to the Group’s workforce, including its senior management. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female Percentage (number)	Male Percentage (number)
Board	16.7% (1)	83.3% (5)
Senior management (Directors excluded)	0.0% (0)	100.0% (2)
Other employees	42.1% (2,921)	57.9% (4,025)
Overall (Directors and senior management included)	42.0% (2,922)	58.0% (4,032)

Corporate Governance Report

We will implement policy to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we continue to embrace gender diversity aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board. However, our Company currently does not consider it appropriate to set any specific gender target for its workforce. As an equal opportunity employer, our Company also takes into account other relevant factors in its hiring decisions, and we believe the gender ratio of our current workforce is appropriate for our current business model and operational needs.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report, which will be published at the same time as the publication of this annual report.

Director Nomination Policy

The Company has adopted a director nomination policy (the "Director Nomination Policy") in accordance with the CG Code. The Director Nomination Policy sets out the selection criteria and process and the Board's succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience, and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall identify, consider, and recommend to the Board appropriate candidates to serve as Directors and make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the Board.

The Director Nomination Policy sets out the non-exhaustive factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- reputation for integrity;
- professional qualifications and skills;
- accomplishment and experience in the industry of the Company;
- commitment in respect of available time and relevant interest;
- independence of proposed independent non-executive Directors; and
- diversity of the Board in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, from time to time and as appropriate, to ensure its effectiveness.



Corporate Governance Function

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

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

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company may from time to time and as the circumstances require provide updated written training materials relating to the roles, functions, and duties of a director of a company listed on the Stock Exchange.

BOARD INDEPENDENCE EVALUATION MECHANISM

The Board has established mechanisms in accordance with the code provision B.1.3 of CG Code to ensure that independent views and input from any Directors are conveyed to the Board. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which enables it to effectively exercise independent judgement. External independent professional advice is available as and when required by individual Directors. The Board reviews annually the implementation and effectiveness of the board independence mechanisms, including but not limited to assessing the independence of non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Board also evaluates its composition and independence with reference to the requirements under Listing Rules.

During FY 2025, the Board has completed the review for the implementation and effectiveness of the Board independence evaluation mechanism and concluded that the results were satisfactory.

Dividend Policy

The Company has adopted a dividend policy on payment of dividends in accordance with the CG Code.

The Company does not have any pre-determined dividend payout ratio. According to the dividend policy, payment of dividends depends on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Directors may deem relevant. Dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

Corporate Governance Report

Additionally, we are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC Laws require that dividends be paid only out of the profit for the year determined according to PRC accounting principles. PRC Laws also require companies to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. Dividend distribution to our Shareholders is recognised as a liability in the period in which the dividends are approved by our Shareholders or Directors, where appropriate. As advised by our Cayman Islands counsel, under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits or share premium account. Even if there are accumulated losses, a dividend may be paid out of the share premium account, provided that the memorandum and articles of association do not prohibit such payment. In no circumstances may a dividend be declared or paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business.

FINANCIAL STATEMENTS, INTERNAL CONTROL AND RISK MANAGEMENT

Directors' Responsibility in Respect of the Financial Statements

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

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

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

Auditors' Responsibility and Remuneration

The Company appointed Deloitte Touche Tohmatsu as the external auditor for the Reporting Period. A statement by Deloitte Touche Tohmatsu about their reporting responsibilities for the financial statements is included in the Independent Auditors' Report on pages 67 to 71.

Details of the fees paid and payable in respect of the audit and non-audit services provided by Deloitte Touche Tohmatsu for FY 2025 are set out in the table below. The audit and audit related services conducted by the Auditor comprise of audit and review services for the Group. The non-audit services covered tax compliance services and ESG related assurance services.

Services rendered to the Company	Total fees paid and payable RMB'000
Audit and audit related services	4,950
Non-audit service	800
Total	5,750

Risk Management and Internal Control

The Board acknowledges its responsibility for the Company's risk management and internal control systems and reviewing their effectiveness. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company recognises that risk management is critical to the success of the business operation. Accordingly, we have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as financial reporting, information system, internal control, and human resources, and have conducted regular (at least once a year) risk assessments to ensure the effective operation of our risk assessment management and internal control systems. During the Reporting Period, the Board conducted an annual review on the effectiveness of the risk management and internal control system of the Company and considered the system effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Audit Committee, and ultimately the Board, supervise the implementation of risk management policies. Risks identified by management will be analysed on the basis of likelihood and impact, and will be properly followed up and mitigated by the Group and the Board.

Some notable areas of risk management focus include:

Financial Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial management policies, budget management policies, treasury management policies, tax management policies and accounting manual. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide diverse training programs tailored for our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Information System Risk Management

We have implemented a network of process and software controls to protect individual personal information and privacy. We encrypt data in network transmission. For back-end storage, we also use various encryption technologies at software and hardware levels to protect sensitive data. To minimise the risk of data loss or leakage, we conduct regular data backup and data recovery tests. We collect and process data and narrowly tailor their usage to the extent possible. In particular:

- *Data Collection.* We collect and process data and narrowly tailor their usage to the extent possible.

Corporate Governance Report

- *Data Security and Privacy.* We prioritise data security and privacy by strictly following our defined policy. We have a dedicated team to enforce our privacy practises. We have completed the grading and filing for our primary business information systems under China's Multiple-level Protection System according to the Administrative Measures for the Graded Protection of Information Security (《信息安全等級保護管理辦法》). We have established a coordination mechanism with third parties to handle information security threats in a timely manner. We have established company-wide policies to cover various aspects of network security and data privacy and protection. We have adopted and implemented various cybersecurity and data protection policies which set out technical and organisation measures to protect users' data privacy and security, including: Guidelines for Personal Information Protection Impact Assessment (《個人信息保護影響評估指引》), Guidelines for Vendor Data Protection Management (《供應商數據保護管理指引》), Network and Data Security Management Policy (《網絡及數據安全管理制度》), Emergency Response Plan for Network and Personal Data Security Incidents (《網絡與個人信息安全事件應急預案》), Network Failure Operation Manual (《網絡故障操作手冊》), Information Security Operation Protocol (《信息安全操作規範》), Account Password Management Policy (《賬號口令管理制度》), Response Plan for Business System Disaster (《業務系統整體災難應急預案》), Confidentiality Provisions (《保密條款》), Confidentiality Grading Management Protocol (《保密分級管理規範》) and the requirements on data breach and destruction of important files and data in our YSB Employee Handbook (《藥師幫員工手冊》). We have also promulgated and issued the Confidentiality and File Management System for Overseas Securities Offerings and Listings (《境外發行證券和上市相關保密和檔案管理工作制度》) and the Guidelines for the Provision of Due Diligence Data for Overseas Listings Projects (《境外上市項目盡調數據提供指引》) to meet the requirements of applicable laws and regulations, including the Regulations on Strengthening Confidentiality and File Management for Overseas Securities Offerings and Listings of Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》). We have an internal team dedicated to formulating data protection policy and monitoring data security practices, and we hold relevant personnel accountable for unauthorised access and data breaches. We strictly comply with laws and regulations and do not distribute or sell personal data for any illegal or unauthorised purpose.
- *Information Security Measures.* At the enterprise level, we established a systematic and universal account authorisation and management mechanism based on which we periodically review the status of accounts and the related authorisation information. We regularly perform security configuration assessment on our databases and servers and implement procedures for system log management. We have put in place a series of back-up management procedures. We set the frequency and time interval of back-up plans. We require that at least one of our back-up plans, such as local server back-up and offsite back-up, must be followed. We perform data recovery tests on a regular basis, and we retain relevant records. We provide information security training to our employees and conduct ongoing trainings, and we discuss any issues or necessary updates from time to time. We also have an emergency response mechanism to evaluate critical risks, formulate disaster response plans and perform emergency drills on a regular basis. Our information security department is responsible for ensuring that the usage, maintenance, and protection of data are in compliance with our internal rules and the applicable laws and regulations.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our internal control team works closely with our business units to (i) perform risk assessments and give advice on risk management strategies; (ii) improve business process efficiency and monitor internal control effectiveness; and (iii) promote risk awareness throughout our Company.

With regards to the management of legal and compliance risks, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our consumers, merchants and relevant third parties. Our legal department examines the contract terms and reviews relevant documents for our business operations, and the necessary underlying due diligence materials, before we enter into any contract or business arrangements. In addition, our quality control teams under each business group are also responsible for reviewing the licences and permits of the relevant counterparties and proposed commercial terms before we enter into any contract or business arrangements. Our in-house legal department reviews our services for regulatory compliance before they are made available to the general public. Our in-house legal department and administrative department are responsible for obtaining any requisite governmental pre-approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

We have also developed disclosure procedures which provide general guidance for the Company's Directors, senior management and relevant employees on handling confidential information, monitoring information disclosure and responding to enquiries. The Company has implemented internal procedures to prevent any unauthorized access and use of inside information.

We review the implementation of our risk management policies and measures annually to ensure its policies and implementation are effective and sufficient.

Human Resources Risk Management

We provide regular and specialised training tailored to the needs of our employees in different departments. We have a training centre which regularly organises internal training sessions conducted by senior employees or outside consultants on topics of interest that employees can vote on. The training centre schedules regular online and classroom trainings, reviews the content of the trainings, follows up with employees to evaluate the impact of such training and rewards lecturers for positive feedback.

We have in place an employee handbook and a code of conduct approved by our management and have distributed them to all our employees. The handbook contains internal rules and guidelines regarding work ethics, fraud prevention mechanisms, negligence and corruption. We provide employees with regular training, as well as resources to explain the guidelines contained in the employee handbook. We have in place an anti-bribery and corruption policy to safeguard against any corruption within our Company. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. We make our internal reporting channel open and available for our staff to report any bribery and corruption acts, and our staff can also make anonymous reports to our anti-fraud department. Our anti-fraud department is responsible for investigating the reported incidents and taking appropriate measures.

Anti-corruption and Bribery Risk Management

As we and our employees deal with a variety of third parties in our operations, we have implemented internal procedures with respect to anti-corruption, anti-bribery, and conflict of interest matters. First, we have adopted a series of internal regulations against corruption, bribery, and fraudulent activities, which include measures against receiving bribes and kickbacks, and misappropriation of company assets. Second, our internal audit department carefully evaluates risk events of potential corruption and bribery and conducts investigations when necessary. Third, we have implemented clear and strict policies and guidelines that prohibit the acceptance of gifts, hospitality, and other offers by interested third parties. Employees are required to acknowledge and accept our internal code of business conduct and ethics that lists in detail relevant policies and regulations, including, but not limited to, clear definitions of bribery, corruption, and interested parties. Our internal audit department conducts internal audits regularly (at least once a year).

Corporate Governance Report

Audit Committee Experience and Qualification and Board Oversight

We have established the Audit Committee to monitor the implementation of our risk management policies across the Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee consists of three members, being our independent non-executive Directors. For the professional qualifications and experiences of the members of our Audit Committee, see the section headed "Directors and Senior Management" in this annual report. We also maintain an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the Audit Committee and senior management on any issues identified. Our internal audit department members hold regular meetings (at least once a year) with management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues. The internal audit department also reports regularly (at least about once in a half year) to the Audit Committee to ensure that any major issues identified are channelled to the committee on a timely basis. The Audit Committee then discusses the issues and reports to the Board, if necessary.

JOINT COMPANY SECRETARIES

Mr. Fei Chen and Ms. Emily Fung are the joint company secretaries of the Company. See "Directors and Senior Management" of this annual report for their biographies. Mr. Chen (executive Director and Chief Financial Officer of the Company) has been designated as the primary corporate contact person at the Company who would work and communicate with Ms. Fung on the Company's corporate governance and secretarial and administrative matters.

During the Reporting Year, Mr. Chen and Ms. Fung have each undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDER RIGHTS AND COMMUNICATIONS

Shareholder Right to Requisition a General Meeting

Pursuant to Article 9.3 of the Company's articles of association, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company may make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a general meeting.

Such requisition shall be made in writing (for details of contact information, please see the section "Putting Forward Enquiries to the Board and Contact Details" below) to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the consideration of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition.

If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders who wish to put forward proposals at general meetings may achieve this by means of convening an extraordinary general meeting following the procedures set out in the paragraphs above.

For the procedures for the Shareholders to propose a candidate for election as a Director, please see the Company's website at www.yhsang.cn.

Distribution of Corporate Communications to Shareholders

As part of the Company's initiatives to be more environmentally conscious, the Company has adopted new arrangements on dissemination of corporate communications on 23 February 2024 which allow the Company's transition to electronic communications. Under this new arrangement, we had not distributed printed copies of corporate communications to Shareholders by default.

Under this updated electronic communications method, the Company has sent an initial notification letter to the registered address of each Shareholder kept with the Hong Kong Share Registrar. This letter detailed the updated electronic communications method and include a method by which Shareholders can notify/update the Company with its nominated functional email address and/or make a specific request for certain corporate communications to be delivered to them in printed form for a limited period of time.

Corporate communications to Shareholders (including circulars and a copy of this report) and other information published by the Company (including financial results and announcements) can be viewed and downloaded at the following websites:

Company: www.ysbang.cn

Stock Exchange: www.hkex.com.hk

Additionally, at the forthcoming annual general meeting, the Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

Putting Forward Enquiries to the Board and Contact Details

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company in the following manner:

Attention: Joint Company Secretary of YSB Inc.

Post: Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong

Subject: Enquiry from Shareholder of YSB Inc.

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law. The Company will not normally deal with verbal or anonymous enquiries.

Corporate Governance Report

Communication with Shareholders and Investors Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company has adopted a shareholders' communication policy (the "Shareholders' Communication Policy"), which aims to set out the approach of the Board to provide Shareholders of the Company and other stakeholders (including potential investors) information about the Company, in a fair and equal manner. In accordance with the Shareholders' Communication Policy, the Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings, at which the Shareholders are able to communicate and share opinions with the Board, and exercise their voting rights. At the forthcoming annual general meeting, the Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

As set out above in the section headed "Distribution of Corporate Communications to Shareholders", the Company discloses information and publishes corporate communication to the public on the Stock Exchange's website in a timely manner in accordance with the Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and does not contain any material omission, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions. To promote effective communication, the Company maintains a website at www.ysebang.cn, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

We annually review the implementation and effectiveness of the Shareholders' Communication Policy (with communication channels). Following our review during the Reporting Period, we have concluded that the above policy provides sufficient opportunity and avenues for ongoing communication between the Company (including the Board and management) and the Shareholders and the results were satisfactory.

Changes in Constitutional Documents

During the Reporting Period, the Company did not make any changes to its constitutional documents.

The latest version of our memorandum and articles of association is available on the websites of the Company and the Stock Exchange.



Independent Auditor's Report

TO THE SHAREHOLDERS OF YSB INC.

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of YSB Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 72 to 167, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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



Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Allowance for inventories	
<p>We identified the allowance for inventories as a key audit matter due to the significance of the balance to the consolidated financial statements and the management judgments and estimations involved in the identification of obsolete or damaged inventories and the determination of the net realisable value of the inventories.</p>	<p>Our procedures in relation to allowance for inventories included:</p>
<p>The management identified the obsolete or damaged inventories based on expiry date or physical condition of the inventories. The specific factors considered by management in the estimation of the allowance for obsolete or damaged inventories include the latest sales information, expected market demand and saleability of inventories.</p>	<ul style="list-style-type: none">• Obtaining an understanding of the Group's allowance policy on inventories and the management's process over the identification of obsolete or damaged inventories and the determination of the net realisable value of inventories; and• Evaluating the reasonableness of the Group's allowance for inventories by:<ul style="list-style-type: none">• Observing the Group's physical inventory counts to ascertain whether obsolete or damaged inventories were identified;• Testing the expiry date of inventories, on a sample basis, to the product labels;• Tracing the latest selling prices for inventories sold subsequent to the reporting period, on a sample basis, to the relevant sales invoices; and
<p>As disclosed in note 4 to the consolidated financial statements, as at 31 December 2025, the carrying amount of inventories was approximately RMB1,873,196,000, net of allowance of approximately RMB20,837,000.</p>	<ul style="list-style-type: none">• Performing retrospective review on the accuracy of management's assessment relating to the allowance for inventories.



Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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



Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is CHAN, Men (practising certificate number: P06552).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

23 March 2026



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	20,969,650	17,903,608
Cost of sales		(18,662,668)	(16,090,157)
Gross profit		2,306,982	1,813,451
Other income	6	73,265	91,182
Other gains and losses	7	18,534	30,232
Impairment losses (recognised) reversed under expected credit loss model, net	33	(348)	265
Selling and marketing expenses		(1,743,324)	(1,461,240)
Research and development expenses		(95,663)	(94,195)
General and administrative expenses		(404,514)	(353,989)
Share of result of an associate	18	(5,960)	–
Finance costs	8	(11,927)	(11,338)
Profit before tax		137,045	14,368
Income tax credit	9a	8,937	713
Profit for the year	10	145,982	15,081
Other comprehensive income for the year		–	–
Profit and total comprehensive income for the year		145,982	15,081
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		152,965	30,013
Non-controlling interests		(6,983)	(14,932)
		145,982	15,081
Earnings per share			
Basic (RMB)	13	0.224	0.047
Diluted (RMB)	13	0.220	0.046

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	As at 31 December 2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment, net	14	48,119	66,852
Right-of-use assets	15	166,525	201,970
Intangible assets	16	483,198	526,498
Interest in an associate	18	19,040	–
Financial assets at fair value through profit or loss (“FVTPL”)	21a	6,000	–
Goodwill	17	273,290	273,290
Deferred tax assets	9b	4,809	4,066
Time deposits	22	408,000	254,000
Other financial assets at amortised cost	21b	152,351	–
		1,561,332	1,326,676
Current assets			
Inventories	19	1,873,196	1,464,548
Trade and other receivables	20	736,307	582,657
Financial assets at FVTPL	21a	708,160	695,949
Amount due from an associate	37	9,617	–
Time deposits	22	330,429	281,574
Restricted bank deposits	23	1,636,628	1,134,621
Bank balances and cash	23	706,874	1,009,082
		6,001,211	5,168,431
Current liabilities			
Trade and other payables	24	(4,647,365)	(3,739,673)
Contract liabilities	25	(25,174)	(29,608)
Lease liabilities	26	(80,106)	(82,271)
Bank borrowings	27	(151,653)	(21,207)
		(4,904,298)	(3,872,759)
Net current assets		1,096,913	1,295,672
Total assets less current liabilities		2,658,245	2,622,348

Consolidated Statement of Financial Position

As at 31 December 2025

		As at 31 December	
	Notes	2025	2024
		RMB'000	RMB'000
Non-current liabilities			
Lease liabilities	26	(95,694)	(130,036)
Deferred tax liabilities	9b	(106,783)	(114,977)
Contingent consideration payables	31	(69,575)	(108,691)
		(272,052)	(353,704)
Net assets		2,386,193	2,268,644
Capital and reserves			
Share capital	28	12	12
Reserves		2,443,306	2,319,051
Equities attributable to owners of the Company			
Non-controlling interests		(57,125)	(50,419)
Total equities		2,386,193	2,268,644

The consolidated financial statements on pages 72 to 167 were approved and authorised for issue by the board of directors on 23 March 2026 and are signed on its behalf by:

Buzhen Zhang
DIRECTOR

Fei Chen
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to the owners of the Company									
	Share Capital RMB'000	Share premium RMB'000	Deferred consideration shares RMB'000	Capital reserves ¹ RMB'000	Share-based payments reserves RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equities RMB'000
As at 1 January 2024	11	9,370,430	-	39,890	150,494	(4,829)	(7,636,234)	1,919,762	(36,224)	1,883,538
Profit (loss) and total comprehensive income (expense) for the year	-	-	-	-	-	-	30,013	30,013	(14,932)	15,081
Acquisition of subsidiaries (Note 31)	1	184,024	41,770	-	-	-	-	225,795	737	226,532
Recognition of equity-settled share-based payments (Note 29)	-	-	-	-	137,692	-	-	137,692	-	137,692
Repurchase of shares (Note 28)	-	-	-	-	-	(2,210)	-	(2,210)	-	(2,210)
Exercise of share options and vesting of RSUs ² (Note 29)	*	70,568	-	-	(62,322)	(235)	-	8,011	-	8,011
As at 31 December 2024	12	9,625,022	41,770	39,890	225,864	(7,274)	(7,606,221)	2,319,063	(50,419)	2,268,644
Profit (loss) and total comprehensive income (expense) for the year	-	-	-	-	-	-	152,965	152,965	(6,983)	145,982
Dividends recognised as distribution (Note 12)	-	(50,786)	-	-	-	-	-	(50,786)	-	(50,786)
Acquisition of subsidiaries (Note 31)	*	20,589	(2,906)	-	-	-	-	17,683	-	17,683
Disposal of subsidiaries (Note 7)	-	-	-	-	-	-	-	-	277	277
Recognition of equity-settled share-based payments (Note 29)	-	-	-	-	64,128	-	-	64,128	-	64,128
Repurchase of shares (Note 28)	-	-	-	-	-	(65,816)	-	(65,816)	-	(65,816)
Cancellation of shares repurchased (Note 28)	*	(40,681)	-	-	-	40,681	-	-	-	-
Exercise of share options and vesting of RSUs ² (Note 29)	*	89,166	-	-	(84,307)	1,222	-	6,081	-	6,081
As at 31 December 2025	12	9,643,310	38,864	39,890	205,685	(31,187)	(7,453,256)	2,443,318	(57,125)	2,386,193

* Amount is less than RMB1,000.

- Capital reserves mainly represented deemed contribution from a shareholder arising from the waive of the amount of approximately RMB30,925,000 due from YSB Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group").
- RSU is defined in Note 3.2 Share-based payments.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Profit before tax	137,045	14,368
Adjustment for:		
Finance costs	11,927	11,338
Interest income	(46,927)	(52,763)
Share of result of an associate	5,960	–
Investment income from financial assets at FVTPL	(15,946)	(21,596)
Depreciation of property, plant and equipment	28,019	34,542
Depreciation of right-of-use assets	80,316	77,843
Amortisation of intangible assets	44,385	16,201
Write down for obsolete inventories	4,410	2,243
Gain on disposal of subsidiaries	(2,422)	–
Changes in fair value of financial assets at FVTPL	(23,149)	(24,983)
Changes in fair value of contingent consideration payables	2,112	(5,922)
Impairment losses recognised (reversed) under expected credit loss model, net	348	(265)
Share-based payment expense	64,128	137,692
Losses on disposal of property, plant and equipment	1,528	2,295
Net foreign exchange losses (gains)	1,727	(3,061)
Operating cash flows before movements in working capital	293,461	187,932
(Increase) decrease in inventories	(413,988)	150,147
Increase in trade and other receivables	(167,143)	(56,624)
Increase in trade and other payables	929,804	373,975
(Decrease) increase in contract liabilities	(4,434)	428
Cash generated from operations	637,700	655,858
Income taxes paid	–	–
NET CASH FROM OPERATING ACTIVITIES	637,700	655,858

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,151)	(23,009)
Proceeds on disposal of property, plant and equipment	668	1,337
Purchase of intangible assets	(1,085)	(394)
Placement of time deposits	(609,878)	(1,266,354)
Withdrawal of time deposits	377,962	1,020,780
Purchase of other financial assets at amortised cost	(150,000)	–
Purchase of financial assets at FVTPL	(13,842,253)	(12,075,024)
Proceeds from disposal of financial assets at FVTPL	13,847,191	12,269,551
Investment income received from financial assets at FVTPL	15,946	21,596
Bank interest income received	44,576	52,763
Net cash outflow on acquisition of subsidiaries	(35,558)	(263,045)
Net cash inflow on disposal of subsidiaries	314	–
Acquisition of investment in an associate	(25,000)	–
Placement of restricted bank deposits	(2,371,718)	(2,376,707)
Withdrawal of restricted bank deposits	1,869,711	2,384,927
NET CASH USED IN INVESTING ACTIVITIES	(896,275)	(253,579)
FINANCING ACTIVITIES		
Repayment of lease liabilities	(81,378)	(81,608)
New bank borrowings raised	250,144	62,939
Repayment of bank borrowings	(119,698)	(99,240)
Interest paid	(11,927)	(11,338)
Repurchase of shares	(65,816)	(2,210)
Dividends paid	(50,786)	–
Proceeds from exercise of share options	8,494	21,652
NET CASH USED IN FINANCING ACTIVITIES	(70,967)	(109,805)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(329,542)	292,474
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,041,228	745,693
Effect of foreign exchange rate changes	(1,727)	3,061
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	709,959	1,041,228
Represented by		
Bank balances and cash	706,874	1,009,082
Time deposits with original maturity of three months or less	3,085	32,146
	709,959	1,041,228

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL

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

The addresses of the registered office and principal place of business of the Company are set out in the corporate information section of the annual report of the Company for the year ended 31 December 2025.

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards-Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

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

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC-Int 21 *Levies*, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

Goodwill

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

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

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associate are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of the associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

The Group is mainly engaged in wholesale of pharmaceutical and healthcare products offline or online through its online platform. The Group is also engaged in retail of pharmaceutical and healthcare products through its retail shops. In addition, the Group operates online platform that enable the pharmaceutical distributors and vendors to sell their own pharmaceutical and healthcare products using the Group's online platform.

The Group evaluates whether it is appropriate to record the gross amounts of product sales or services provided and related costs, or the net amount earned as commissions. When the Group is a principal, that the Group obtains control of the specified goods or services before they are transferred to the customers, the revenue should be recognised in the gross amount of consideration to which it expects to be entitled in exchange for the specified goods or services transferred. When the Group is an agent and its obligation is to facilitate third parties in fulfilling their performance obligation for specified goods or services, in which case the Group does not control the specified goods or services provided by third parties before those goods or services are transferred to the customer, the revenue should be recognised in the net amount for the amount of commission which the Group earns in exchange for arranging for the specified goods or services to be provided by other parties.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Timing of revenue recognition may differ from the timing of invoicing to customers. Trade receivables represent amounts invoiced and revenue recognised prior to invoicing when the Group has satisfied the Group's performance obligation and has the unconditional right to payment.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (i.e. contracts related to the software and service), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Specifically, revenue is recognised as follows:

Product Revenue

The Group is mainly engaged in wholesale of pharmaceutical and healthcare products offline or online through its online platform. The Group is also engaged in retail of pharmaceutical and healthcare products through its retail shops. The Group recognises product revenue on a gross basis as the Group is acting as a principal in these transactions and is responsible for fulfilling the promise to provide the specified goods. Product revenue is recognised upon customers' acceptance of product delivery, net of discounts and return allowances. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities.

Service Revenue

The service revenue primarily consists of i) commission fees charged to pharmaceutical distributors and vendors participating on the online marketplace through the Group's online platform; ii) service revenue received from third-party pharmacies for the access right granted to them for use of the Group's software; and iii) service revenue received from provision of medical testing services to primary healthcare institutions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Contracts with multiple performance obligations (including allocation of transaction price) (Continued)

Service Revenue (Continued)

As for the commission charged related to the online platform, the Group generally is acting as an agent and its performance obligation is to arrange for the provision of the specified goods or services by those pharmaceutical distributors and vendors. Upon successful sales, the Group charges the pharmaceutical distributors and vendors commission fee revenue based on a certain percentage of sales, net of discounts and return allowances. Commission fee revenue is recognised upon end customers' acceptance of product delivery on a net basis.

As for the service revenue charged related to the one-time usage fee and service fee for the inventory management related SaaS solution provided to the downstream pharmacies, the Group is acting as a principal and its performance obligation is to provide the access right to pharmacies to use the Group's software. Since the pharmacies simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, revenue from the software services therefore are recognised over time on the straight-line base during the service period which less than one year.

As for the service revenue charged related to the medical testing services, the Group is acting as a principal and its performance obligation is to perform the testing and generate testing results to the primary healthcare institutions. The Group recognises revenue at a point in time when the Group delivers the testing results to the primary healthcare institutions.

Cost of sales

Cost of sales consists primarily of purchase price of products, transaction processing fees and write-downs of inventories.

The Group periodically receives considerations from certain vendors, representing rebates for products purchased. The rebates are not sufficiently separable from the Group's purchase of the vendors' products and they do not represent a reimbursement of costs incurred by the Group to sell vendors' products. The Group accounts for the rebates received from its vendors as a reduction to the prices it pays for the products purchased and therefore the Group records such amounts as a reduction of carrying value of the inventories for inventories still held by the Group at the end of the reporting period or as a reduction of cost of sales for inventories sold before the end of each reporting period.

Leases

Definition of a lease

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received.

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

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

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

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the historical borrowing rates of the Group and other risk adjustment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) when a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

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

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Retirement benefits costs

Payments to state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Share-based payments

Equity-settled share-based payments transactions

Restricted share units ("RSU"s)/share options granted to employees

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

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

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to accumulated losses.

When RSUs granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

Taxation

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

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

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

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

Useful lives

Leasehold improvement	Over the term of the lease
Plant and machinery	5 to 10 years
Motor vehicles	5 years
Office equipment	3 to 5 years

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

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives (as below).

The estimated useful life and amortisation method are reviewed at the end of the reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Intangible assets acquired in a business combination

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

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

The Group's intangible assets are amortised on a straight-line basis over their estimated useful lives as:

	Useful lives
Licences and franchise	10 years
Business relationship	10 to 15 years
Brand name	15 years
Office software	3 to 10 years

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

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

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on specific identification method. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sales. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

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

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

Financial assets

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

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

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of each reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

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

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, amount due from an associate, time deposits, restricted bank deposits, other financial assets at amortised cost, bank balances and cash and financial guarantee contracts), which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

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

The Group always recognises lifetime ECL for trade and note receivables and amount due from an associate in trade nature.

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

(i) Significant increase in credit risk

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

(i) Significant increase in credit risk (Continued)

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

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

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

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Except for amount due from an associate in trade nature which the lifetime ECL is assessed individually, lifetime ECL for trade and note receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (Continued)

(v) Measurement and recognition of ECL (Continued)

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

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gains/(losses) from changes in fair value of financial assets (Note 7).

Derecognition of financial assets

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is contingent consideration of an acquirer in a business combination to which IFRS 3 applies.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (Note 7) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgement in applying accounting policies

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

Consolidation of affiliated entities

The Group obtained control over PRC domestic companies, Guangzhou Sudao Information Technology Co., Ltd. ("Guangzhou Sudao") and Guangzhou Yaobang Information Technology Co., Ltd. ("Guangzhou Yaobang"), by entering into a series of the contractual arrangements with the PRC domestic companies and their respective nominee shareholders (collectively, the "Contractual Arrangements"). Nevertheless, the Contractual Arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the PRC domestic companies and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the PRC domestic companies. The directors of the Company, based on the advice of its legal counsel, consider that the Contractual Arrangements among PRC domestic companies and their respective Nominee Shareholders are in compliance with the relevant PRC Laws and are legally enforceable.

Key sources of estimation uncertainty

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Key sources of estimation uncertainty (Continued)

Allowance for inventories

The Group records inventories at the lower of cost and net realisable value. Allowance for inventories is provided for those identified obsolete or damaged inventories; and inventories with a carrying amount higher than net realisable value. Regular operational procedures have been in place to monitor the allowance for inventories due to the significant balance involved and nature of the inventories is subject to expiry date.

The management identified the obsolete or damaged inventories based on expiry date or physical condition of the inventories. The specific factors considered by management in the estimation of the allowance for obsolete or damaged inventories include the latest sales information, expected market demand and saleability of inventories. Although the Group carries out regular reviews on the net realisable value of inventories, the actual realisable value of inventories is not known until the sales are concluded.

As at 31 December 2025, the carrying amounts of inventories of the Group were approximately RMB1,873,196,000 (2024: RMB1,464,548,000), net of allowance for inventories of approximately RMB20,837,000 (2024: RMB16,427,000).

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

For the years ended 31 December 2025 and 2024, no impairment loss was recognised for goodwill. As at 31 December 2025, the carrying amounts of goodwill were approximately RMB273,290,000 (2024: RMB273,290,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION

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

(a) Disaggregation of revenue from contracts with customers

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<i>Type of goods or services:</i>		
Self-operation business (Note (i))	20,065,552	16,972,895
Online marketplace services (Note (ii))	866,025	881,075
Others (Note (iii))	38,073	49,638
Total	20,969,650	17,903,608
<i>Timing of revenue recognition:</i>		
At a point in time	20,944,194	17,885,843
Over-time	25,456	17,765
Total	20,969,650	17,903,608

Notes:

- (i) The Group sells pharmaceutical and healthcare products mainly to pharmacies and primary healthcare institutions.
- (ii) The marketplace services revenue represents the commission received by the Group from distributors and vendors using the Group's online platform, which is recognised upon end customers' acceptance and is charged based on a certain percentage of sales, net of discounts and return allowances made by the distributors and vendors through the Group's online platform.
- (iii) Others mainly includes
 - (1) The Group collects usage fee and service fee for providing SaaS solutions to downstream pharmacies and primary healthcare institutions to a) streamline their inventory management, or b) improve the patient management efficiency.
 - (2) The Group provides system technologies and operational support services to primary healthcare institutions through a smart healthcare system integrated advanced point-of-care testing and monitoring devices, digital management system and smart AI doctors-aid system.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers are for period of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(c) Segment information

Information is reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group's accounting policies. No other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures are presented in accordance with IFRS 8 Operating Segments.

(d) Geographic information

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

(e) Information about major customers

There was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue for both years.

6. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants (Note)	6,401	12,143
Interest income	46,927	52,763
Investment income from financial assets at FVTPL	15,946	21,596
Others	3,991	4,680
	73,265	91,182

Note: It represented cash received from unconditional grants by the local government to encourage the business operations in the PRC. Government grants are recognised in profit and loss when received.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Losses on disposal of property, plant and equipment	(1,528)	(2,295)
Gain on disposal of subsidiaries (Note)	2,422	–
Donations	(1,670)	(1,439)
Net foreign exchange (losses) gains	(1,727)	3,061
Gains from changes in fair value of financial assets at FVTPL	23,149	24,983
(Losses) gains from changes in fair value of contingent consideration payable	(2,112)	5,922
	18,534	30,232

Note: During the year ended 31 December 2025, the Group disposal two non-wholly owned subsidiaries to an independent third-party at a total consideration of approximately RMB350,000. The total net liabilities of approximately RMB2,349,000 and non-controlling interests of approximately RMB277,000 were disposed, and resulted in a gain on disposal of approximately RMB2,422,000 was recognised in profit or loss.

8. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest expense on lease liabilities	8,976	8,889
Interest expense on discounted note receivables	2,951	2,449
	11,927	11,338

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9a. INCOME TAX CREDIT

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
PRC Enterprise Income Tax ("EIT"):		
Current tax	–	–
Deferred tax (Note 9b)	(8,937)	(713)
	(8,937)	(713)

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

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

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

Certain PRC subsidiaries of the Group that are subject to "small and thin-profit enterprises" will benefit from a preferential tax rate of 20% under the EIT Law. For both years, the qualifying group entities enjoyed 75% reduction on annual taxable income on first RMB3,000,000. As a result, such PRC subsidiaries were eligible for a preferential enterprise EIT for their respective tax holiday.

Certified high and new technology enterprises ("HNTE") are entitled to a preferential tax rate of 15%. Guangzhou Sudaoyi Information Technology Co., Ltd. ("Guangzhou Sudaoyi") and Hunan Folding Space Internet Technology Co., Ltd. ("Folding Space Internet") has been qualified as a HNTE and enjoyed a preferential income tax rate of 15%, which is subjected to review and renewal every three years. The HNTE Certificate of Guangzhou Sudaoyi remains valid for 3 years since 2021, and has been renewed for next three years in 2024. The HNTE Certificate of Folding Space Internet remains valid for 3 years since 2022, and has been renewed for next three years in 2025. In addition, Guangzhou Sudaoyi, Guangzhou Sudaoyi, Guangzhou Yaobang, Guangzhou Xiaoweicang Smart Drug Store Technology Co., Ltd., Guangzhou Spectrum Health Technology Co., Ltd., Hunan Yizheng Biotechnology R&D Co., Ltd. and Folding Space Internet enjoyed super deduction of 200% of qualifying research and development expenses as tax deductible expenses for both years, pursuant to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC. And Guangzhou Leyao Technology Co., Ltd. enjoyed super deduction of 200% of qualifying research and development expenses as tax deductible expenses since the year of 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9a. INCOME TAX CREDIT (CONTINUED)

The Group is operating in jurisdiction where the Pillar Two Rule is effective thus subject to the global minimum top-up tax. However, as the top-up tax impact, after taking into account certain adjustments under the Pillar Two Rules based on management's best estimate, is not significant to the Group, the management of the Group considered the Group's exposure on top-up tax under the Pillar Two Rules have no material impact on the Group's consolidated financial statements for the year ended 31 December 2025.

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

	2025 RMB'000	2024 RMB'000
Profit before tax	137,045	14,368
Tax at PRC EIT rate of 25%	34,261	3,592
Tax effect of super deduction for research and development expenses (Note)	(20,929)	(14,986)
Tax effect of expenses not deductible for tax purpose	3,734	9,434
Tax effect of share of result of an associate	1,490	–
Tax effect of tax losses not recognised	30,405	54,711
Utilisation of tax losses previously not recognised	(57,898)	(53,464)
	(8,937)	(713)

Note: The eligible expenditures represent research and development costs incurred in the PRC and charged to profit or loss, which is subject to an additional 100% tax deduction in the calculation of income tax expense for both years.

As at 31 December 2025, the Group had unused tax losses of approximately RMB1,310,327,000 (2024: RMB1,392,851,000), available for offset against future profits. Due to the unpredictability of future profit streams, no deferred tax asset had been recognised for these unused tax losses. The expiry dates of the unrecognised tax losses are disclosed in the following table. With effect from 1 January 2018, unused tax losses occurred five years prior to the year in which the entity becomes qualified as an HNTE shall be allowed to be carried forward to subsequent years, and the maximum carry-forward period of such tax losses shall be extended from 5 years to 10 years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9a. INCOME TAX CREDIT (CONTINUED)

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
2025	–	178,868
2026	260,661	336,812
2027	364,109	370,042
2028	234,311	222,012
2029	271,795	227,288
2030	108,881	9,023
2031	10,487	10,487
2032	24,816	24,816
2033	12,609	12,609
2034	894	894
2035	21,764	–
	1,310,327	1,392,851

9b. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	4,809	4,066
Deferred tax liabilities	(106,783)	(114,977)
	(101,974)	(110,911)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9b. DEFERRED TAXATION (CONTINUED)

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

	Fair value adjustment in business combination RMB'000	ECL provision RMB'000	Inventory provision RMB'000	Right- of-use assets RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	(3,375)	618	2,748	(36,103)	38,038	1,926
Acquisition of subsidiaries (Note 31)	(113,550)	–	–	–	–	(113,550)
Credit (charge) to profit or loss	1,242	(5)	(192)	(15,371)	15,039	713
At 31 December 2024	(115,683)	613	2,556	(51,474)	53,077	(110,911)
Credit (charge) to profit or loss	8,209	(51)	1,006	9,394	(9,621)	8,937
At 31 December 2025	(107,474)	562	3,562	(42,080)	43,456	(101,974)

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of inventories recognised as an expense	18,515,021	15,926,813
Depreciation of property, plant and equipment	28,019	34,542
Depreciation of right-of-use assets	80,316	77,843
Amortisation of intangible assets	44,385	16,201
Write down for obsolete inventories	4,410	2,243
Auditors' remunerations	4,950	4,280
Staff costs:		
Directors' emoluments (Note 11)	9,508	11,190
Other staff costs		
– Salaries and other allowances	1,185,768	921,830
– Contributions to retirement benefits scheme	64,914	55,820
– Equity-settled share-based payment expenses	61,168	131,545
Total staff costs	1,321,358	1,120,385

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Directors' and chief executive's emoluments

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

Name	For the year ended 31 December 2025						Total RMB'000
	Fee	Salaries and allowances	Performance related bonus	Retirement benefits scheme contributions	Equity-settled share-based payments		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Mr. Buzhen Zhang (Note)	-	877	900	67	-	1,844	
Mr. Fei Chen	-	2,404	1,500	-	2,960	6,864	
Mr. Ziyang Zhu	-	-	-	-	-	-	
Ms. Rong Shao	-	300	-	-	-	300	
Mr. Sam Hanhui Sun	-	200	-	-	-	200	
Mr. Hongqiang Zhao	-	300	-	-	-	300	
	-	4,081	2,400	67	2,960	9,508	

Name	For the year ended 31 December 2024						Total RMB'000
	Fee	Salaries and allowances	Performance related bonus	Retirement benefits scheme contributions	Equity-settled share-based payments		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Mr. Buzhen Zhang (Note)	-	878	300	60	-	1,238	
Mr. Fei Chen	-	2,404	601	-	6,147	9,152	
Mr. Ziyang Zhu	-	-	-	-	-	-	
Ms. Rong Shao	-	300	-	-	-	300	
Mr. Sam Hanhui Sun	-	200	-	-	-	200	
Mr. Hongqiang Zhao	-	300	-	-	-	300	
	-	4,082	901	60	6,147	11,190	

Note: Mr. Buzhen Zhang acts as chief executive of the Company for both years and his emoluments disclosed above included those for services rendered by him as the chief executive in management of the affairs of the group entities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Directors' and chief executive's emoluments (Continued)

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

The performance related bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

Employees' emoluments

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and allowances	4,248	3,930
Performance related bonus	3,492	2,249
Contributions to retirement benefits scheme	74	65
Equity-settled share-based payment expense	7,996	6,917
	15,810	13,161

The performance related bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Employees' emoluments (Continued)

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Number of employees	
	Year ended 31 December 2025	2024
HK\$3,000,001 to HK\$3,500,000	2	1
HK\$3,500,001 to HK\$4,000,000	–	3
HK\$5,000,001 to HK\$5,500,000	1	–
HK\$5,500,001 to HK\$6,000,000	1	–
	4	4

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

12. DIVIDENDS

During the current year, a final dividend of RMB0.075 (equivalent to HK\$0.081) per ordinary share in respect of the year ended 31 December 2024 (2024: nil) was declared and paid to owners of the Company. The aggregate amount of the final dividend declared and paid in the current year amounted to RMB50,786,000 (equivalent to HK\$54,608,000) (2024: nil).

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.110 (2024: RMB0.075) per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

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For the year ended 31 December 2025

13. EARNINGS PER SHARE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year attributable to the owners of the Company for the purpose of calculating basic and diluted earnings per share	152,965	30,013
	No. of shares	
	2025	2024
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	682,753,553	645,209,615
Effect of dilutive potential ordinary shares: Share options and RSUs	12,120,082	12,137,852
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	694,873,635	657,347,467
Basic earnings per share attributable to owners of the Company (RMB per share)	0.224	0.047
Diluted earnings per share attributable to owners of the Company (RMB per share)	0.220	0.046

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For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT, NET

	Leasehold Improvement RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At 1 January 2024	139,639	40,961	4,460	32,165	331	217,556
Acquired on acquisition of subsidiaries	1,448	3,258	5,039	1,002	–	10,747
Additions	6,608	5,498	867	6,730	4,990	24,693
Transfer	2,018	178	–	303	(2,499)	–
Disposals	(1,763)	(3,783)	(66)	(1,624)	(249)	(7,485)
At 31 December 2024	147,950	46,112	10,300	38,576	2,573	245,511
Additions	2,966	1,727	962	5,729	1,437	12,821
Transfer	3,802	–	–	–	(3,802)	–
Disposals	(1,773)	(3,396)	(365)	(2,385)	–	(7,919)
At 31 December 2025	152,945	44,443	10,897	41,920	208	250,413
ACCUMULATED DEPRECIATION						
At 1 January 2024	(99,995)	(22,518)	(2,063)	(23,394)	–	(147,970)
Provided for the year	(20,395)	(6,927)	(974)	(6,246)	–	(34,542)
Eliminated on disposals	1,155	1,471	33	1,194	–	3,853
At 31 December 2024	(119,235)	(27,974)	(3,004)	(28,446)	–	(178,659)
Provided for the year	(14,439)	(5,254)	(2,298)	(6,028)	–	(28,019)
Eliminated on disposals	354	1,272	320	2,438	–	4,384
At 31 December 2025	(133,320)	(31,956)	(4,982)	(32,036)	–	(202,294)
CARRYING VALUES						
At 31 December 2025	19,625	12,487	5,915	9,884	208	48,119
At 31 December 2024	28,715	18,138	7,296	10,130	2,573	66,852

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15. RIGHT-OF-USE ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Carrying amounts:		
Leased properties	166,525	201,970
	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation recognised in profit or loss:		
Leased properties	80,316	77,843
	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Expense relating to short-term leases and leases of low-value assets	9,665	8,027
Total cash outflow for leases	100,019	98,524
Additions to right-of-use assets	44,871	139,683

For both years, the Group leases various warehouses, offices and offline pharmacies for its operation. Lease contracts are entered into for fixed terms of 2 to 5 years (2024: 2 to 5 years) with fixed payments. The Group does not have the option to purchase leased properties for a nominal amount at the end of the relevant lease terms or any extension/termination options that are solely at the Group's discretion. The Group determines the lease period to be the non-cancellable period based on the contractual terms of the contract.

In addition, the Group also entered into short-term leases for warehouses, vehicles, equipment and office workplace. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Lease liabilities of RMB175,800,000 are recognised with related right-of-use assets of RMB166,525,000 as at 31 December 2025 (2024: lease liabilities of RMB212,307,000 are recognised with related right-of-use assets of RMB201,970,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purpose.

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16. INTANGIBLE ASSETS

	Licences and franchise RMB'000 (Note (i))	Business relationship RMB'000 (Note (ii))	Brand name RMB'000 (Note (iii))	Office software RMB'000 (Note (iv))	Total RMB'000
COST					
At 1 January 2024	112,019	9,340	–	13,617	134,976
Acquired on acquisition of subsidiaries	6,648	265,400	184,900	46	456,994
Additions	–	–	–	394	394
Disposals	–	–	–	(177)	(177)
At 31 December 2024	118,667	274,740	184,900	13,880	592,187
Additions	–	–	–	1,085	1,085
At 31 December 2025	118,667	274,740	184,900	14,965	593,272
AMORTISATION					
At 1 January 2024	(35,838)	(6,283)	–	(7,544)	(49,665)
Charge for the year	(11,003)	(2,774)	(1,027)	(1,397)	(16,201)
Eliminated on disposals	–	–	–	177	177
At 31 December 2024	(46,841)	(9,057)	(1,027)	(8,764)	(65,689)
Charge for the year	(11,498)	(18,993)	(12,327)	(1,567)	(44,385)
At 31 December 2025	(58,339)	(28,050)	(13,354)	(10,331)	(110,074)
CARRYING VALUES					
At 31 December 2025	60,328	246,690	171,546	4,634	483,198
At 31 December 2024	71,826	265,683	183,873	5,116	526,498

Notes:

- (i) The licences and franchise acquired by the Group are for pharmaceutical distribution, health inspection and medical testing business. The directors of the Company determined the useful life of 10 years of the licenses and franchise with reference to the comparable transactions in the open market.
- (ii) The business relationship was acquired through acquisition of subsidiaries, Guangdong Dongjian Pharmaceutical Co., Ltd. ("Guangdong Dongjian") and Folding Space (Cayman) Ltd ("Folding Space") and its subsidiaries ("Yikuai Pharmaceutical"). With reference to experience in the industry, historical customer retention rate and the useful life of business relationships used by industry peers, the directors of the Company determined 10 to 15 years to be the useful life of the business relationship.
- (iii) The brand name was acquired through acquisition of Yikuai Pharmaceutical. The directors of the Company determined the useful life of 15 years of the brand name with reference to the comparable transactions in the open market.
- (iv) The directors of the Company determined the useful life of office software with reference to the term of outstanding contract.

Notes to the Consolidated Financial Statements

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17. GOODWILL

The goodwill was arising from acquisition of Guangdong Dihao Pharmaceutical Co., Ltd. ("Guangdong Dihao"), Guangdong Dongjian and Yikuai Pharmaceutical as detailed in Note 31.

	Acquisition of Guangdong Dihao RMB'000	Acquisition of Guangdong Dongjian RMB'000	Acquisition of Yikuai Pharmaceutical RMB'000	Total RMB'000
COST				
At 1 January 2024	3,924	5,328	–	9,252
Arising on acquisition of subsidiaries (Note 31)	–	–	264,038	264,038
At 31 December 2024 and 31 December 2025	3,924	5,328	264,038	273,290
CARRYING VALUES				
At 31 December 2024 and 31 December 2025	3,924	5,328	264,038	273,290

Impairment testing on goodwill

For the purposes of impairment testing, goodwill have been allocated to two (2024: two) individual cash-generating units, comprising Guangdong Dihao and Guangdong Dongjian in self-operation business and one sub-group, Yikuai Pharmaceutical in self-operation business. The carrying amounts of goodwill allocated to these two (2024: two) cash-generating units as follows:

	As at 31 December 2025 RMB'000	2024 RMB'000
Self-operation business		
– Guangdong Dihao and Guangdong Dongjian	9,252	9,252
Self – operation business		
– Yikuai Pharmaceutical (Note 31)	264,038	264,038
	273,290	273,290

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective cash-generating unit for the purpose of impairment assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. GOODWILL (CONTINUED)

Impairment testing on goodwill (Continued)

The recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period (2024: 5-year), and discount rate of 16% (2024: 16%). The cash flows beyond the 5-year period (2024: 5-year) are extrapolated using the estimated constant growth rate of 2% (2024: 2%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

During the years ended 31 December 2025 and 2024, management of the Group determines that there is no impairment on the cash-generating unit. The recoverable amount is significantly above the carrying amount of the cash-generating unit. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

18. INTEREST IN AN ASSOCIATE

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Investment in an associate under equity method	19,040	–

Details of the Group's associate at the end of the reporting periods are as follows:

Name of associate	Place of incorporation/ establishment/ principal place of business	Proportion of ownership interests/ voting rights held by the Group		Principal activities
		2025	2024	
Guangdong Yiyao Digital Technology Co., Ltd. ("Guangdong Yiyao") (Note)	The PRC	38.46%/ 33.33%	N/A	Retail of pharmaceutical and healthcare products

Note: On 4 July 2025 (the "Acquisition Date"), the Group invested in 38.46% equity interest in Guangdong Yiyao at a cash consideration of RMB25,000,000. The Group is able to exercise significant influence over Guangdong Yiyao because it has the right to appoint one out of the three directors of Guangdong Yiyao under the article of association of Guangdong Yiyao.

The investment in Guangdong Yiyao is accounted for using the equity method in the consolidated financial statements. Summarised financial information in respect of Guangdong Yiyao which was prepared in accordance with IFRS Accounting Standards is set out below.

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18. INTEREST IN AN ASSOCIATE (CONTINUED)

Guangdong Yiyao

	As at 31 December 2025 RMB'000
Non-current assets	18,521
Current assets	72,199
Current liabilities	(68,583)
Non-current liabilities	(20,194)
Net assets	1,943

	From the Acquisition Date to 31 December 2025 RMB'000
Revenue	108,298
Loss for the year	(15,496)

Reconciliation of the above summarised financial information to the carrying amount of interest in Guangdong Yiyao recognised in the consolidated financial statements:

	2025 RMB'000
Net assets of Guangdong Yiyao	1,943
Proportion of the Group's ownership interest in Guangdong Yiyao	38.46%
The Group's share of net assets of Guangdong Yiyao	747
Goodwill	18,293
Carrying amount of the Group's interest in Guangdong Yiyao	19,040

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For the year ended 31 December 2025

19. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Pharmaceutical and healthcare products	1,894,033	1,480,975
Less: impairment provision	(20,837)	(16,427)
	1,873,196	1,464,548

20. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	95,560	34,952
Less: allowance for credit losses	(1,142)	(794)
	94,418	34,158
Note receivables	40,219	52,111
	134,637	86,269
Advance to suppliers	350,669	287,698
Other tax recoverable	2,190	1,911
Prepaid expense	28,233	16,912
Receivables in custodian (Note)	92,320	74,760
Other receivables	128,237	115,099
Receivables from exercise of share options	21	8
	736,307	582,657

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

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For the year ended 31 December 2025

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables

As at 1 January 2024, trade and note receivables from contracts with customers amounted to approximately RMB39,068,000.

The Group requires full payment in advance for its online product sales, certain offline product sales and retail sales. For other customers, the Group primarily allows a credit period of 30 days. Trade receivables are settled in accordance with the terms of the respective contracts. Aging analysis of trade receivables, net of allowance for credit losses, based on invoice date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 3 months	72,055	26,856
3 to 6 months	10,173	1,895
6 to 12 months	9,816	3,125
Over 12 months	3,516	3,076
	95,560	34,952
Less: allowance for credit losses	(1,142)	(794)
	94,418	34,158

Note receivables are trade receivables supported by bank acceptance notes and the average ageing is within 2 to 6 months based on the received date and have a maturity period of less than one year, which management believes that no impairment allowance is necessary as there is no significant change in credit quality and the balances are considered fully recoverable. As at 31 December 2025, the amounts of RMB38,645,000 (2024: RMB48,046,000) note receivables were endorsed to settle trade payables, which were not derecognised until the maturity date of the endorsed notes.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of RMB29,168,000 (2024: RMB10,372,000) which are past due as at the reporting date. Out of the past due balances approximately RMB18,338,000 (2024: RMB8,025,000) have been past due over 90 days or more and are not considered as in default as there has not been a significant change in credit quality and amounts are still considered as recoverable based on historical experience. The Group does not hold any collateral over these balances.

Details of impairment assessment are set out in Note 33.

Notes to the Consolidated Financial Statements

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21a. FINANCIAL ASSETS AT FVTPL

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current		
Unlisted equity investment	27,660	10,198
Wealth management products (Note i)	318,228	390,216
Notes and investment funds (Note i)	362,272	295,535
	708,160	695,949
Non-current		
Limited partnership fund investment (Note ii)	6,000	–

Notes:

- (i) The return of wealth management products and notes and investment funds were determined by reference to the return of their underlying investments. The wealth management products and the notes can be redeemed any time at the Group's discretion and the investment funds can be redeemed any time at the Group's discretion or upon a fixed period of one year at the Group's request by giving a 60 business days notice.
- (ii) During the year ended 31 December 2025, the Group invested into a limited partnership fund. The duration of the limited partnership is eight years and the Group has no right to early withdraw from the partnership. As a limited partner, the Group has no significant influence in the investment decision-making committee. As of 31 December 2025, the Group has commitment of RMB9,000,000 for further investment into the fund which will be paid upon the general partner's calls.

Since the contractual cash flows of these financial assets do not represent solely the payments of principal and interest on the principal amount outstanding, the financial assets are measured at FVTPL. Details of the fair value measurement over the financial assets are disclosed in Note 33.

Notes to the Consolidated Financial Statements

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21b. OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at 31 December 2025 RMB'000	2024 RMB'000
Long-term notes instrument		
– principal	150,000	–
– interest receivables	2,351	–
	152,351	–

During the year ended 31 December 2025, the Group invested into a 10-year notes instrument, which is principle protected with annual interest rate of 3.45%. The instrument is callable annually by the issuer from July 2027 to July 2034.

The investment is held by the Group within a business model whose objective is to collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Hence, the investment in long-term notes instrument is measured at amortised cost.

22. TIME DEPOSITS

	As at 31 December 2025 RMB'000	2024 RMB'000
Time deposits with original maturity of three months or less	3,085	32,146
Time deposits with original maturity of more than three months	735,344	503,428
	738,429	535,574
Presented as:		
Current	330,429	281,574
Non-current	408,000	254,000
	738,429	535,574

As at 31 December 2025, the Group's time deposits of approximately RMB588,429,000 (2024: RMB355,574,000) were held in designated bank accounts for issuance of bank acceptance notes.

The Group's time deposits are bank deposits and redeemable on maturity. The weight-average interest rates of the time deposits were 2.15% per annum as at 31 December 2025 (2024: 2.49%).

Details of impairment assessment are set out in Note 33.

Notes to the Consolidated Financial Statements

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23. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH

Restricted bank deposits represents deposits held in designated bank accounts for issuance of bank acceptance notes. The restricted bank deposits carry interest rate ranging from 0.05% to 2.35% per annum as at 31 December 2025 (2024: 0.10% to 2.50%).

Bank balances and cash consists of balance with banks and cash on hand. Bank balances carry interest at prevailing market rates.

Details of impairment assessment are set out in Note 33.

24. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	1,515,914	1,456,784
Note payables	2,439,232	1,702,051
Salary and welfare payables	225,507	155,931
Other tax payables	22,114	27,571
Consideration payable on acquisition of subsidiaries (Note 31)	30,708	42,721
Other payables	412,864	353,767
Deposits received	1,026	848
	4,647,365	3,739,673

Trade payables

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0-30 days	1,133,594	1,050,288
31-90 days	298,641	334,464
Over 90 days	83,679	72,032
	1,515,914	1,456,784

Note payables

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

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25. CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Receipts in advances from customers	25,174	29,608

As at 1 January 2024, contract liabilities amounted to approximately RMB10,308,000.

The Group generally requires advance payments from certain of its customers before delivery of goods. This will give rise to a contract liability at the beginning of a contract, until the revenue recognised on the relevant contract exceeds the amount received.

The following table shows how much of the revenue recognised for the years ended 31 December 2025 and 2024 relates to the contract liabilities at the beginning of the year:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised during the year	29,608	10,308

26. LEASE LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable		
Within one year	80,106	82,271
Within a period of more than one year but not more than two years	53,277	68,424
Within a period of more than two years but not more than five years	42,417	61,612
	175,800	212,307
Less: Amount due for settlement within 12 months shown under current liabilities	(80,106)	(82,271)
Amount due for settlement after 12 months shown under non-current liabilities	95,694	130,036

The weighted average incremental borrowing rates applied by the relevant group entities are 4.75% (2024: 4.75%) per annum.

Notes to the Consolidated Financial Statements

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27. BANK BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Advance from banks on discounted note receivables with recourse repayable within one year (Note)	151,653	21,207
Analysed as:		
Unsecured	151,653	21,207
Carrying amounts repayable within one year and shown under current liabilities	151,653	21,207

Note: All note receivables discounted to banks as at 31 December 2025 and 2024 were arising from intragroup transactions among members of the Group, which were eliminated in full on consolidation.

The effective interest rates (which was also equal to contracted interest rates) on the Group's bank borrowing are as follow:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Effective interest rate:		
Advance from banks on discounted note receivables with recourse	0.65%-1.53%	0.90%-1.60%

All of the borrowings are denominated in RMB which is the same as the functional currency of the corresponding group entities.

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28. SHARE CAPITAL

	Number of shares	Share capital US\$	Presented as RMB'000
Authorised:			
At 1 January 2024, 31 December 2024 and 31 December 2025	20,000,000,000	50,000	
Issued and fully paid:			
At 1 January 2024	640,485,502	1,602	11
Issued in consideration for the acquisition of the issued share capital of subsidiaries (Note 31)	31,678,555	79	1
Exercise of share options and vesting of RSUs (Note 29)	3,601,944	9	*
At 31 December 2024	675,766,001	1,690	12
Issued in consideration for the acquisition of the issued share capital of subsidiaries (Note 31)	3,372,164	8	*
Share repurchased and cancelled (Note i)	(5,635,000)	(14)	*
Exercise of share options and vesting of RSUs (Note 29)	7,693,693	19	*
At 31 December 2025	681,196,858	1,703	12

* Amount is less than RMB1,000.

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28. SHARE CAPITAL (CONTINUED)

Note:

- (i) During the year ended 31 December 2025, the Company purchased its own ordinary shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares (Note)	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
1	1,060,000	5.85	5.44	5,994
2	500,000	5.93	5.88	3,050
5	5,925,000	8.40	6.98	45,281
6	460,000	10.34	9.55	4,596
8	100,000	10.27	10.21	1,023
10	400,000	11.21	9.72	4,261
11	1,300,000	8.20	6.95	10,105
Total	9,745,000			74,310

Note: 2,310,000 of ordinary shares were purchased by the Company through a trust through the Stock Exchange with an aggregate consideration of HK\$14,623,000 paid.

During the year ended 31 December 2024, the Company repurchased 300,000 of its own ordinary Shares through a trust through the Stock Exchange with an aggregate consideration of HK\$2,429,000 paid.

During the year ended 31 December 2025, 5,635,000 (2024: Nil) shares were cancelled upon repurchased.

Except for the purchase above, none of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

29. SHARE-BASED PAYMENT RESERVES

Equity-settled share option scheme of the Group

2017 Share Incentive Plan

Effective on 2 February 2017, Guangzhou Sudao adopted the "2017 Share Incentive Plan" pursuant to which the Group was authorised to grant share options, share appreciation rights and restricted share to directors, officers and employees of Guangzhou Sudao. Under the 2017 Share Incentive Plan, a maximum number of 980,000 shares of ordinary shares of Guangzhou Sudao will be issued. Share options were granted with an exercise price not less than the fair market value of the Guangzhou Sudao's ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of Guangzhou Sudao, and are subject to a continued service relationship. Effective on 1 January 2019, the Group terminated the 2017 Share Incentive Plan, meaning that, while no additional awards of share options, share appreciation rights, or restricted share were permitted thereunder, all outstanding awards continued to be governed by their existing terms.

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29. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled share option scheme of the Group (Continued)

2019 Share Incentive Plan

Effective on 27 February 2019, the Company adopted the "2019 Share Incentive Plan" pursuant to which the Company is authorised to grant share options, share appreciation rights and restricted share to directors, officers and employees who provide services to the Company and its affiliates. Under the 2019 Share Incentive Plan, a maximum number of 6,388,742 ordinary shares of the Company will be issued. Share options are to be granted with an exercise price not less than the fair market value of the Company's ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of the Company, and are subject generally to a continued service relationship.

Substitution of ordinary shares of Guangzhou Sudao to the Company's ordinary shares under 2017 Share incentive Plan

On 7 December 2018, as part of the share exchange arrangement, Guangzhou Sudao would i) substitute 1 share of ordinary share of Guangzhou Sudao under the 2017 Share incentive Plan and ii) assume on the same terms and conditions as the 2017 Share incentive Plan, share appreciation rights, and restricted share under the 2019 Share Incentive Plan as defined and detailed below. The directors of the Company considered that the modification of terms of 2017 Share Incentive Plan have no material change in fair value of the share options at the date of modification.

Two share options can be converted into one ordinary share of the Company upon exercise. Following the Share Subdivision, each share option can be converted into two ordinary shares of the Company upon exercise.



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29. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled share option scheme of the Group (Continued)

Substitution of ordinary shares of Guangzhou Sudao to the Company's ordinary shares under 2017 Share Incentive Plan (Continued)

The following table discloses movements of share options under 2017 Share Incentive Plan:

Options	Grant year	Vesting Period (Note)	Expiry year	Exercise price US\$	At 1 January 2024	Exercised during the year	At 31 December 2024	Exercised during the year	At 31 December 2025
Directors and employees									
Tranche 2017-7	2017	4 years	2027	0.30	1,104,755	(118,872)	985,883	(186,626)	799,257
Tranche 2017-7	2017	4 years	2027	0.30	84,424	(13,600)	70,824	(57,139)	13,685
Tranche 2018-1	2018	4 years	2028	0.30	169,286	-	169,286	-	169,286
Tranche 2018-2	2018	4 years	2028	0.30	555,982	-	555,982	-	555,982
Tranche 2018-12	2018	4 years	2028	1.05	653,759	-	653,759	-	653,759
					2,568,206	(132,472)	2,435,734	(243,765)	2,191,969
Exercisable at the end of the year					2,568,206		2,435,734		2,191,969
Weighted average exercise price (US\$)					0.49	0.30	0.50	0.30	0.52

Note: For the options with vesting period of 4 years, one quarter of options become vested at the end of each year during the vesting period.

Except for the exercised options disclosed above, no other options were exercised, forfeited or expired during the year. As at 31 December 2025, the weighted average exercise price of exercisable share options was RMB3.68 (2024: RMB3.60).

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For the year ended 31 December 2025

29. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled share option scheme of the Group (Continued)

Substitution of ordinary shares of Guangzhou Sudao to the Company's ordinary shares under 2017 Share incentive Plan (Continued)

The following table discloses movements of share options under 2019 Share Incentive Plan:

Options	Grant year	Vesting Period (Note i)	Expiry year	Exercise price US\$	At 1 January 2024	Forfeited during the year	Exercised during the year	At 31 December 2024	Forfeited during the year	Exercised during the year	At 31 December 2025
Directors and employees											
Tranche 2019-3	2019	4 years	2029	1.05	51,700	-	-	51,700	-	-	51,700
Tranche 2019-4	2019	4 years	2029	1.05	-	-	-	-	-	-	-
Tranche 2019-10	2019	4 years	2029	0.94	1,704,000	-	(7,400)	1,696,600	-	(90,700)	1,605,900
Tranche 2019-11	2019	4 years	2029	2.00	5,100	-	(5,100)	-	-	-	-
Tranche 2020-1	2020	4 years	2030	1.05	37,500	-	-	37,500	-	-	37,500
Tranche 2020-4	2020	4 years	2030	1.05	191,800	-	(11,300)	180,500	-	(39,700)	140,800
Tranche 2021-1	2021	4 years	2031	1.60	16	-	-	16	-	-	16
Tranche 2021-2	2021	4 years	2031	2.00	707,000	(30,875)	(1,900)	674,225	-	(23,475)	650,750
Tranche 2021-11	2021	4 years	2031	2.00	4,025,403	(185,175)	(19,800)	3,820,428	(60,250)	(219,786)	3,540,392
Tranche 2021-12	2021	4 years	2031	2.00	399,500	(175,000)	(125,000)	99,500	-	(99,500)	-
Tranche 2022-2	2022	4 years	2032	2.00	761,550	(158,250)	(2,900)	600,400	(17,000)	(59,490)	523,910
Tranche 2022-5-1	2022	4 years	2032	2.00	18,000	-	-	18,000	-	-	18,000
Tranche 2022-5-2	2022	4 years	2032	0.80	2,320,000	-	(500,000)	1,820,000	-	-	1,820,000
Immediate After IPO											
Tranche 2022-5-3	2022	(Note ii)	2032	0.80	1,330,000	-	(500,000)	830,000	-	-	830,000
Tranche 2022-7-1	2022	4 years	2032	2.00	555,000	(25,000)	-	530,000	(17,500)	(15,000)	497,500
Tranche 2023-1-1	2023	4 years	2033	2.00	200,000	-	-	200,000	-	-	200,000
Tranche 2023-1-1	2023	Immediate	2033	0.00	50,000	-	-	50,000	-	-	50,000
Tranche 2023-1-5	2023	4 years	2033	2.00	32,759	-	-	32,759	(3,500)	(1,759)	27,500
Tranche 2023-3-2	2023	4 years	2033	2.00	20,000	-	-	20,000	-	-	20,000
Tranche 2023-6-10	2023	4 years	2033	2.00	2,438,000	(262,500)	(1,500)	2,174,000	(106,000)	(73,400)	1,994,600
					14,847,328	(836,800)	(1,174,900)	12,835,628	(204,250)	(622,810)	12,008,568
Exercisable at the end of the year					6,110,828			7,947,378			10,106,818
Weighted average exercise price (US\$)					1.56	2.00	0.96	1.58	2.00	1.79	1.57

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29. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled share option scheme of the Group (Continued)

Substitution of ordinary shares of Guangzhou Sudao to the Company's ordinary shares under 2017 Share incentive Plan (Continued)

Notes:

- (i) For the options with vesting period of 4 years, one quarter of options become vested at the end of each year during the vesting period.
- (ii) In May 2022, the Company granted 1,330,000 share options to Mr. Fei Chen, an executive director of the Company. These options are vested on the date when the Company's shares are listed on the Main Board of the Stock Exchange.

Except for the forfeited or exercised options disclosed above, no other options were exercised, forfeited or expired during the year. As at 31 December 2025, the weighted average exercise price of exercisable share options was RMB10.24 (2024: RMB10.14).

During the year ended 31 December 2025, the Group recognised the total expense of approximately RMB12,776,000 (2024: RMB27,673,000) in relation to share options granted by the Group.

Equity-settled award shares of the Group

2023 Share Incentive Plan

The 2023 Share Incentive Plan was first adopted by the Board on 12 June 2023 and took effect immediately upon the Listing. Since the Listing, the 2023 Share Incentive Plan is subject to Chapter 17 of the Listing Rules. Under the 2023 Share Incentive Plan, a maximum number of 63,235,005 ordinary shares of the Company can be issued to employee participants, related party participant and service provider participant. The RSUs under this plan have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of the Company, and are subject to performance targets and other condition on case by case basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. SHARE-BASED PAYMENT RESERVES (CONTINUED)

Equity-settled award shares of the Group (Continued)

2023 Share Incentive Plan (Continued)

The following table discloses movements of RSUs under 2023 Share Incentive Plan:

RSUs	Grant year	Vesting Period (Note)	Expiry year	At 1 January 2024	Granted during the year	Forfeited during the year	Exercised during the year	At 31 December 2024	Granted during the year	Forfeited during the year	Exercised during the year	At 31 December 2025
Directors and employees												
Tranche 2023-9-4	2023	2 years	2033	610,900	-	(87,550)	(270,050)	253,300	-	(22,675)	(230,625)	-
Tranche 2023-9-4	2023	4 years	2033	3,108,100	-	(380,500)	(711,150)	2,016,450	-	(159,675)	(622,075)	1,234,700
Tranche 2024-2-6	2024	1 year	2034	-	1,462,500	(160,100)	-	1,302,400	-	(31,240)	(1,271,160)	-
Tranche 2024-2-6	2024	2 years	2034	-	3,795,000	(285,000)	-	3,510,000	-	(245,500)	(1,692,000)	1,572,500
Tranche 2024-2-6	2024	3 years	2034	-	5,655,000	(160,000)	-	5,495,000	-	(349,583)	(1,642,082)	3,503,335
Tranche 2024-2-6	2024	4 years	2034	-	40,000	-	-	40,000	-	-	(10,000)	30,000
Tranche 2024-11-6	2024	1 year	2034	-	7,000	-	-	7,000	-	-	(7,000)	-
Tranche 2024-11-6	2024	2 years	2034	-	784,000	(30,000)	-	754,000	-	(30,000)	(362,000)	362,000
Tranche 2024-11-6	2024	3 years	2034	-	1,212,000	-	-	1,212,000	-	-	(404,000)	808,000
Tranche 2024-11-6	2024	4 years	2034	-	40,000	-	-	40,000	-	-	(10,000)	30,000
Tranche 2025-4-3	2025	2 years	2035	-	-	-	-	-	20,000	-	-	20,000
Tranche 2025-4-3	2025	3 years	2035	-	-	-	-	-	960,000	-	-	960,000
				3,719,000	12,995,500	(1,103,150)	(981,200)	14,630,150	980,000	(838,673)	(6,250,942)	8,520,535
Exercisable at the end of the year				-	-	-	-	-	-	-	-	-

Note: The RSUs generally vest ratably over an one – to four-year vesting period.

Except for the forfeited or exercised RSUs disclosed above, no other RSUs were vested, forfeited or expired during the year.

These fair values of the RSUs were determined by the share price of the Company at grant date.

During the year ended 31 December 2025, the Group recognised the total expense of approximately RMB51,352,000 (2024: RMB110,019,000) in relation to RSUs granted by the Group.

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For the year ended 31 December 2025

30. RETIREMENT BENEFIT PLAN

The eligible employees of the Company's subsidiaries in PRC are members of pension schemes operated by local government of the PRC. The subsidiaries in the PRC are required to contribute a certain percentage of the relevant cost of payroll of these employees to the pension schemes to fund the benefits. There were no forfeited contributions under these pension schemes for both years.

The contributions to the retirement benefits schemes for employees of the Group and directors of the Company during the year are disclosed in Notes 10 and 11, respectively.

31. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2024

On 15 October 2024, the Company and the independent third parties ("Sellers") entered into an equity transfer agreement, pursuant to which the Company has agreed to purchase and the Sellers have agreed to sell 100% of the equity interest in Yikuai Pharmaceutical. Folding Space is an investment holding company and Yikuai Pharmaceutical is principally engaged in business-to-business pharmaceutical supply chain, operation service platform and related businesses. The acquisition is conducive to the Group's downstream customer synergies and upstream procurement synergies, leading to enhanced efficiency in reusing systems and warehouse infrastructures.

The consideration consists of:

- (i) the completion consideration payable to the Sellers with the cash consideration of RMB371.39 million and the remaining consideration by way of the allotment and issue of 38,868,918 considerations shares by the Company (the "Completion Consideration");
- (ii) subject to the satisfaction of the performance targets, the contingent consideration payable to founder sellers (the "Founder Sellers"), with the cash consideration of RMB60 million and the remaining consideration by way of the allotment and issue of 13,065,386 considerations shares by the Company (the "Contingent Consideration"); and
- (iii) subject to the satisfaction of the relevant conditions, contingent consideration by way of the allotment and issue of 4,357,561 consideration shares by the Company to one of the Sellers (the "Manager Sellers") upon the completion of the sales and purchase of the shares of Folding Space held by the Manager Sellers.

The acquisition has been completed on 26 November 2024, pursuant to which the Group has acquired approximately 85.64% of the share capital of Folding Space and 100% of equity interest of Hunan Yikuai Pharmaceutical Technology Co., Ltd., and its wholly owned subsidiaries ("Hunan Yikuai Group"), except for Hunan Yizheng Biotechnology R&D Co., Ltd. ("Hunan Yizheng") and Changsha Daliwan Culture Media Co., Ltd. ("Changsha Daliwan"), in which the Group holds 70% and 90% of equity interest, respectively. Hunan Yikuai Group is the PRC operating entities of Yikuai Pharmaceutical. The acquisition has been accounted for as acquisition of business using the acquisition method.

Details of the acquisition were set out in the announcements of the Company dated 15 October 2024, 28 October 2024 and 26 November 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Fair value and settlement of consideration transferred for the acquisitions of:

	Cash RMB'000 (Note 24)	Consideration shares (Note i)		Total RMB'000
		Number of shares	RMB'000	
Completion Consideration	371,390	38,868,918	225,795	597,185
During the year ended 31 December 2024				
Settlement of the Completion Consideration	(328,669)	(31,678,555)	(184,025)	(512,694)
As of 31 December 2024	42,721	7,190,363	41,770	84,491
During the year ended 31 December 2025				
Settlement of the Completion Consideration	(35,558)	(1,386,617)	(8,055)	(43,613)
As of 31 December 2025	7,163	5,803,746	33,715	40,878
Presented as:				
As of 31 December 2025				
– Trade and other payable (Note 24)	7,163	–	–	7,163
– Deferred consideration shares	–	5,803,746	33,715	33,715
Total	7,163	5,803,746	33,715	40,878
As of 31 December 2024				
– Trade and other payable (Note 24)	42,721	–	–	42,721
– Deferred consideration shares	–	7,190,363	41,770	41,770
Total	42,721	7,190,363	41,770	84,491

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31. ACQUISITION OF SUBSIDIARIES (CONTINUED)

	Cash RMB'000 (Note 24)	Consideration shares Number of shares	RMB'000	Total RMB'000
Contingent Consideration (Note ii)	53,347	10,546,428	61,266	114,613
During the year ended 31 December 2024				
Fair value change (Note 7)	261	–	(6,183)	(5,922)
As of 31 December 2024	53,608	10,546,428	55,083	108,691
During the year ended 31 December 2025				
Fair value change (Note 7)	3,137	–	(1,025)	2,112
Settlement of the Contingent Consideration	–	(1,985,547)	(12,534)	(12,534)
As of 31 December 2025	56,745	8,560,881	41,524	98,269
Presented as:				
As of 31 December 2025				
– Trade and other payable (Note 24)	23,545	–	–	23,545
– Deferred consideration shares	–	1,061,641	5,149	5,149
– Contingent consideration	33,200	7,499,240	36,375	69,575
Total	56,745	8,560,881	41,524	98,269
As of 31 December 2024				
– Contingent consideration	53,608	10,546,428	55,083	108,691

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Notes:

- (i) The fair value of the consideration shares is determined by reference to the quoted market price of HK\$6.29 (equivalent to RMB5.81) per each ordinary share of the Company at the date of obtaining the control of the Yikuai Pharmaceutical.
- (ii) Based on the equity transfer agreement, the Company is required to pay additional considerations to the Founder Sellers and Manager Sellers if Yikuai Pharmaceutical meets the respective performance target of each instalment.

The Contingent Consideration consists of two parts:

Part 1: a total cash amount of RMB60 million and a total of 6,188,867 consideration shares payable to the Founder Seller and a total of 4,357,561 consideration shares to the Manager Seller, which comprises three instalments corresponding to year 2025, 2026 and first quarter of year 2027; and

Part 2: a total of 6,876,519 consideration shares to the Founder Seller, which comprises two instalments corresponding to year 2025 and year 2026.

As part of the equity transfer agreement, contingent consideration is payable, which is dependent on the core business operating revenue ("CBOR") growth rate and the amount of net profit for each of the two years 2025, 2026 and the first quarter of year 2027 of Yikuai Pharmaceutical. Details of the Consideration Shares were set out in the announcement of the Company dated 15 October 2024.

Based on the directors' best estimate with reference to the historical performance of Yikuai Pharmaceutical, the directors of the Company considered Yikuai Pharmaceutical are highly probable to meet the performance target in relation to part 1 Contingent Consideration. The fair value of the Contingent Consideration at the date of acquisition was determined by i) the present value of the cash consideration payable of RMB60 million in Part 1; and ii) the fair value of 10,546,428 consideration shares in Part 1 which was determined by reference to the quoted market price of HK\$6.29 (equivalent to RMB5.81) per each ordinary share of the Company at the date of obtaining the control of the Yikuai Pharmaceutical. The Contingent Consideration is subsequently measured at fair value with changes in fair value recognised in profit or loss.

As of 31 December 2025, Yikuai Pharmaceutical met the performance target of year 2025 and the Contingent Consideration of approximately RMB23,545,000 and RMB5,149,000 have been transferred to trade and other payable and deferred consideration shares, respectively

- (iii) Acquisition-related expenses amounting to RMB3,961,000 have been excluded from the consideration transferred and have been recognised as an expense in the year ended 31 December 2024, within the "General and administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

For the purpose of the acquisitions, the Group engaged an external independent valuer to perform the valuation with the identification and determination of fair values to be assigned to the acquiree's assets and liabilities as at the acquisition date.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	10,476
Right-of-use assets	29,520
Intangible assets	454,233
Inventories	146,645
Trade and other receivables	81,375
Bank balances and cash	68,277
Restricted bank deposits	36,849
Trade and other payables	(214,857)
Contract liabilities	(18,872)
Lease liabilities	(31,599)
Deferred tax liabilities	(113,550)
	448,497

The receivables acquired (which principally comprised trade receivables) had gross contractual amounts of RMB84,663,000 at the date of acquisition.

Non-controlling interests

The non-controlling interests in Hunan Yizheng and Changsha Daliwan, subsidiaries of Hunan Yikuai, recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets and amounted to RMB737,000.

Goodwill arising on acquisition of Yikuai Pharmaceutical

	RMB'000
Consideration transferred	711,798
Plus: non-controlling interests	737
Less: recognised amounts of net assets acquired	(448,497)
	264,038

Goodwill arose on the acquisition of Yikuai Pharmaceutical because the consideration paid for the acquisition included amounts in relation to enhanced efficiency in reusing systems and warehouse infrastructures as benefits of expected synergies, better revenue growth prospect, future market development and the assembled business cooperation brought by Yikuai Pharmaceutical. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Notes to the Consolidated Financial Statements

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31. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Net cash outflow on acquisition of Yikuai Pharmaceutical

	RMB'000
During the year ended 31 December 2024	
Cash consideration paid	328,669
Less: bank balances and cash acquired	(68,277)
	260,392

Impact of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2024 is RMB10,000 attributable to the additional business generated by Yikuai Pharmaceutical. Revenue for the year ended 31 December 2024 includes RMB102,079,000 generated from Yikuai Pharmaceutical.

Had the acquisition of Yikuai Pharmaceutical been completed on 1 January 2024, revenue for the year ended 31 December 2024 of the Group would have been RMB926,298,000, and loss for the year ended 31 December 2024 would have been RMB79,663,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit (loss) of the Group had Yikuai Pharmaceutical been acquired at the beginning of the current year, the directors of the Company calculated amortization of the intangible assets and the reversal of the relevant deferred tax liabilities based on the recognised amounts of intangible assets and deferred tax liabilities at the date of the acquisition.

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which include lease liabilities as disclosed in Note 26 and bank borrowings as disclosed in Note 27, net of bank balances and cash, and time deposits with original maturity of three months or less and equity attributable to owners of the Company, comprising issued share capital, retained profits, other reserves and non-controlling interests.

The management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as and continuity of funding of cash flows from operating activities.

Notes to the Consolidated Financial Statements

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33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Time deposits	738,429	535,574
Restricted bank deposits	1,636,628	1,134,621
Bank balances and cash	706,874	1,009,082
Trade and other receivables	355,215	276,136
Amount due from an associate	9,617	–
Other financial assets at amortised cost	152,351	–
Financial assets at amortised cost	3,599,114	2,955,413
Financial assets at FVTPL	714,160	695,949
Financial liabilities		
Trade and other payables	4,399,744	3,556,171
Bank borrowings	151,653	21,207
Financial liabilities at amortised cost	4,551,397	3,577,378
Financial liabilities at FVTPL		
Contingent consideration payables	69,575	108,691

(b) Financial risk management objectives and policies

The Group's financial instruments include time deposits, restricted bank deposits, bank balances and cash, trade and other receivables, amount due from an associate, financial assets at FVTPL, other financial assets at amortised cost, trade and other payables, bank borrowings, contingent consideration payables and financial guarantee contracts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments mainly include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk

Currency risk

Certain bank balances, time deposits and financial assets at FVTPL denominated in foreign currency of respective group entities expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of both years are mainly as follows:

	Assets	
	As at 31 December	
	2025	2024
	RMB'000	RMB'000
US\$	173,570	197,284
HK\$	116,288	125,447

Sensitivity analysis

The following details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against US\$ and HK\$. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. For a 5% (2024: 5%) weakening/strengthening of RMB against US\$, the Group's post-tax profit for the year ended 31 December 2025 would increase/decrease by approximately RMB6,509,000 (2024: RMB7,398,000). For a 5% (2024: 5%) weakening/strengthening of RMB against HK\$, the Group's post-tax profit for the year ended 31 December 2025 would increase/decrease by approximately RMB4,361,000 (2024: RMB4,704,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to other financial assets at amortised cost as disclosed in Note 21b, lease liabilities as disclosed in Note 26 and bank borrowings as disclosed in Note 27.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate time deposit, restricted bank deposits and bank balances as disclosed in Notes 22 and 23 respectively. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on restricted bank deposits, and bank balances.

The Group currently does not have an interest rate hedging policy. The management of the Group consider the Group's exposure of the restricted bank deposits and bank balances to interest rate risk is insignificant as the fluctuation of market interest rate and PRC prime rate is not expected to be significant, no sensitivity analysis is presented accordingly.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and note receivables, other receivable, other financial assets at amortised cost, time deposits, restricted bank deposits, bank balances, amount due from an associate and financial guarantee contracts. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade and note receivables and amount due from an associate arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual significant trade debt at the end of the reporting period to ensure that adequate impairment loss is recognised for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade and note receivables and amount due from an associate arising from contracts with customers (Continued)

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to the largest customer of the Group did not exceed 5% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Except for the amount due from an associate, the Group performs impairment assessment individually, the Group performs impairment assessment under ECL model on trade and note receivables on a collective basis. Trade and note receivables are grouped by internal credit rating based on shared credit risk characteristics by reference to past due exposure for the customers. During the year ended 31 December 2025, the Group recognised credit loss allowance of approximately RMB348,000 (2024: reversed credit loss allowance RMB265,000) for trade receivables based on collective assessment. Impairment allowance for amount due from an associate and note receivables as at 31 December 2025 and 2024 were not material.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 100% of the total trade receivables as at 31 December 2025 and 2024.

Other receivables

The Group assessed the loss allowance for other receivables on 12m ECL basis as the Group has considered that credit risks on these financial assets have not increased significantly since initial recognition. In determining the ECL, the Group has taken into account the historical default experience and forward looking information as appropriate. The Group has considered the consistently low historical default rate in connection with payments and the Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. For the year ended 31 December 2025 and 2024, management of the Group assessed the ECL for other receivables was insignificant and thus no loss allowance was recognised.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other financial assets at amortised cost

The credit risks on other financial assets at amortised cost are limited because the counterparties are professional investment bank institutions with high credit ratings assigned by international credit agencies.

The Group makes periodic assessment on the recoverability of other financial assets at amortised cost based by reference to forward-looking information. The Group assessed 12m ECL for other financial assets at amortised cost by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on other financial assets at amortised cost is considered to be insignificant and thus no loss allowance was recognised.

Time deposits, restricted bank deposits and bank balances

The credit risks on time deposits, restricted bank deposits and bank balances are limited because the counterparties are authorised banks in the PRC with high credit ratings assigned by external credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are placed with several banks, the Group does not have any other significant concentration of credit risk.

The Group assessed 12m ECL for time deposits, restricted bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on time deposits, restricted bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Time deposits, restricted bank deposits and bank balances (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade and note receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have material past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due date but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group and the Company has no realistic prospect of recovery	Amount is written off	Amount is written of

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Time deposits, restricted bank deposits and bank balances (Continued)

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount At 31 December	
				2025 RMB'000	2024 RMB'000
Financial assets at amortised cost					
Trade receivables	20	(Note 1)	Lifetime ECL – not credit-impaired (collective assessment)	95,560	34,952
Note receivables	20	(Note 1)	Lifetime ECL – not credit-impaired (collective assessment)	40,219	52,111
Other receivables	20	(Note 2)	12m ECL	220,578	189,867
Amount due from an associate	37	(Note 1)	Lifetime ECL – not credit-impaired	3,217	–
		(Note 2)	12m ECL	6,400	–
Time deposits	22	(Note 2)	12m ECL	738,429	535,574
Restricted bank deposits	23	(Note 2)	12m ECL	1,636,628	1,134,621
Bank balances	23	(Note 2)	12m ECL	706,874	1,009,082
Other financial assets at amortised cost	21b	(Note 2)	12m ECL	152,351	–
				3,600,256	2,956,207

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Time deposits, restricted bank deposits and bank balances (Continued)

Notes:

- (1) Except for the amount due from an associate, the Group performs impairment assessment individually, for not credit-impaired trade and note receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on a collective basis, grouped by internal credit rating and past due status of respective receivable.

Internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed collectively as at 31 December 2025 and 2024 within lifetime ECL (not credit-impaired). Impairment allowance for note receivables as at 31 December 2025 and 2024 was not material as the notes receivables are issued by authorised banks in the PRC with high credit ratings assigned by external credit-rating agencies.

Gross carrying amount

	As at 31 December			
	2025		2024	
	Average loss rate %	Trade receivables RMB'000	Average loss rate %	Trade receivables RMB'000
Low risk	1.2	95,560	2.3	34,952

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2025, the Group recognised credit losses allowance of approximately RMB348,000 (2024: reversed credit losses allowance RMB265,000) for trade receivables.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Time deposits, restricted bank deposits and bank balances (Continued)

Notes: (Continued)

(1) (Continued)

The following tables show the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

Trade receivables	Lifetime ECL – collective assessment (not credit-impaired) RMB'000
As at 1 January 2024	1,059
– impairment losses reversed	(265)
As at 31 December 2024	794
– impairment losses recognised	348
As at 31 December 2025	1,142

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade and note receivables are over two years past due, whichever occurs earlier. None of the trade and note receivables that have been written off and is subject to enforcement activities.

(2) For the purposes of internal credit risk management, the Group has applied the general approach in IFRS 9 to measure the loss allowance at 12m ECL as there is no significant increase in credit risk since initial recognition. The Group determines the expected credit losses for other receivables, time deposits, restricted bank deposits and bank balances by assessment of probability of default. During the year ended 31 December 2025 and 2024, in view of the nature of the balance and historical default rate and forward looking information, the Group considers the provision of impairment allowance for these balances are insignificant.

Financial guarantee contracts

For financial guarantee contracts, the aggregate amount of outstanding financial guarantees issued to banks in respect of bank facilities granted to an associate that the Group could be required to pay amounted to RMB49,000,000 as at 31 December 2025 (2024: Nil). RMB17,558,000 (2024: Nil) of the outstanding financial guarantees has been utilised by the associate.

The fair value of these financial guarantee, as at dates of initial recognition, were considered insignificant. At the end of the reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. No loss allowance was recognised in the profit or loss as the amount of the loss allowance was not significant.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of liquidity risk, the Group's management monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at variable rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate %	Carrying amount RMB'000	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2025							
Trade and other payables	N/A	4,376,199	4,376,199	-	-	-	4,376,199
Trade and other payables – Contingent consideration payables – cash (Note 31)	5.88	23,545	24,000	-	-	-	24,000
Bank borrowings	0.99	151,653	151,653	-	-	-	151,653
Lease liabilities	4.75	175,800	83,677	58,415	44,603	-	186,695
Contingent consideration payables – cash (Note 31)	5.88	33,200	-	36,000	-	-	36,000
Financial guarantee contracts	N/A	-	49,000	-	-	-	49,000
		4,760,397	4,684,529	94,415	44,603	-	4,823,547
As at 31 December 2024							
Trade and other payables	N/A	3,556,171	3,556,171	-	-	-	3,556,171
Bank borrowings	1.32	21,207	21,207	-	-	-	21,207
Lease liabilities	4.75	212,307	90,310	72,848	64,306	-	227,464
Contingent consideration payables – cash (Note 31)	5.88	53,608	-	24,000	36,000	-	60,000
		3,843,293	3,667,688	96,848	100,306	-	3,864,842

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Fair value measurement of financial instruments

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Certain of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

	As at 31 December		Fair value hierarchy	Valuation technique and key input
	2025 RMB'000	2024 RMB'000		
Financial assets				
Financial assets at FVTPL				
– Wealth management products, notes and investment funds	680,500	685,751	Level 2	Quoted value from banks and financial institutions based on expected return with reference to underlying investment
– Unlisted equity investments	27,660	10,198	Level 3	Back-solve method (Note i)
Financial liabilities				
Contingent consideration for a business combination	(33,200)	(53,608)	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate (Note ii) (Note iii)
– Cash consideration payables (Note 31)				
Contingent consideration for a business combination	(36,375)	(55,083)	Level 3	Quoted market price per each ordinary share of the Company is used to capture the value of the expected shares to be allotted and issued from the contingent consideration (Note iii)
– Consideration shares (Note 31)				

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Fair value measurement of financial instruments (Continued)

Fair values of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Notes:

- (i) Key inputs included possibilities under different scenarios, such as qualified IPO, redemption, liquidation and other inputs, such as time to liquidation or redemption, risk-free interest rate, expected volatility value and dividend yield.
- (ii) Key unobservable inputs included discount rate and probability-adjusted revenue and profits of Yikuai Pharmaceutical. No sensitivity analysis in relation to the discount rate has been presented as changes in fair values due to changes the discount rate are insignificant.
- (iii) Key inputs included quoted market price of the share of the Company and probability-adjusted revenue and profits of Yikuai Pharmaceutical. As at 31 December 2025, it is estimated that with all other variables held constant, a decrease in the expected probability-adjusted revenue and gross profits for year 2026 and 2027 by 5% (2024: 5%) would decrease the carrying amount of the contingent consideration payables, including cash and shares consideration, by RMB52,608,000 (2024: RMB91,870,000).

There were no transfer between Level 1 and 2 during both years.

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL RMB'000	Financial liabilities at FVTPL RMB'000
As at 1 January 2024	–	–
– purchased	10,000	–
– contingent consideration for acquisition of subsidiaries	–	114,613
– changes in fair value	198	(5,922)
As at 31 December 2024	10,198	108,691
– purchased	6,000	–
– settlement of contingent consideration	–	(12,534)
– changes in fair value	17,462	2,112
– transfers out of level 3 with the completion of performance target (Note 31)	–	(28,694)
As at 31 December 2025	33,660	69,575

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Fair value measurement of financial instruments (Continued)

Fair values of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000	Bank borrowings RMB'000	Consideration payable on acquisition of subsidiaries RMB'000	Contingent consideration payables-cash RMB'000	Divided Payable RMB'000	Total RMB'000
At 1 January 2024	152,153	57,508	-	-	-	209,661
Financing cash flow	(90,497)	(38,750)	-	-	-	(129,247)
New leases entered/lease modified	110,163	-	-	-	-	110,163
Acquisition of subsidiaries	31,599	-	42,721	53,347	-	127,667
Fair value change	-	-	-	261	-	261
Finance costs	8,889	2,449	-	-	-	11,338
As at 31 December 2024	212,307	21,207	42,721	53,608	-	329,843
Financing cash flow	(90,354)	127,495	-	-	(50,786)	(13,645)
New leases entered/lease modified	44,871	-	-	-	-	44,871
Fair value change	-	-	-	3,137	-	3,137
Settle of consideration payable	-	-	(35,558)	-	-	(35,558)
Reclassification of contingent consideration	-	-	23,545	(23,545)	-	-
Finance costs	8,976	2,951	-	-	-	11,927
Dividend declared	-	-	-	-	50,786	50,786
As at 31 December 2025	175,800	151,653	30,708	33,200	-	391,361

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. TRANSFER OF FINANCIAL ASSETS

The following were the Group's financial assets as at 31 December 2025 and 2024 that were transferred to suppliers by endorsing those note receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the note receivables (see Note 20) and the full carrying amount of the trade payables (see Note 24) for endorsed notes receivables. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

As at 31 December 2025

	Note receivables endorsed to suppliers with full recourse RMB'000
Carrying amount of transferred financial assets	38,645
Carrying amount of associated liabilities	(38,645)
	-

As at 31 December 2024

	Note receivables endorsed to suppliers with full recourse RMB'000
Carrying amount of transferred financial assets	48,046
Carrying amount of associated liabilities	(48,046)
	-

36. CAPITAL COMMITMENTS

	As at 31 December 2025 RMB'000	2024 RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	3,150	2,679

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. RELATED PARTY TRANSACTIONS/AMOUNTS DUE FROM AN ASSOCIATE

Significant transactions with related parties

During the year ended 31 December 2025, the Group has following transactions with the related party.

Name	Nature of transactions	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
Guangdong Yiyao	Trade sales	14,119	N/A

Name	Nature of balances	As at 31 December	
		2025 RMB'000	2024 RMB'000
Guangdong Yiyao	Trade nature (Note i)	3,217	N/A
Guangdong Yiyao	Non-trade nature (Note ii)	6,400	N/A
Amount due from an associate		9,617	N/A

Notes:

- (i) The trade related balances with the associate arose from sales of goods, which were unsecured and interest-free with aging within 3 months as at 31 December 2025.
- (ii) The non-trade related balances with the associate were interest-free, unsecured and repayable on demand.

Compensation of key management personnel

The remuneration of directors who are also the key management personnel during the years ended 31 December 2025 and 2024 is set out in Note 11.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38. PARTICULARS OF SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES

Details of the subsidiaries directly and indirectly held by the Company are set out below:

Name of subsidiaries	Place of incorporation/ registration/ operations	Paid up/ issued capital	Registered capital	Proportion ownership interest attributable by the Company As at 31 December		Principal activities
				2025	2024	
Guangzhou Leyao Technology Co., Ltd. 廣州樂藥科技集團有限公司 (wholly-owned domestic enterprise)	The PRC	USD256,000,000	USD256,000,000	100%	100%	Investment holding
Guangdong Dihao Pharmaceutical Co., Ltd. 廣東帝豪藥業有限公司 (wholly-owned domestic enterprise)	The PRC	RMB105,000,000	RMB105,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Hubei Chengweishang Pharmaceutical Co., Ltd. 湖北誠為上醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB43,500,000	RMB43,500,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Chengdu Beilebang Pharmaceutical Co., Ltd. 成都北樂幫醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB81,000,000	RMB81,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Jiangsu Jinshi Pharmaceutical Co., Ltd. 江蘇金石醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB91,000,000	RMB91,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Guangdong Dongjian Pharmaceutical Co., Ltd. 廣東東健醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB146,000,000	RMB146,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Anhui Leyao Pharmaceutical Co., Ltd. 安徽樂藥醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB76,000,000	RMB76,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Guangdong Jiuzhang Pharmaceutical Co., Ltd. 廣東九章醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB10,000,000	RMB10,000,000	100%	100%	Retail of pharmaceutical and healthcare products

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38. PARTICULARS OF SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES (CONTINUED)

Details of the subsidiaries directly and indirectly held by the Company are set out below: (Continued)

Name of subsidiaries	Place of incorporation/ registration/ operations	Paid up/ issued capital	Registered capital	Proportion ownership interest attributable by the Company As at 31 December		Principal activities
				2025	2024	
Chongqing Yangtuo Pharmaceutical Co., Ltd. 重慶央拓醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB55,000,000	RMB55,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Donghua Yutai Pharmaceutical Co., Ltd. 東華宇泰(福建)醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB56,000,000	RMB56,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Jilin Zhongxin Pharmaceutical Co., Ltd. 吉林省眾鑫藥業有限公司 (wholly-owned domestic enterprise)	The PRC	RMB60,000,000	RMB60,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Beijing Huisheng Pharmaceutical Co., Ltd. 北京惠生醫藥有限責任公司 (wholly-owned domestic enterprise)	The PRC	RMB42,800,000	RMB42,800,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Jinan Gonghao Pharmaceutical Co., Ltd. 濟南共好醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB41,000,000	RMB41,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Heilongjiang Changle Pharmaceutical Co., Ltd. 黑龍江常樂醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB57,000,000	RMB57,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Zhejiang Lecheng Pharmaceutical Co., Ltd. 浙江樂成醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB52,000,000	RMB52,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Shaanxi Leying Pharmaceutical Co., Ltd. 陝西樂盈醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB28,000,000	RMB28,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38. PARTICULARS OF SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES (CONTINUED)

Details of the subsidiaries directly and indirectly held by the Company are set out below: (Continued)

Name of subsidiaries	Place of incorporation/ registration/ operations	Paid up/ issued capital	Registered capital	Proportion ownership interest attributable by the Company As at 31 December		Principal activities
				2025	2024	
Shanxi Lejin Pharmaceutical Co., Ltd. 山西樂進醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB23,000,000	RMB23,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Liaoning Lexing Pharmaceutical Co., Ltd. 遼寧樂興醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB61,000,000	RMB61,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Guangzhou Junhe Huilian Supply Chain Management Co., Ltd. 廣州君合慧聯供應鏈管理有限公司 (wholly-owned domestic enterprise)	The PRC	RMB523,398,631	RMB524,000,000	100%	100%	Investment holding
Xi'an Leying Zhongkang pharmaceutical chain Co., Ltd. 西安樂盈眾康醫藥連鎖有限公司 (wholly-owned domestic enterprise)	The PRC	RMB28,000,000	RMB28,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
YSB Investment Limited	Hong Kong	USD166,299,980	N/A	100%	100%	Investment holding
Guangzhou Sudaoyi Information Technology Co., Ltd. 廣州速道易信息科技有限公司 (wholly-owned domestic enterprise)	The PRC	RMB1,120,246,702	RMB1,122,890,000	100%	100%	Platform and software service
Guangzhou Sudaoyi Business Service Co., Ltd. 廣州速道易商務服務有限公司 (wholly-owned domestic enterprise)	The PRC	RMB1,000,000	RMB1,000,000	100%	100%	Platform and software service
Henan Subiao Information Technology Co., Ltd. 河南速標信息科技有限公司 (wholly-owned domestic enterprise)	The PRC	nil	RMB1,000,000	100%	100%	Platform and software service

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38. PARTICULARS OF SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES (CONTINUED)

Details of the subsidiaries directly and indirectly held by the Company are set out below: (Continued)

Name of subsidiaries	Place of incorporation/ registration/ operations	Paid up/ issued capital	Registered capital	Proportion ownership interest attributable by the Company As at 31 December		Principal activities
				2025	2024	
Leyou Investment Limited	Hong Kong	USD204,830,000	N/A	100%	100%	Investment holding
Guangzhou Yaobang Information Technology Co., Ltd. * 廣州藥幫信息科技有限公司	The PRC	nil	RMB1,000,000	0%	0%	Platform and software service
Guangzhou Sudao Information Technology Co., Ltd * 廣州速道信息科技有限公司	The PRC	RMB9,818,877	RMB9,818,877	0%	0%	Platform and software service
Hebei Zeyi Pharmaceutical Co., Ltd. 河北澤怡醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB30,000,000	RMB40,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Zhejiang Leyao Pharmaceutical Co., Ltd. 浙江樂藥醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB45,000,000	RMB45,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Hunan Leyao Pharmaceutical Co., Ltd. 湖南樂藥醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB25,000,000	RMB25,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Henan Huiying Pharmaceutical Co., Ltd. 河南惠盈醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB70,000,000	RMB70,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
YSB Technology Limited	BVI	nil	N/A	100%	100%	Investment holding
YSB Technology (Hong Kong) Limited	Hong Kong	nil	N/A	100%	100%	Investment holding
YSB Health Limited	Hong Kong	nil	N/A	100%	100%	Investment holding

* The Group obtained control over these entities through Contractual Arrangements as set out in Note 4.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38. PARTICULARS OF SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES (CONTINUED)

Details of the subsidiaries directly and indirectly held by the Company are set out below: (Continued)

Name of subsidiaries	Place of incorporation/ registration/ operations	Paid up/ issued capital	Registered capital	Proportion ownership interest attributable by the Company As at 31 December		Principal activities
				2025	2024	
Guangzhou Yuewei Medical Laboratory Co., Ltd. 廣州閱微醫學檢驗所有限公司 (wholly-owned domestic enterprise)	The PRC	RMB7,000,000	RMB10,000,000	100%	100%	Medical testing services
Guangzhou Xiaoweicang Smart Drug Store Technology Co., Ltd. 廣州小微倉智能藥店科技有限公司 (Incorporated domestic enterprise)	The PRC	nil	RMB1,000,000	70%	70%	Intelligent Pharmacy services
Guangzhou Yaoshibang Investment Co., Ltd. 廣州藥師幫投資有限公司 (wholly-owned domestic enterprise)	The PRC	nil	USD1,000,000	100%	100%	Investment holding
Guangzhou Spectrum Health Technology Co., Ltd. 廣州光譜健康科技有限公司 (Incorporated domestic enterprise)	The PRC	nil	RMB1,000,000	70%	70%	Medical testing services
Guangzhou Yaozhan Holding Co., Ltd. 廣州藥棧控股有限公司 (wholly-owned domestic enterprise)	The PRC	nil	RMB100,000	100%	100%	Investment holding
Guangzhou Yaozhan Technology Co., Ltd. 廣州藥棧科技有限公司 (wholly-owned domestic enterprise)	The PRC	nil	RMB100,000	100%	100%	Investment holding
Guangzhou Sudaode Traditional Chinese Medicine Technology Co., Ltd. 廣州速道的中藥科技有限公司 (wholly-owned domestic enterprise)	The PRC	nil	USD50,000	100%	100%	Investment holding
Jiangxi Leyao Pharmaceutical Co., Ltd. 江西樂藥醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB10,000,000	RMB10,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38. PARTICULARS OF SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES (CONTINUED)

Details of the subsidiaries directly and indirectly held by the Company are set out below: (Continued)

Name of subsidiaries	Place of incorporation/ registration/ operations	Paid up/ issued capital	Registered capital	Proportion ownership interest attributable by the Company As at 31 December		Principal activities
				2025	2024	
Guangzhou Yaoshibang Enterprise Management Co., Ltd. 廣州蔡師幫企業管理有限公司 (wholly-owned domestic enterprise)	The PRC	nil	RMB1,000,000	100%	100%	Investment holding
Guangzhou Sudao Logistics Technology Co., Ltd. (Note (ii)) 廣州速道物流科技有限公司 (wholly-owned domestic enterprise)	The PRC	RMB500,000	RMB500,000	100%	100%	Logistic services
Guangzhou Jinfang Shangyao Technology Co., Ltd. 廣州金方尚藥科技有限公司 (wholly-owned domestic enterprise)	The PRC	RMB3,000,000	RMB3,000,000	100%	100%	Platform and software service
Hunan Jinfang Shangyao Pharmaceutical Co., Ltd. (Note (ii)) 湖南金方尚藥醫藥有限公司 (wholly-owned domestic enterprise)	The PRC	RMB18,000,000	RMB18,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products
Folding Space (Cayman) Ltd (Note (iii))	Cayman	USD36,609,777.79	N/A	100%	85.64%	Investment holding
Folding space (HK) Limited (Note (iii))	Hong Kong	USD36,599,137.34	N/A	100%	85.64%	Investment holding
Hunan Folding Space Pharmaceutical Co., Ltd. (Note (iii)) 湖南空間折疊醫藥有限責任公司 (wholly-owned domestic enterprise)	The PRC	USD36,306,817.61	USD45,000,000	100%	85.64%	Investment holding
Hunan Yikuai Pharmaceutical Technology Co., Ltd. (Note (iii)) 湖南一塊醫藥科技有限公司 (wholly-owned domestic enterprise)	The PRC	RMB26,000,000	RMB30,000,000	100%	100%	Wholesale of pharmaceutical and healthcare products

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38. PARTICULARS OF SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES (CONTINUED)

Details of the subsidiaries directly and indirectly held by the Company are set out below: (Continued)

Name of subsidiaries	Place of incorporation/ registration/ operations	Paid up/ issued capital	Registered capital	Proportion ownership interest attributable by the Company As at 31 December		Principal activities
				2025	2024	
Hunan Yizheng Biotechnology R&D Co., Ltd. (Note (iii)) 湖南壹正生物科技研發有限公司 (Incorporated domestic enterprise)	The PRC	RMB10,000,000	RMB10,000,000	70%	70%	Wholesale of pharmaceutical and healthcare products
Hunan Folding Space Internet Technology Co., Ltd. (Note (iii)) 湖南空間折疊互聯網科技有限公司 (Incorporated domestic enterprise)	The PRC	RMB5,673,077	RMB5,673,077	99%	99%	Wholesale of pharmaceutical and healthcare products
Hunan Yikuai Logistics Information Consulting Co., Ltd. (Note (iii)) 湖南一塊物流信息諮詢有限公司 (wholly-owned domestic enterprise)	The PRC	nil	RMB2,000,000	100%	99%	Logistic services
Xiamen Yaozhan Pharmaceutical Co., Ltd. 廈門藥棧醫藥有限公司 (Note (i)) (wholly-owned domestic enterprise)	The PRC	nil	RMB1,000,000	100%	N/A	Retail of pharmaceutical and healthcare products

Notes:

- (i) These subsidiaries were newly established by the Group during the year ended 31 December 2025.
- (ii) The Group acquired 100% of the interest of this company from third party during the year ended 31 December 2024.
- (iii) The Group acquired the interest of these companies from an independent third party during the year ended 31 December 2024. Details of the acquisition are set out in Note 31. During the year ended 31 December 2025, the Group increased of the proportion ownership interest in these subsidiaries with the settlement of deferred consideration and the completion of the administrative registration procedures.

All subsidiaries listed in the above table established in the PRC are limited liability companies.

The voting power of the subsidiaries held by the Company are same with the ownership interest held by the Company.

None of the subsidiaries and consolidated affiliated entities had issued any debt securities at the end of the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current assets		
Investments in subsidiaries	3,933,836	3,876,679
Other financial assets at amortised cost	152,351	–
	4,086,187	3,876,679
Current assets		
Other receivables	2,085	232
Amount due from subsidiaries	362,654	279,267
Bank balances and cash	72,411	23,227
	437,150	302,726
Current liabilities		
Other payables	(76,715)	(44,616)
Amount due to subsidiaries	(676,918)	(297,130)
	(753,633)	(341,746)
Net current liabilities	(316,483)	(39,020)
Total assets less current liabilities	3,769,704	3,837,659
Non-current liability		
Contingent consideration payables	(69,575)	(108,691)
Net assets	3,700,129	3,728,968
Capital and reserves		
Share capital	12	12
Reserves	3,700,117	3,728,956
Total equities	3,700,129	3,728,968

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in the Company's reserves is as follows:

	Share premium RMB'000	Deferred consideration shares RMB'000	Share-based payments reserves RMB'000	Treasury shares RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	9,370,430	–	150,494	(4,829)	(6,148,819)	3,367,276
Loss and total comprehensive expense for the year	–	–	–	–	(7,607)	(7,607)
Acquisition of subsidiaries (Note 31)	184,024	41,770	–	–	–	225,794
Recognition of equity-settled share-based payments (Note 29)	–	–	137,692	–	–	137,692
Purchase of shares for the award share scheme (Note 28)	–	–	–	(2,210)	–	(2,210)
Exercise of share options and vesting of RSUs (Note 29)	70,568	–	(62,322)	(235)	–	8,011
At 31 December 2024	9,625,022	41,770	225,864	(7,274)	(6,156,426)	3,728,956
Loss and total comprehensive expense for the year	–	–	–	–	(129)	(129)
Dividends recognised as distribution (Note 12)	(50,786)	–	–	–	–	(50,786)
Acquisition of subsidiaries (Note 31)	20,589	(2,906)	–	–	–	17,683
Recognition of equity-settled share-based payments (Note 29)	–	–	64,128	–	–	64,128
Repurchase of shares (Note 28)	–	–	–	(65,816)	–	(65,816)
Cancellation of shares repurchased (Note 28)	(40,681)	–	–	40,681	–	–
Exercise of share options and vesting of RSUs (Note 29)	89,166	–	(84,307)	1,222	–	6,081
At 31 December 2025	9,643,310	38,864	205,685	(31,187)	(6,156,555)	3,700,117

40. SUBSEQUENT EVENTS

There have been no material subsequent events identified subsequent to 31 December 2025.

Financial Summary

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below:

	Year Ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	20,969,650	17,903,608	16,972,276	14,274,810	10,093,538
Gross profit	2,306,982	1,813,451	1,740,923	1,434,717	913,830
Profit (loss) before tax	137,045	14,368	(3,210,197)	(1,496,867)	(503,074)
Income tax credit (expense)	8,937	713	(3,690)	(3,171)	1,454
Profit (loss) for the year	145,982	15,081	(3,206,507)	(1,500,038)	(501,620)
Profit (loss) and total comprehensive income for the year attributable to:					
Owners of the Company	152,965	30,013	(3,189,212)	(1,488,688)	(494,041)
Non-controlling interests	(6,983)	(14,932)	(17,295)	(11,350)	(7,579)
Profit (loss) and total comprehensive income (expense) for the year	145,982	15,081	(3,206,507)	(1,500,038)	(501,620)
Earnings (Loss) per share (basic, RMB)	0.22	0.05	(8.26)	(11.88)	(3.94)
Earnings (Loss) per share (diluted, RMB)	0.22	0.05	(8.26)	(11.88)	(3.94)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2025 RMB'000	Year Ended 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Assets					
Non-current assets	1,561,332	1,326,676	348,803	423,749	863,865
Current assets	6,001,211	5,168,431	4,863,040	3,684,991	2,572,700
Total assets	7,562,543	6,495,107	5,211,843	4,108,740	3,436,565
Liabilities					
Non-current liabilities	272,052	353,704	92,201	102,718	119,529
Current liabilities	4,904,298	3,872,759	3,236,104	8,375,732	6,225,525
Total liabilities	5,176,350	4,226,463	3,328,305	8,478,450	6,345,054
Equities					
(Deficits)/equities attributable to owners of the Company	2,443,318	2,319,063	1,919,762	(4,350,781)	(2,900,910)
Non-controlling interests	(57,125)	(50,419)	(36,224)	(18,929)	(7,579)
Total (deficits) equities	2,386,193	2,268,644	1,883,538	(4,369,710)	(2,908,489)
Total equities and liabilities	7,562,543	6,495,107	5,211,843	4,108,740	3,436,565

Definitions

"Audit Committee"	the audit committee of the Company
"Award Shares"	the Shares underlying an award granted under the 2023 Share Incentive Plan, which includes new Shares or existing Shares
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules (as amended, supplemented or otherwise modified from time to time)
"China" or the "PRC"	the People's Republic of China, and for the purpose of this annual report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time)
"Company", "our Company" or "the Company"	YSB Inc. (藥師幫股份有限公司) (formerly known as YSB Capital Limited), a limited liability company incorporated under the Laws of the Cayman Islands on 27 August 2018, the shares of which are listed on the Main Board of the Stock Exchange under the stock code "9885"
"Consolidated Affiliated Entity(ies)"	Guangzhou Sudao, Guangzhou Yaobang and their subsidiaries and affiliated entities, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of the Company by virtue of contractual arrangements
"Director(s)"	the director(s) of the Company
"Environmental, Social and Corporate Governance Committee"	the environmental, social and corporate governance committee of the Company
"FY"	financial year ended 31 December
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our", "our Group", "the Group", "us" or "we"	the Company and its subsidiaries and 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

“Guangzhou Sudao”	Guangzhou Sudao Information Technology Co., Ltd. (廣州速道信息科技有限公司)
“Guangzhou Yaobang”	Guangzhou Yaobang Information Technology Co., Ltd. (廣州藥幫信息科技有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offering”	has the meaning ascribed to it in the Prospectus
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“International Offering”	has the meaning ascribed to it in the Prospectus
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Date”	28 June 2023, the date on which our Shares were listed and on which dealings in our Shares were first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Mr. Zhang”	Mr. Buzhen Zhang (張步鎮), the founder, executive Director, Chairman of the Board and Chief Executive Officer of the Company
“Nomination Committee”	the nomination committee of the Company
“Prospectus”	the Company’s prospectus dated 15 June 2023, a copy of which is available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk
“Remuneration Committee”	the remuneration committee of the Company

Definitions

"Reporting Period"	the financial year ended 31 December 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time)
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US\$0.0000025 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), and includes the consolidated affiliated entities and any other entity the financials of which are consolidated into the accounts of the Company
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"U.S. dollars" or "US\$"	United States dollars, the lawful currency of the United States
"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"2019 Share Incentive Plan"	the share incentive plan approved and adopted by the Company and effective since 1 January 2019 (as amended from time to time), the principal terms of which are set out in "Statutory and general information – Share Incentive Plans" in Appendix IV of the Prospectus
"2023 Share Incentive Plan"	the share incentive plan approved and adopted by the Company and effective upon Listing, which constitutes a share scheme under Chapter 17 of the Listing Rules, the principal terms of which are set out in "Statutory and general information – Share Incentive Plans" in Appendix IV of the Prospectus
"%"	per cent