ClouDr Group Limited
智雲健康科技集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9955)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024 AND DISCLOSEABLE TRANSACTIONS

The board (the "**Board**") of directors (the "**Directors**") of ClouDr Group Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") is pleased to announce the annual results of the Group for the year ended December 31, 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended December 31, 2023. The results have been reviewed by the Company's audit committee.

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

FINANCIAL HIGHLIGHTS

	Year ended December 31		
	2024	2023	Change (%)
	RMB'000	*RMB'000*	
Revenue	**3,488,094**	3,690,536	(5.5)
Gross profit	**861,672**	909,382	(5.2)
Operating loss	**(376,141)**	(314,242)	19.7
Loss for the year	**(491,390)**	(327,344)	50.1
Adjusted net loss (non-IFRS measure)[1]	**(116,093)**	(75,100)	54.6

	Year ended December 31		
	2024	2023	Change (%)
	RMB'000	*RMB'000*	
Revenue by product or service type	**3,488,094**	3,690,536	(5.5)
— In-hospital Solution	**2,683,282**	2,873,056	(6.6)
Value Added Solution	**2,115,411**	2,304,597	(8.2)
Subscription Solution (i.e. Targeted Marketing)	**281,903**	467,210	(39.7)
P2M Solution[2]	**285,968**	101,249	182.4
— Out-of-hospital Solution	**804,812**	817,480	(1.5)
Subscription Solution	**57,347**	59,095	(3.0)
Value Added Solution	**591,667**	599,488	(1.3)
P2M Solution	**34,428**	—	N/A
Others	**121,370**	158,897	(23.6)

Note:

(1) We define "adjusted net loss (non-IFRS measure)" as loss for the year and adding back (i) share-based payment expenses, (ii) expense related to subsidiaries' equity financing activities, (iii) change in the carrying amounts of financial instruments issued to investors, (iv) impairment loss recognised on the assets related to certain subsidiaries of proposed disposals and on the assets held for sale.

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

The Board does not recommend the distribution of a final dividend for the year ended December 31, 2024.

BUSINESS REVIEW AND OUTLOOK

Overview

We are the largest digital chronic condition management solution provider in China, in terms of numbers of SaaS (Software as a Service) installations in hospitals and pharmacies, each as of December 31, 2024, and numbers of online prescriptions issued through our services in 2024. As an industry pioneer and leader, the Company has its roots in serving and digitizing major participants in the value chain, including hospitals, pharmacies, pharmaceutical companies, patients and doctors.

We have strong AI capabilities based on massive real medical data we have processed through our hospital SaaS and have obtained through online prescription using pharmacy SaaS networks.

Hospital is of the utmost importance in the China's healthcare value chain, which has extremely high barrier to entry. By December 31, 2024, we have installed our chronic condition management SaaS in more than 2,700 hospitals, which represents more than 40% of top 100 hospitals and more than 20% penetration in tier 3 hospitals. Our hospital SaaS enables hospitals to standardize and optimize diagnosis procedures and improve treatment efficiency and reduce medical errors by automating and standardising electronic health records, prescriptions, testing results, and other medical data.

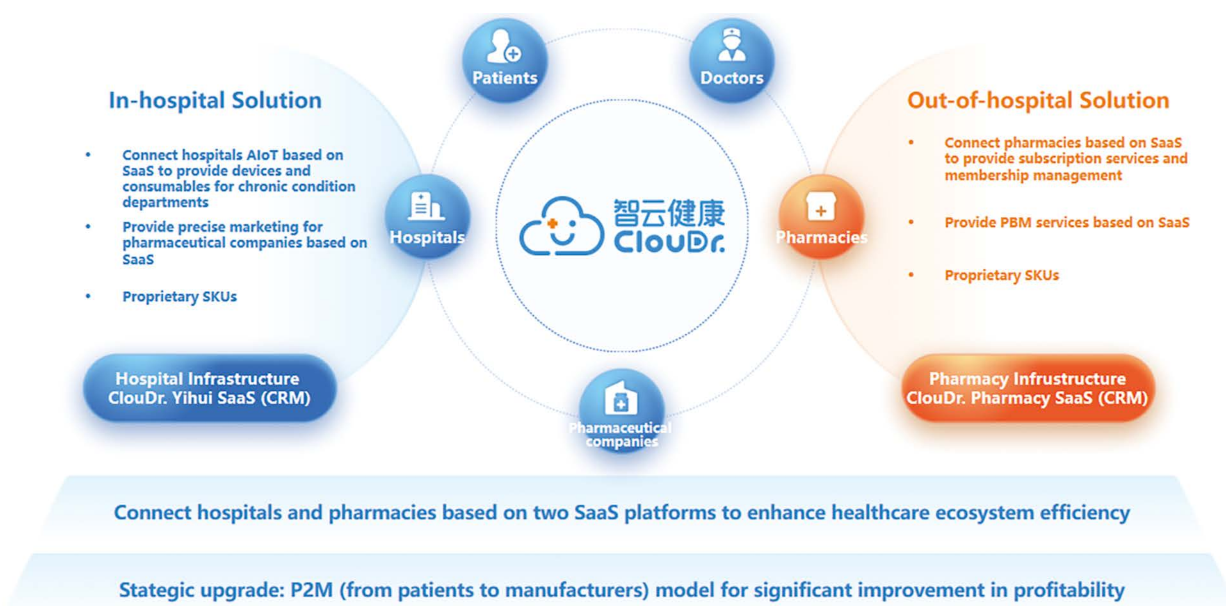
On the pharmacy side, by December 31, 2024, we have installed our pharmacy SaaS in 242,650 pharmacies, which represents more than one-third penetration of total pharmacies in China. We issued over one billion prescriptions cumulatively through our internet hospitals, and our maximum number of daily prescriptions exceeded one million in the last quarter of 2024. Our pharmacy SaaS allows every customer, especially chronic condition patients, once they walk into the pharmacy, to have the immediate access to our internet hospitals and get the online diagnosis and prescriptions so they can purchase prescribed drugs in the pharmacy.

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

During the Reporting Period, the ClouD GPT model consistently provided clinical decision support to doctors at hospitals and monetized through digital marketing efforts. In pharmacies, it assisted in prescription review using a "traffic light" mechanism and successfully deployed the first digital employee, resulting in significant savings in manpower and compliance costs for the Company. The ClouD DTx model published seven articles in top international journals, including four in Journal Citation Reports ("**JCR**") first quarter journals and three in JCR third quarter journals. It also helped in indication expansion to Parkinson's disease of our proprietary product Ischelium®.

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

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



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

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

In 2024, the Company implemented a solid transformation of in-hospital solution with continuously improved efficiency and significantly optimised business structure. We planned to reduce the businesses of sales of medical supplies and consumables which have weaker strategic relevance and lower profitability, and focused more on high-value AI-driven "from patients to manufacturers" ("**P2M**") solution. We believe the transformation is for the benefit of long-term healthy growth of the Company, resulting in better resource allocation and positive operating cash flow. In the short term, the transformation will be focused on the P2M strategy to achieve healthy cash flow; in the mid-long term, it will target data assets monetisation; and in the long term, we believe the transformation will lead us to achieve a closed-loop of individual chronic condition management by connecting hospital, pharmacy, pharmaceutical companies, patients and payers via healthcare data sharing.

The AI-driven P2M strategy is based on our solid infrastructure in both in-hospital scenarios and out-of-hospital scenarios. Under such strategy, we are able to sell proprietary products of which the Company has ownership, sales rights or other exclusive rights through strategic cooperation with pharmaceutical companies, and we believe this strategy will lead us to the path of profitability. With the steady revenue growth of Ischelium® and the launch of Hetangjing®, our P2M solution has already realised a total revenue of RMB320.4 million and has achieved profitability as of December 31, 2024. We have already become the gateway for industrial enterprises to enter into hospitals and pharmacies based on our broad and in-depth hospital network and pharmacy network. As a result, our digitization capability can connect industrial enterprises with end hospitals and pharmacies, and ultimately bring high-quality products with competitive pricing and high convenience to patients with chronic conditions.

License agreement for iloprost solution for infusion

To expand our P2M pipeline, on June 23, 2024, the Company entered into a license Agreement with Clinect Pty Ltd (as the licensor) and Bluefly Consulting Limited (as the seller), pursuant to which, amongst other things, the Company acquired an exclusive sub-licensable license for the development, manufacturing, marketing, promotion, distribution, and sale of iloprost solution for infusion, in any forms, presentations, strengths, concentrations, delivery technologies, dosages, formulations, package configuration and modalities (the "**Products**") within China (for the purpose of the license agreement only, excludes Taiwan but includes Hong Kong and the Macao Special Administrative Regions).

The Products developed by the licensor are the only type of generic drug in the world and there is currently no injectable products with the same content in the Chinese market. After being approved and launched, the Products are expected to meet the clinical needs of prostacyclin analogue injectable therapy for patients with severe pulmonary arterial hypertension and New York Heart Association (NYHA) Class IV heart function; improving blood supply in patients with thromboangiitis obliterans (also known as Buerger's disease); and addressing symptoms and improving quality of life of patients with peripheral arterial occlusive disease.

Although the proposed first indication of the Products (pulmonary arterial hypertension) is a rare disease, the market size has exceeded US$12 billion globally. With the publication of the 2021 Pulmonary Arterial Hypertension Treatment Guidelines, awareness, diagnosis rate, and treatment rate in China are expected to increase continuously. It is anticipated that the market will maintain a compound annual growth rate of 30% over the next 5 years.

The Products, given its eligibility for orphan drug designation, will be allowed for expedited review and approval through priority review programs, thereby shortening the time for launch. It is expected that the Products, after launch, will be at a competitive price and help reduce the financial burden on patients in the Chinese market to some extent. Based on the expected market prices, number of patients, and estimated target patients, the revenue scale after the Products' launch is expected to be no less than that of the comparable products in the Chinese market.

The Company believes that the license agreement will broaden the portfolio of the Group's proprietary products, strengthen our research and development capabilities and deepen our strategic cooperation with pharmaceutical companies, which represents a further step to achieve our P2M strategy and is expected to bring additional revenue stream to the Group in the future and contribute to the long-term growth and success of the Group.

For further details of the license agreement, please refer to the announcement of the Company dated June 24, 2024.

During the Reporting Period, the Company updated the classification of its revenue by re-grouping its revenue into: (1) in-hospital solution and (2) out-of-hospital solution. Information that was previously presented under "pharmacy solution" and "individual chronic condition management solution and others" is now combined as "out-of-hospital solution", and information that was previously presented under "individual chronic condition management solution and others" is now presented under "out-of-hospital solution — others" as the revenue from the individual chronic condition management solution is not significant enough to be disclosed separately, as a result of the Company's proactive optimization of its revenue structure. The Company believes that the new classification better reflects the current status and future direction of the business development of the Group.

For the year ended December 31, 2024, our total revenue amounted to RMB3,488.1 million, representing a year-on-year decrease of 5.5%, mainly due to the decrease in value-added solution in both in-hospital solution and out-of-hospital solution as a result from strategic transformation. Our gross profit margin maintained stable with a year-on-year increase of 0.1 percentage points to 24.7%. Due to impairment loss recognised on the assets related to certain subsidiaries of proposed disposals, our net loss for the Reporting Period amounted to RMB491.4 million, representing a year-on-year increase of 50.1%. Due to below-expectation performance of subsidiaries involved in value-added solution at the background of the national centralized procurement using a volumed-based purchase ("**VBP**") (集中帶量採購) policy initiated by the NHSA (國家醫療保障局), our non-IFRS adjusted net loss amounted to RMB116.1 million, representing a year-on-year increase of 54.6%. We continued to serve more patients with chronic conditions, with the average daily online effective prescription volume surpassing 724,000 in 2024. For further details of the disposals of certain of our subsidiaries, please refer to the section headed "Discloseable Transactions" in this announcement.

In-hospital Solution

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

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

As of December 31, 2024, 2,738 hospitals had installed *ClouDr. Yihui* SaaS, including 822 Class III public hospitals and 1,140 Class II public hospitals. Additionally, 40 out of the 2,738 hospitals are China's top 100 hospitals.

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

The comprehensive value added solution include the SaaS system and hospital supplies, which are primarily related to chronic conditions and can be connected to our hospital SaaS through the proprietary AIoT devices. During the fourth quarter of 2024, we proactively reduced the value-added solution for the reasons that (1) we have already built up strong relationship with hospitals and doctors in the previous years and have tightly bonded with users, so the low-margin medical supply business is no longer our core business; and (2) headwinds from VBP for certain medical consumables impact growth potential. Notwithstanding the above, we continued to expand our hospital SaaS network and strengthen our relationships with hospitals by optimizing AI-driven functions for more precise and customised chronic condition management.

Leveraging our hospital network and hospital SaaS, we offer pharmaceutical companies subscription services, i.e., targeted marketing services, primarily for medicines related to chronic condition management. Our subscription services can help pharmaceutical companies achieve more effective marketing in a cost-saving way. With the advancement of the national medical system reform, there is an increase of pharmaceutical and medical device companies paying more attention to cost reduction and efficiency improvement, thus targeted marketing has greater room to grow continuously.

Under the upgraded P2M strategy, we recorded P2M solution as a new sub-business line since the financial year ended December 31, 2023, which is sales of proprietary products. During the Reporting Period, this sub-business line mainly includes our proprietary Ischelium®, a drug widely recognised by doctors for treating mild vascular dementia and cerebrovascular disease, and Hetangjing® Dapagliflozin Tablets, a first-line medication for improving glycemic control in adult patients with type 2 diabetes. We believe that P2M solution is an upgraded version of targeted marketing, given that we have stronger relationships with pharmaceutical companies and more involvement in the process including but not limited to research and development, manufacturing, sales and marketing, etc.

As of December 31, 2024, we had contracted with 45 pharmaceutical companies to provide them with targeted marketing services, which represented an increase of 15.4% as compared to that as of December 31, 2023, showing that our strong hospital access capability through AI-driven SaaS network has been recognised by more pharmaceutical companies. The total partnered SKUs reached 55 as of December 31, 2024, which represented a decrease of 6.8% as compared to that as of December 31, 2023, mainly due to the impact from VBP. Due to VBP and resource allocation for the ramp-up of P2M solution, revenue from subscription solution decreased during the Reporting Period. The revenue from our subscription solution amounted to RMB281.9 million, representing a decrease of 39.7% as compared to that as of December 31, 2023, whilst the revenue from our P2M solution amounted to RMB286.0 million, representing a significant increase of 182.4% as compared to the year ended December 31, 2023.

The AI-driven hospital SaaS significantly improved our customer stickiness for monetisation opportunities. Our in-hospital solution has allowed us to successfully build deep connections with hospitals and pharmaceutical companies, laying a solid foundation to extend our businesses to out-of-hospital settings. For the year ended December 31, 2024, the number of hospitals that installed our *ClouDr. Yihui* SaaS reached 2,738, representing an increase of 19 hospitals, or 0.7% as compared to the year ended December 31, 2023.

	Year ended December 31		
	2024	2023	Change (%)
	RMB'000	*RMB'000*	
Revenue			
In-hospital solution	**2,683,282**	2,873,056	(6.6)
Value Added Solution	**2,115,411**	2,304,597	(8.2)
Subscription Solution (i.e. Targeted Marketing)	**281,903**	467,210	(39.7)
P2M Solution	**285,968**	101,249	182.4
Gross profit			
In-hospital solution	**675,928**	793,635	(14.8)
Value Added Solution	**217,556**	283,536	(23.3)
Subscription Solution (i.e. Targeted Marketing)	**250,515**	427,730	(41.4)
P2M Solution	**207,857**	82,369	152.3
Gross margin			
In-hospital solution	**25.2%**	27.6%	(2.4)
Value Added Solution	**10.3%**	12.3%	(2.0)
Subscription Solution (i.e. Targeted Marketing)	**88.9%**	91.5%	(2.6)
P2M Solution	**72.7%**	81.4%	(8.7)

	Year ended December 31		
	2024	2023	Change (%)
Number of hospital that installed our hospital SaaS[(1)]	**2,738**	2,719	0.7
Subscription Solution — Number of partnered pharmaceutical companies[(2)]	**45**	39	15.4
Subscription Solution — Number of partnered SKUs[(3)]	**55**	59	(6.8)

Notes:

(1) Number of hospitals that installed our hospital SaaS is the cumulative total number as of the end date of the respective year.

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

(3) Number of SKUs marketed through targeted marketing services during the respective year.

Out-of-hospital Solution

Our integrated out-of-hospital solution fulfills chronic condition patients' need for out-of-hospital consultation, prescription services, and insurance services through pharmacy SaaS, pharmacy supplies of medical devices, consumables, pharmaceuticals, insurance products and miscellaneous.

Our pharmacy SaaS, *ClouDr. Pharmacy*, was launched in the first half of 2019. It plays a critical role in our out-of-hospital medical services by empowering pharmacies with in-store, real-time consultation and prescription services for walk-in customers. We currently have two internet hospitals as part of our platform to deliver these services in compliance with relevant regulations. These internet hospitals allow us to provide online consultation and prescription services through our online applications to patients in different provinces across China. We had approximately 106,900 registered doctors and approximately 38.4 million registered users as of December 31, 2024. During the Reporting Period, the number of online prescriptions provided through our services reached 264.4 million, i.e. the average daily online prescription volume surpassed 724,000, representing a significant year-on-year increase of 43%, which proves the high customer recognition of our pharmacy SaaS. We also provide advanced features, such as a new retail function that offers e-commerce solutions on private domain traffic management such as WeChat mini programs, public domain traffic management and inventory management services. Our pharmacy SaaS has also integrated risk pooling of outpatient services in 10 provinces. As of December 31, 2024, 242,650 pharmacies had installed *ClouDr. Pharmacy*, representing an increase of 22,934 pharmacies from that as of December 31, 2023, covering approximately 36% of pharmacies in China.

Leveraging the data insights generated from the pharmacy SaaS prescription services, we effectively connect pharmaceutical companies and pharmacies for pharmacy supplies purchases. The number of transacting customers for our pharmacy supplies amounted to 1,278 customers for the year ended December 31, 2024, representing an increase of 46 customers, or 3.7% as compared to that for the year ended December 31, 2023.

The revenue of our out-of-hospital subscription solution business line amounted to RMB57.3 million, representing a decrease of 3.0% as compared to that for the year ended December 31, 2023, due to market competition. The revenue of our out-of-hospital value-added solution business line amounted to RMB591.7 million, representing a decrease of 1.3% as compared to that for the year ended December 31, 2023, due to the shift of our strategic focus to P2M solution. We added a new business line of P2M solution under Pharmacy Solution, due to its significant contribution during the Reporting Period and its strategic importance in the future. Revenue from the P2M Solution amounted to RMB34.4 million for the year ended December 31, 2024.

	Year ended December 31		
	2024	2023	Change (%)
	RMB'000	*RMB'000*	
Revenue			
Out-of-hospital solution	**804,812**	817,480	(1.5)
Subscription Solution	**57,347**	59,095	(3.0)
Value Added Solution	**591,667**	599,488	(1.3)
P2M Solution	**34,428**	—	N/A
Others	**121,370**	158,897	(23.6)
Gross profit			
Out-of-hospital solution	**185,744**	115,747	60.5
Subscription Solution	**56,132**	58,493	(4.0)
Value Added Solution	**55,844**	12,536	345.5
P2M Solution	**20,407**	—	N/A
Others	**53,361**	44,718	19.3
Gross margin			
Out-of-hospital solution	**23.1%**	14.2%	8.9
Subscription Solution	**97.9%**	99.0%	(1.1)
Value Added Solution	**9.4%**	2.1%	7.3
P2M Solution	**59.3%**	—	N/A
Others	**44.0%**	28.1%	15.9

	Year ended December 31		
	2024	2023	Change (%)
Number of pharmacy stores that installed our pharmacy SaaS(1)	**242,650**	219,716	10.4
Number of registered users (in millions)(2)	**38.4**	31.2	23.2
Number of registered doctors (in thousands)(3)	**106.9**	102.6	4.2
Number of online prescriptions (in millions)	**264.4**	184.9	43.0
Subscription Solution — Number of SaaS-paying pharmacy stores	**127,452**	97,671	30.5
Value Added Solution — Number of transacting customers	**1,278**	1,232	3.7
Value Added Solution — Average revenue per transacting customer (in thousands)	**490**	487	0.6

Notes:

(1) Number of pharmacy stores that installed our pharmacy SaaS is the cumulative total number as of the end date of the respective year.

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

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

Significant Events/Recent Developments after the Reporting Period

In January 2025, Polifarma (Nanjing) Pharmaceutical Co., Ltd. ("**Polifarma**"), a subsidiary of the Company, was successfully selected for the 2024 Jiangsu Province "Specialized, Refined, Distinctive and New Small and Medium-sized Enterprise list" as announced by the Industry and Information Technology Department of Jiangsu (江蘇省工業和信息廳), which honors its advanced global-standard quality system, regained production procedures, specialized product features and innovative digital research and development. With the recognition and commendation of the government, Polifarma is committed to becoming a leader in the intelligent pharmaceutical industry to provide patients with safer and more effective drugs.

On March 17, 2025, the issue of convertible bonds with an aggregate principal amount of US$4,500,000 was completed. Based on the initial conversion price of HK$2.10 per conversion share, the convertible bonds can be converted into a total of 16,645,500 conversion shares, representing approximately 2.58% of the existing issued share capital of the Company and approximately 2.51% of the issued share capital of the Company as enlarged by the issue of the conversion shares. The conversion shares will be allotted and issued pursuant to the General Mandate. The Company intends to use the raised net proceeds in the following manner: (1) approximately US$2.25 million for the development of the Group's ordinary business, including P2M pipeline development and pharmacy SaaS (software as a service) expansion, etc.; and (2) approximately US$2.25 million for general working capital purposes. For further details of the issue of convertible bonds, please refer to the Company's announcements dated March 10, 2025 and March 17, 2025.

Business Outlook

We intend to focus on the following key strategies to solidify our leadership position in China's chronic condition management market: (1) continue to solidify our hospital SaaS and pharmacy SaaS infrastructure, (2) continue to build up a strong pipeline for proprietary products under the P2M strategy to drive monetization, (3) continue to invest in product and technology innovation with a focus on medical AI, (4) continue to grow our number of patient and doctor users, and (5) continue to invest in strategic partnership and acquisitions.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues decreased by 5.5% from approximately RMB3,690.5 million for the year ended December 31, 2023 to approximately RMB3,488.1 million for the year ended December 31, 2024. The decrease was primarily attributable to the decrease in value-added solution in both in-hospital solution and out-of-hospital solution as a result of a strategic transformation in our business to support our long-term strategies that focuses on (a) technological improvement of AI-driven SaaS; and (b) P2M pipeline enrichment and monetisation.

In-hospital solution. Revenue from the in-hospital solution decreased by 6.6% from approximately RMB2,873.1 million for the year ended December 31, 2023 to approximately RMB2,683.3 million for the year ended December 31, 2024, primarily due to the declined revenue contribution from sales of medical devices and consumables which are of low strategic importance with low margin.

Out-of-hospital solution. Revenue from the out-of-hospital solution decreased by 1.5% from approximately RMB817.5 million for the year ended December 31, 2023 to approximately RMB804.8 million for the year ended December 31, 2024, primarily due to our proactive decision to reduce some low margin value added solution and to focus on pharmacy P2M solution. The installed base of our pharmacy SaaS continued to enlarge to 242,650 pharmacies, representing a 10.4% year-on-year growth, showing our solid leading position in the industry.

Cost of sales

Our cost of sales decreased by 5.6% from approximately RMB2,781.2 million for the year ended December 31, 2023 to approximately RMB2,626.4 million for the year ended December 31, 2024. The extent of the decrease in cost of sales was in line with the extent of the decrease in revenue.

Gross profit and gross margin

As a result of the foregoing, our overall gross profit for the year ended December 31, 2023 and 2024 were approximately RMB909.4 million and approximately RMB861.7 million, respectively, and our overall gross margin for the same periods were 24.6% and 24.7%, respectively. The improvement of our overall gross margin was mainly attributable to the improved gross margin in out-of-hospital solution.

In-hospital solution. Our gross margin for the in-hospital solution decreased from 27.6% for the year ended December 31, 2023 to 25.2% for the year ended December 31, 2024, primarily attributable to the revenue mix between the in-hospital subscription solution and the in-hospital value added solution and the VBP impact on the margin of the value-added solution.

Out-of-hospital solution. Our gross margin for the out-of-hospital solution increased from 14.2% for the year ended December 31, 2023 to 23.1% for the year ended December 31, 2024, primarily due to higher quality growth of the value-added solution of the out-of-hospital business and the launch of P2M solution in pharmacies.

Selling and marketing expenses

Our selling and marketing expenses decreased by 2.2% from approximately RMB828.8 million for the year ended December 31, 2023 to approximately RMB810.5 million for the year ended December 31, 2024, primarily attributable to economies of scale and refined expense management. More than 75.3% of our selling and marketing expenses are people related costs (including share-based payment expenses).

The selling and marketing expense to revenue ratio increased from 21.5% for the year ended December 31, 2023 to 22.3% for the year ended December 31, 2024, due to the decrease of revenue.

Administrative expenses

Our administrative expenses significantly decreased by 31.8% from RMB340.2 million for the year ended December 31, 2023 to RMB232.0 million for the year ended December 31, 2024. The decrease was primarily attributable to the decrease of share-based payment expenses.

The administrative expenses to revenue ratio increased from 3.7% for the year ended December 31, 2023 to 4.0% for the year ended December 31, 2024, due to the decrease of revenue.

Research and development expenses

Our research and development expenses decreased from approximately RMB88.0 million for the year ended December 31, 2023 to approximately RMB75.4 million for the year ended December 31, 2024. The decrease was primarily due to the maturity of our SaaS products which require less research and development investment. The majority of our research and development expenses are AI-related.

The research and development expense to revenue ratio for the year ended December 31, 2023 and for the year ended December 31, 2024 was 2.0% and 2.0%, respectively.

Loss from operations

As a result of the foregoing, our loss from operations increased by 19.7% from approximately RMB314.2 million for the year ended December 31, 2023 to approximately RMB376.1 million for the year ended December 31, 2024. The increase was due to comprehensive results of the decrease of revenue, the increase of impairment loss recognised on the assets related to certain subsidiaries of proposed disposals, and the decrease of operating expenses.

Finance costs

Our finance costs increased by 44.8% from approximately RMB11.5 million for the year ended December 31, 2023 to approximately RMB16.6 million for the year ended December 31, 2024, primarily attributable to higher interest expense resulting from an increase in bank and other loans to support our business expansion.

Change in the carrying amounts of financial instruments issued to investors

We recorded change in the carrying amounts of financial instruments issued to investors of a loss of approximately RMB1.6 million and a loss of approximately RMB13.0 million for the year ended December 31, 2023 and 2024, respectively. The losses were due to the amortised interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights, which was recognised as financial instruments issued to investors. The increase was mainly due to the recognition of financial instruments issued to investors upon the completion of the equity financing in the fourth quarter of 2024.

Impairment loss on trade receivables and other receivables

We recorded impairment loss on trade receivables and other receivables of approximately RMB116.0 million and RMB10.2 million for the year ended December 31, 2024 and the year ended December 31, 2023 respectively. The change was primarily due to the impairment loss recognised on the assets related to certain subsidiaries of proposed disposals.

Impairment loss recognised on non-current assets and assets held for sale

We recorded impairment loss recognised on non-current assets and assets held for sale of approximately RMB83.5 million and nil for the year ended December 31, 2024 and the year ended December 31, 2023 respectively. The change was primarily as a result of recognising impairment loss on the assets related to certain subsidiaries of proposed disposals.

Income tax

We recorded income tax expenses of approximately RMB18,000 and RMB2.1 million respectively for the year ended December 31, 2023 and for the year ended December 31, 2024. The change was primarily due to an increase in income tax arising from net profit from certain subsidiaries and consolidated affiliated entities of the Group and the changes of deferred tax liabilities.

Loss for the year

As a result of the foregoing, our loss increased by 50.1% from approximately RMB327.3 million for the year ended December 31, 2023 to approximately RMB491.4 million for the year ended December 31, 2024. The increase was primarily due to impairment loss recognised on the assets related to certain subsidiaries of proposed disposals. For further details of the disposal of certain of our subsidiaries, please refer to the section headed "Discloseable Transactions" in this announcement.

Adjusted Net Loss (Non-IFRS Measure)

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

We define "adjusted net loss (non-IFRS measure)" as loss for the year and adding back (1) share-based payment expenses, (2) expense related to subsidiaries' equity financing activities, (3) change in the carrying amounts of financial instruments issued to investors and (4) impairment loss recognised on the assets related to certain subsidiaries of proposed disposal and on the assets held for sale. The impairment loss recognised on the assets related to certain subsidiaries of proposed disposal and on the assets held for sale is included for the Reporting Period as the loss is one-off in nature and not indicative of our key operational performance.

For the years ended December 31, 2023 and 2024, our adjusted net loss (non-IFRS measure) was approximately RMB75.1 million and RMB116.1 million, respectively.

The following table sets forth the reconciliations of our non-IFRS financial measure for the years ended December 31, 2023 and 2024 to the nearest measure prepared in accordance with IFRS Accounting Standards:

	Year ended December 31	
	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(491,390)**	(327,344)
Add:		
Share-based payment related items[(1)]	**130,923**	232,080
Expense related to subsidiaries' equity financing activities[(2)]	**249**	18,574
Change in the carrying amounts of financial instruments issued to investors[(3)]	**13,032**	1,590
Impairment loss recognised on the assets related to certain subsidiaries of proposed disposals and on the assets held for sale[(4)]	**231,093**	—
Adjusted net loss (non-IFRS measure)	**(116,093)**	(75,100)
Adjusted net loss margin (non-IFRS measure) (%)[(5)]	**(3.3)**	(2.0)

Notes:

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

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

(3) Change in the carrying amounts of financial instruments issued to investors represents the amortised interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights, which was recognized as financial instruments issued to investors. Such change is non-cash in nature.

(4) Impairment loss recognised on the assets related to certain subsidiaries of proposed disposals and on the assets held for sale, which are one-off in nature, and are not indicative of our key operational performance.

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

Liquidity and capital resource

During the year ended December 31, 2024, we funded our cash requirements principally from capital contribution from shareholders and bank loans. We had cash and cash equivalents of approximately RMB243.4 million and approximately RMB304.8 million as of December 31, 2023 and December 31, 2024, respectively. In addition, we had RMB222.4 million financial assets measured at fair value and RMB5.0 million time deposits with initial term over three months as of December 31, 2024, and those financial assets are short term and for treasury management purposes.

As of December 31, 2024, we had bank and other loans of RMB340.2 million (as of December 31, 2023: RMB235.0 million). Borrowings are classified as current liabilities and non-current liabilities. RMB331.0 million are repayable within one year and RMB9.3 million are payable over one year as of December 31, 2024. The effective annual interest rates of borrowings ranged from 3.15% to 5.6% as of December 31, 2024.

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

Significant investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at December 31, 2024) during the year ended December 31, 2024.

Material acquisitions and disposals

On January 12, 2024, the Group entered into a capital increase agreement and a shareholders' agreement with (among others) certain investors in respect of an injection of capital to its indirect non-wholly owned subsidiary, Anhui Zhiyi Huiyun Technology Co., Ltd.* (安徽智醫慧雲科技有限公司) ("**Anhui Zhiyi Huiyun**"), which is principally engaged in the provision of supplies and SaaS services, targeted marketing services to pharmaceutical companies, sale and marketing of products, and other businesses related to chronic condition management. The pre-investment valuation of the entire equity interest of Anhui Zhiyi Huiyun was approximately RMB4.5 billion as of May 31, 2023 based on a market approach. Pursuant to the capital increase agreement, the investors made capital contributions in the aggregate amount of RMB200,000,000 by way of cash contribution in return for approximately 4.26% equity interest in aggregate in the enlarged registered capital of Anhui Zhiyi Huiyun. The capital increase enhanced the cash position of Anhui Zhiyi Huiyun and provided additional source of funds required for the long-term growth of Anhui Zhiyi Huiyun and its subsidiaries. For further details, please refer to the announcement of the Company dated January 12, 2024.

Save as disclosed above and in the section headed "Discloseable Transactions" in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures for the year ended December 31, 2024 and up to the date of this announcement.

Pledge of assets

As at December 31, 2024, approximately RMB19.4 million of property, plant and equipment were pledged as security for bank and other loans granted to the Group.

Future plans for material investments or capital asset

As at December 31, 2024, the Group did not have detailed future plans for material investments or capital assets.

Gearing ratio

The Group monitors capital on basis of the gearing ratio, which is calculated as dividing liabilities excluded financial instruments issued to investors by total assets. As at December 31, 2024, the gearing ratio was 42.1%, as compared with 33.2% as at December 31, 2023. The increase was primarily due to the increase of bank and other loans.

Foreign exchange exposure

During the year ended December 31, 2024, the Group mainly operated in China with most of the transactions settled in Renminbi ("**RMB**"). The functional currency of our Company and the subsidiaries and consolidated affiliated entities operating in China is RMB. Our management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our group entities. For the year ended December 31, 2024, we had currency translation gain of approximately RMB46,000, as compared with currency translation gain of approximately RMB282,000 for the year ended December 31, 2023. We did not hedge against any fluctuation in foreign currency during the years ended December 31, 2023 and 2024.

Contingent liabilities

As at December 31, 2024, we did not have any material contingent liabilities (as at December 31, 2023: nil).

Indebtedness

As at December 31, 2024, the Group had bank and other loans of RMB340.2 million and lease liabilities of RMB26.4 million, as compared to RMB235.0 million and RMB32.0 million, respectively, as at December 31, 2023.

Employees and remuneration

As at December 31, 2024, the Group had a total of 1,218 employees, of which 408 employees are in Hangzhou, 130 employees are in Shanghai and 680 employees are in other offices in China. The Group also had over 3,024 flexible staffing as of December 31, 2024 to support business penetration into lower tier cities, and to access over 11,000 hospitals and over 242,000 pharmacies.

The following table sets forth the total number of employees by function as at December 31, 2024:

Function	**Number of full-time employees**
Selling and marketing	1,007
Research and development	86
General and administrative	54
Others[1]	71
Total	1,218

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

[1] The total people related cost and full time staff cost exclude the costs related to the 71 employees in the manufacturing function which are included in the manufacturing cost.

The total people related cost incurred by the Group for the year ended December 31, 2024 was approximately RMB842.6 million, as compared to approximately RMB1,007.9 million for the year ended December 31, 2023. The full-time staff cost incurred for the year ended December 31, 2024 was approximately RMB504.4 million as compared to approximately RMB629.4 million for the year ended December 31, 2023. The flexible staffing cost incurred for the year ended December 31, 2024 was approximately RMB338.2 million as compared to approximately RMB378.5 million for the year ended December 31, 2023.

The Company has also adopted a pre-IPO equity incentive scheme, a post-IPO share award scheme and the 2025 share scheme.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

Compliance with the Code on Corporate Governance Practices

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

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

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

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

Compliance with the Model Code

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

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

Audit committee

The Company has established an audit committee comprising of three members, namely Mr. Zhang Saiyin, Dr. Hong Weili and Mr. Ang Khai Meng, with Mr. Zhang Saiyin (being our independent non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise) as chairman of the audit committee.

The Audit Committee, together with the senior management of the Company, has reviewed the accounting policies and practices adopted by the Group and the Group's consolidated financial information for the year ended December 31, 2024. The Audit Committee has reviewed the relevant financial statements prepared in accordance with IFRS Accounting Standards.

Auditor's scope of work

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year ended December 31, 2024. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

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

During the Reporting Period, 2,282,700 shares of the Company at an aggregate consideration of approximately HK$12.7 million were purchased by trustee of the Company's share scheme on the Stock Exchange to satisfy share awards to be vested in subsequent periods.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules). The Company did not hold any treasury shares as at December 31, 2024.

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 and up to the date of this announcement.

Use of proceeds from the global offering

On July 6, 2022, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering, after deducting the underwriting fees and other estimated expenses paid and payable by us in connection with the global offering and discretionary incentive fee, were approximately HK$425.7 million. As of the date of this announcement, there was no change in the intended use of proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated June 23, 2022. To the extent that the net proceeds are not immediately required for the intended purposes or if we are unable to put into effect any part of our plan as intended, we will hold such funds in short-term deposits in licensed bank(s) only so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. The Board currently expects full utilization of the proceeds by December 31, 2025.

Set out below is the status of use of proceeds from the global offering as at December 31, 2024.

Purpose	% of use of proceeds	Net proceeds *(HK$ million)*	Unutilized amount as at December 31, 2023 *(HK$ million)*	Utilized during the year ended December 31, 2024 *(HK$ million)*	Unutilized amount as at December 31, 2024 *(HK$ million)*
Business expansion	60%	255.4	185.7	98.5	87.2
To advance our medical know-how and technology capabilities to reinforce our leadership in the digital healthcare industry	25%	106.4	69.6	41.5	28.1
To broaden our ecosystem through strategic partnerships, investments and acquisitions in other businesses that complement our organic growth strategies	5%	21.3	—	—	—
Working capital and general corporate purposes	10%	42.6	30.2	30.2	—
Total	**100%**	**425.7**	**285.5**	**170.2**	**115.3**

Dividend

The Board does not recommend the distribution of a final dividend for the year ended December 31, 2024.

Closure of register of members

The Company's annual general meeting (the "**AGM**") will be held on Wednesday, June 11, 2025. The register of members of the Company will be closed from Friday, June 6, 2025 to Wednesday, June 11, 2025, both days inclusive, in order to determine the identity of the members who are entitled to attend the AGM, during which period no transfer of shares will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, June 5, 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2024

*(Expressed in Renminbi ("**RMB**"))*

	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*5*	**3,488,094**	3,690,536
Cost of sales		**(2,626,422)**	(2,781,154)
Gross profit		**861,672**	909,382
Other income and loss, net	*6*	**(3,874)**	43,559
Selling and marketing expenses		**(810,546)**	(828,760)
Administrative expenses		**(231,996)**	(340,200)
Research and development expenses		**(75,396)**	(88,042)
Impairment loss on trade receivables and other receivables		**(116,001)**	(10,181)
Loss from operations		**(376,141)**	(314,242)
Finance costs	*7(a)*	**(16,641)**	(11,494)
Change in the carrying amounts of financial instruments issued to investors		**(13,032)**	(1,590)
Impairment loss recognised on non-current assets		**(83,508)**	—
Loss before taxation		**(489,322)**	(327,326)
Income tax	*8*	**(2,068)**	(18)
Loss for the year		**(491,390)**	(327,344)
Attributable to:			
— Equity shareholders of the Company		**(516,409)**	(323,065)
— Non-controlling interests		**25,019**	(4,279)
Loss for the year		**(491,390)**	(327,344)
Loss per share	*9*		
Basic and diluted *(RMB)*		**(0.89)**	(0.60)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Loss for the year		**(491,390)**	(327,344)
Other comprehensive income for the year (after tax)			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of:			
foreign operations		**3,746**	5,880
Total comprehensive income for the year		**(487,644)**	(321,464)
Attributable to:			
— Equity shareholders of the Company		**(512,663)**	(317,185)
— Non-controlling interests		**25,019**	(4,279)
Total comprehensive income for the year		**(487,644)**	(321,464)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

		At 31 December	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**143,245**	207,962
Intangible assets		**202,206**	250,532
Goodwill		**72,209**	86,469
Financial assets measured at fair value through profit or loss ("**FVPL**")		**40,372**	40,000
Other non-current assets		**89,531**	56,798
		547,563	641,761
Current assets			
Financial assets measured at FVPL		**222,354**	346,721
Inventories		**169,386**	298,134
Trade and bills receivables	*10*	**727,577**	814,751
Prepayments, deposits and other receivables		**302,045**	571,623
Restricted bank deposits		**6,313**	23,700
Time deposits with initial term over three months		**5,000**	5,000
Cash and cash equivalents		**304,802**	243,375
Assets held for sale		**559,162**	—
		2,296,639	2,303,304
Current liabilities			
Trade payables	*11*	**173,832**	233,249
Other payables and accrued expenses		**423,495**	361,514
Contract liabilities		**70,827**	71,412
Bank and other loans		**330,962**	220,023
Lease Liabilities		**13,122**	13,679
Financial instruments issued to investors		**214,622**	201,590
Liabilities held for sale		**126,369**	—
		1,353,229	1,101,467
Net current assets		**943,410**	1,201,837
Total assets less current liabilities		**1,490,973**	1,843,598

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
(Expressed in Renminbi)

	Note	At 31 December **2024** *RMB'000*	2023 *RMB'000*
Non-current liabilities			
Bank and other loans		**9,279**	15,000
Lease liabilities		**13,254**	18,349
Deferred tax liabilities		**35,756**	44,943
		58,289	78,292
NET ASSETS		**1,432,684**	1,765,306
CAPITAL AND RESERVES			
Share capital	*12(b)*	**391**	391
Reserves		**1,453,356**	1,824,939
Total equity attributable to equity shareholders of the Company		**1,453,747**	1,825,330
Non-controlling interests		**(21,063)**	(60,024)
TOTAL EQUITY		**1,432,684**	1,765,306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 PRINCIPAL ACTIVITIES AND ORGANISATION

ClouDr Group Limited (the "**Company**") was incorporated in the Cayman Islands on 24 August 2015 as an exempted company with limited liability under the Companies Act (As Revised) (as consolidated and revised) of the Cayman Islands.

The Company and its subsidiaries (together, "**the Group**") are principally engaged in providing supplies to hospitals and pharmacies, digital marketing services to pharmaceutical companies, online consultation and prescriptions to patients and software as a service ("**SaaS**") to hospitals and pharmacies.

On 6 July 2022 (the "**Listing Date**"), the Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (IASs) and Interpretations issued by the International Accounting Standards Board ("**IASB**"), and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued certain new and amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

— Investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The Group recorded a net operating cash outflow of RMB148,391,000 for the year ended 31 December 2024 and an operating loss of RMB376,141,000. The Group intend to implement various strategies to improve the Group's operating cash flows and achieve operating profits. In addition, the directors of the Company have reviewed the Group's cash flow forecast for the next twelve months ending 31 December 2025 prepared by the management. In view of the above factors, the directors of the Company consider that the Group will have sufficient working capital to meet its operation requirement for the next twelve months from 1 January 2025, and thus believes that the Group's preparation of the financial statements on a going concern basis is appropriate.

4 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* ("**2020 amendments**") and amendments to IAS 1, *Presentation of financial statements — Non-current liabilities with covenants* ("**2022 amendments**")

- Amendments to IFRS 16, *Leases — Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current period have been prepared or presented in this announcement. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

5 REVENUE AND SEGMENT REPORTING

(a) Revenue from contracts with customers

(i) Disaggregation of revenue

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

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

— Patient to manufacturer ("**P2M**") solutions include sales of pharmaceutical products to hospitals and pharmacies of which the Group had ownership or national distribution rights through strategic cooperation with pharmaceutical companies;

— Value added solutions include sales of hospital supplies excluding the sales of pharmaceutical products included in the P2M solutions, pharmacy supplies and providing hospital SaaS;

— Subscription solutions include providing digital marketing services and pharmacy SaaS;

— Others include sales of chronic condition products to individual customers, providing premium membership services, insurance brokerage services and others.

Disaggregation of revenue from contracts with customers by type of customer is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Type of goods or services:		
In-hospital		
Value added solution	**2,115,411**	2,304,597
P2M solution	**285,968**	101,249
Subscription solution	**281,903**	467,210
Out-of-hospital		
Subscription solution	**57,347**	59,095
P2M solution	**34,428**	—
Value added solution	**591,667**	599,488
Others	**121,370**	158,897
	3,488,094	3,690,536
Timing of revenue recognition:		
Point in time	**3,430,747**	3,628,125
Over time	**57,347**	62,411
	3,488,094	3,690,536

The Group's customers with whom transactions have exceeded 10% of the Group's revenue during the year are set out below:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Customer A	**456,908**	732,283

(ii) ***Revenue that expected to be recognised in the future arising from contracts in existence as at the end of the year***

The following table includes the aggregated amount of the transaction price allocated to the remaining unsatisfied performance obligations under the Group's existing contracts. This amount represents revenue expected to be recognised in the future when the Group satisfies the remaining performance obligations, which is expected to occur over the next 1 year to 2 years after the respective year.

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Pharmacy SaaS	**37,954**	40,671

(b) Segment reporting

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

6 OTHER INCOME AND LOSS, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Government grants	**23,163**	29,871
Interest income	**905**	2,056
Fair value gains on financial assets measured at FVPL	**5,050**	11,450
Gain on disposal of subsidiaries	**416**	—
Impairment losses on prepayments	**(31,699)**	—
Foreign exchange gain	**46**	282
Others	**(1,755)**	(100)
	(3,874)	43,559

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest expenses	**14,191**	9,705
Interest on lease liabilities	**1,255**	1,077
Other financial cost	**1,195**	712
	16,641	11,494

(b) Staff costs

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**355,251**	377,911
Contributions to defined contribution retirement plan *(note (i))*	**18,235**	19,390
Equity-settled share-based payment expenses	**130,923**	232,080
	504,409	629,381

Note:

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

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

(c) Other items

	Year ended December 31	
	2024	2023
	RMB'000	*RMB'000*
Amortisation of intangible assets	**48,796**	67,250
Depreciation expenses	**52,744**	40,929
Write down of inventories	**35,404**	1,487
Auditors' remuneration		
— audit services	**4,500**	4,500
— non-audit services	**—**	203
Issuance cost of the financial instruments issued to investors	**249**	18,574
Cost of inventories	**2,565,680**	2,661,341

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current tax expense		
Provision for PRC income tax for the year	**1,944**	5,570
Under/(over)-provision in respect of prior years	**3,893**	(1,070)
Deferred tax expense		
Reversal of temporary differences	**(3,769)**	(4,482)
	2,068	18

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before taxation	**(489,322)**	(327,326)
Notional tax calculated *(note (i))*	**(122,331)**	(81,831)
Different tax rates in foreign tax jurisdictions *(notes (ii) and (iii))*	**19,630**	14,250
Tax effect of non-deductible expenses	**23,962**	35,636
Tax effect of additional deduction from qualified research and development costs *(note (iv))*	**(18,114)**	(11,569)
Tax effect of utilisation of tax losses previously unrecognised	**(15,662)**	(15,812)
Tax effect of deductible temporary differences not recognized	**65,958**	3,771
Tax effect of unrecognized tax losses	**44,732**	56,643
Under/(over)-provision in respect of prior years	**3,893**	(1,070)
	2,068	18

Notes:

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

According to the PRC income tax law and its relevant regulations, entities that qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% (for taxable income less than RMB3,000,000) and a preferential income tax rate of 5% (for taxable income less than RMB1,000,000) in 2024 and 2023. Certain subsidiaries of the Group were qualified as small and low profit enterprise and entitled preferential income tax rate for the years ended 31 December 2024 and 2023.

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

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

(iii) The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong profit tax at 16.5% of the estimated assessable profit. No provision for Hong Kong Profits Tax has been made, as the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax during the years ended 31 December 2024 and 2023.

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

9 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB516,409,000 (2023: RMB323,065,000) divided by the weighted average number of ordinary shares in issue of 580,306,000 during the year (2023: 540,820,000).

The calculation of the weighted average number of ordinary shares for the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December	
	2024	2023
	Number of shares	Number of shares
	'000	*'000*
Issued ordinary shares at 1 January	**563,870**	523,126
Effect of equity instruments vested and delivered	**18,441**	18,846
Effect of treasury shares repurchased	**(2,005)**	(1,152)
Weighted average number of ordinary shares for the year	**580,306**	540,820

(b) Diluted loss per share

The restricted share units were excluded from the calculation of diluted loss per share because their effect would have been anti-dilutive. The diluted loss per share is the same as the basic loss per share for the years ended 31 December 2024 and 2023.

10 TRADE AND BILLS RECEIVABLES

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**728,269**	838,304
Less: Loss allowance	**(44,771)**	(35,053)
	683,498	803,251
Bills receivables	**44,079**	11,500
	727,577	814,751

(a) Ageing analyses

At the year ended 31 December 2024 and 2023, the ageing analysis of trade and bills receivable, based on the date revenue is recognised and net of loss allowance, of the Group are as follows:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**486,031**	609,653
4 to 6 months	**175,150**	103,080
7 to 12 months	**38,814**	85,282
Over 12 months	**27,582**	16,736
	727,577	814,751

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

11 TRADE PAYABLES

	At December 31	
	2024	2023
	RMB'000	*RMB'000*
Payables for inventories and services	**173,832**	233,249

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

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

	At December 31	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**165,762**	228,721
More than 1 year	**8,070**	4,528
	173,832	233,249

12 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The directors of the Company did not propose any declaration of dividend for the years ended 31 December 2024 and 2023.

(b) Share capital

Authorized

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

As of 31 December 2024 and 2023, the authorized share capital of the Company was USD100,000 divided into 1,000,000,000 ordinary shares of a nominal or par value of US$0.0001 each.

(i) Issued share capital

	2024		2023	
	Number of shares	**Share capital**	Number of shares	Share capital
		RMB'000		*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	**587,038,219**	**391**	587,038,219	391

DISCLOSEABLE TRANSACTIONS

On March 30, 2025, the Company's indirect wholly-owned subsidiaries Hangzhou Kangsheng Health Management Consultant Co., Ltd. (杭州康晟健康管理諮詢有限公司) ("**Hangzhou Kangsheng**"), Jiangsu Zhiyun Health Management Co., Ltd. (江蘇智雲健康管理有限公司) ("**Jiangsu Zhiyun**") and 91health Shanghai Limited (上海運臻網絡科技有限公司) ("**91health Shanghai**") entered into share transfer agreements with various purchasers for the transfer of the equity interest of one wholly-owned subsidiary and four non-wholly owned subsidiaries of the Group (the "**Disposals**"), respectively. The Disposals support our long-term strategies that focuses on: (a) technological improvement of AI-driven SaaS; and (b) P2M pipeline enrichment and monetisation. The details of the Disposals are set forth below:

(1) Disposal of Qilian Medicine

On March 30, 2025, Hangzhou Kangsheng entered into a share transfer agreement with Zhejiang Qilian Medical Management Co., Ltd. (浙江啓聯醫療管理有限公司) ("**Qilian Medical Management**"), pursuant to which Hangzhou Kangsheng agreed to sell, and Qilian Medical Management agreed to purchase, 55% of the equity interest in Zhejiang Qilian Medicine Co., Ltd. (浙江啓聯醫藥有限公司) ("**Qilian Medicine**"), representing the entire equity interest in Qilian Medicine held by the Group at a consideration of RMB33,516,375 (the "**Qilian Medicine Share Transfer Agreement**").

The principal terms of the Qilian Medicine Share Transfer Agreement are set out as follows:

Date:	March 30, 2025
Parties:	(1) Hangzhou Kangsheng;
	(2) Qilian Medical Management; and
	(3) Qilian Medicine.

Subject matter of the Qilian Medicine Disposal:

Pursuant to the Qilian Medicine Share Transfer Agreement, Hangzhou Kangsheng has agreed to sell 55% of the equity interest in Qilian Medicine, representing the entire equity interest in Qilian Medicine held by the Group (the "**Qilian Medicine Disposal**"). Upon completion of the Qilian Medicine Disposal, Hangzhou Kangsheng will not hold any equity interest in Qilian Medicine and Qilian Medical Management will hold 94% of the equity interest in Qilian Medicine.

Conditions precedent:

Qilian Medical Management's obligation to purchase the 55% equity interest of Qilian Medicine shall be subject to the following condition precedents which shall be satisfied by March 31, 2025:

(1) Hangzhou Kangsheng has released all pledge and/or other rights restrictions (if any) on its equity interest in Qilian Medicine;

(2) Qilian Medical Management has completed and is satisfied with the results of the commercial, financial and legal due diligence on Qilian Medicine or Qilian Medical Management decides that no due diligence is required;

(3) there has not been any change in Qilian Medicine's business, operations, assets, liabilities or other financial condition that is significantly unfavorable to Qilian Medicine, nor has there been an event that has had an adverse effect and is not reasonably expected to have an effect that is likely to have an adverse effect;

(4) Qilian Medicine has provided originals and copies of all agreements in its possession relating to its historical debt obligations;

(5) Qilian Medicine does not have any external borrowings or guarantees that have not been confirmed by all parties; and

(6) Hangzhou Kangsheng has completed the handover of the right to appoint senior management and personnel, the right to make operational decisions, the right to receive financial returns etc. and all official seals and bank passwords to Qilian Medical Management.

Consideration and payment terms: The total consideration of the Qilian Medicine Disposal is RMB33,516,375.

Qilian Medical Management shall pay Hangzhou Kangsheng the total consideration before June 30, 2025, payable in two instalments by March 31, 2025 and June 30, 2025

Basis of Consideration

The consideration was determined after arm's length negotiations between Hangzhou Kangsheng and Qilian Medical Management by reference to, amongst other things, (a) the prevailing and prospective market conditions of the business engaged by Qilian Medicine, as set out in the paragraph headed "Reasons For and Benefits of the Disposal" below, (b) the unaudited net asset value of Qilian Medicine as of December 31, 2024 (proportionate to the 55% equity interest of Qilian Medicine to be transferred to Qilian Medical Management); (c) the financial performance of Qilian Medicine for the two years ended December 31, 2024, and (d) the estimated future earnings of Qilian Medicine based on the prospective market conditions.

The unaudited net asset value of Qilian Medicine as of December 31, 2024 was RMB60.9 million. As such, the net asset value proportionate to the 55% equity interest in Qilian Medicine to be transferred to Qilian Medical Management is approximately RMB33.5 million. Accordingly, the consideration of RMB33.5 million is equivalent to the net asset value of Qilian Medicine as at December 31, 2024 (proportionate to the equity interest to be transferred to Qilian Medical Management).

Financial Information

Set out below is the unaudited financial information of Qilian Medicine for the years ended December 31, 2023 and December 31, 2024:

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net profit/(loss) before taxation	**12,744**	**(90)**
Net profit/(loss) after taxation	**13,446**	**(810)**

The unaudited net asset value of Qilian Medicine as of December 31, 2024 was RMB60.9 million.

Financial Effect of the Deemed Disposal on the Group

Following the disposal of Qilian Medicine, the Group no longer holds any shares in Qilian Medicine and Qilian Medicine ceases to be a subsidiary of the Company and the financial results of Qilian Medicine will no longer be consolidated into those of the Group.

Save and except for the relevant transaction costs and expenses, it is expected that the Qilian Medicine Disposal will not result in material disposal gain or loss to the Group. The estimation is made with reference to 55% of the unaudited net asset value of Qilian Medicine as at December 31, 2024 (being the equity interest to be transferred to Qilian Medical Management) and the consideration for the Qilian Medicine Disposal.

Information on the Parties of the Qilian Medicine Share Transfer Agreement

Hangzhou Kangsheng is a limited liability company established in the People's Republic of China ("**PRC**") on December 9, 2014, and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the provision of SaaS services, digital marketing services, sale and marketing of products.

Qilian Medical Management is a limited liability company established in the PRC on May 7, 2018. It is principally engaged in investment management, investment consulting and asset management in the medical industry. Qilian Medical Management is ultimately owned by Ms. Ren Ye. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Qilian Medical Management and its ultimate beneficial owner are third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules).

Qilian Medicine is a limited liability company established in the PRC on May 8, 2003. It is principally engaged in purchase and sales of pharmaceutical products and medical devices to private hospitals in China through the GPO (group purchasing organization) channel. Immediately prior to the disposal, Qilian Medicine is an indirect non-wholly owned subsidiary of the Group. After the disposal, Qilian Medicine will cease to be a subsidiary of the Company and the financial results of Qilian Medicine will no longer be consolidated into those of the Group.

Listing Rules Implications

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Qilian Medicine Disposal is more than 5% but less than 25%, the Qilian Medicine Disposal constitutes a discloseable transaction of the Company, which is subject to the reporting and announcement requirements, but exempt from shareholders' approval requirements, under Chapter 14 of the Listing Rules.

(2) Disposal of Xinwange Medical and Wandi Biotech

On March 30, 2025, Hangzhou Kangsheng entered into a share transfer agreement with Ms. Zhu Qiuna ("**Ms. Zhu**") pursuant to which Hangzhou Kangsheng agreed to sell, and Ms. Zhu agreed to purchase, 30% of the equity interest in Jiangsu Xinwange Medical Technology Co., Ltd. (江蘇新萬格醫療科技有限公司) ("**Xinwange Medical**"), at a consideration of RMB32,000,000 (the "**Xinwange Medical Share Transfer Agreement**").

On March 30, 2025, Jiangsu Zhiyun entered into a share transfer agreement with Ms. Zhu pursuant to which Jiangsu Zhiyun agreed to sell, and Ms. Zhu agreed to purchase, 65% of the equity interest in Jiangsu Wandi Biotech Co., Ltd. (江蘇萬迪生物科技有限公司) ("**Wandi Biotech**"), at a consideration of RMB3,000,000 (the "**Wandi Biotech Share Transfer Agreement**").

The principal terms of the Xinwange Medical Share Transfer Agreement and Wandi Biotech Share Transfer Agreement are set out as follows:

	Xinwange Medical Share Transfer Agreement	**Wandi Biotech Share Transfer Agreement**
Date:	March 30, 2025	March 30, 2025
Parties:	(1) Hangzhou Kangsheng; (2) Ms. Zhu; and (3) Xinwange Medical.	(1) Jiangsu Zhiyun; (2) Ms. Zhu; and (3) Wandi Biotech.
Subject matter of the disposals:	Pursuant to the Xinwange Medical Share Transfer Agreement, Hangzhou Kangsheng has agreed to sell 30% of the equity interest in Xinwange Medical (the "**Xinwange Medical Disposal**"). Upon completion of the Xinwange Medical Disposal, Hangzhou Kangsheng will hold 25% of the equity interest in Xinwange Medical and Ms. Zhu will hold 75% of the equity interest in Xinwange Medical.	Pursuant to the Wandi Biotech Share Transfer Agreement, Jiangsu Zhiyun has agreed to sell 65% of the equity interest in Wandi Biotech (the "**Wandi Biotech Disposal**"). Upon completion of the Wandi Biotech Disposal, Jiangsu Zhiyun will hold 25% of the equity interest in Wandi Biotech, Ms. Zhu will hold 65% of the equity interest in Wandi Biotech and the remaining equity interest will be held by Lianyungang Jiecheng Science and Technology Park Development Co., Ltd. (連雲港捷成科技園發展有限公司), an Independent Third Party.
Condition precedents:	Ms. Zhu's obligation to purchase the 30% equity interest of Xinwange Medical shall be subject to the following condition which shall be satisfied by March 31, 2025: (1) Hangzhou Kangsheng has released all pledge and/or other rights restrictions (if any) on its equity interest in Xinwange Medical;	Ms. Zhu's obligation to purchase the 65% equity interest of Wandi Biotech shall be subject to the following condition precedents which shall be satisfied by March 31, 2025: (1) Jiangsu Zhiyun has released all pledge and/or other rights restrictions (if any) on its equity interest in Wandi Biotech;

(2) Ms. Zhu has completed and is satisfied with the results of the commercial, financial and legal due diligence on Xinwange Medical or Ms. Zhu decides that no due diligence is required;	(2) Ms. Zhu has completed and is satisfied with the results of the commercial, financial and legal due diligence on Wandi Biotech or Ms. Zhu decides that no due diligence is required;
(3) there has not been any change in Xinwange Medical's business, operations, assets, liabilities or other financial condition that is significantly unfavorable to Xinwange Medical, nor has there been an event that has had an adverse effect and is not reasonably expected to have an effect that is likely to have an adverse effect;	(3) there has not been any change in Wandi Biotech's business, operations, assets, liabilities or other financial condition that is significantly unfavorable to Wandi Biotech, nor has there been an event that has had an adverse effect and is not reasonably expected to have an effect that is likely to have an adverse effect;
(4) Xinwange Medical has provided originals and copies of all agreements in its possession relating to its historical debt obligations;	(4) Wandi Biotech has provided originals and copies of all agreements in its possession relating to its historical debt obligations;
(5) Xinwange Medical does not have any external borrowings or guarantees that have not been confirmed by all parties; and	(5) Wandi Biotech does not have any external borrowings or guarantees that have not been confirmed by all parties; and
(6) Hangzhou Kangsheng has completed the handover of the right to appoint senior management and personnel, the right to make operational decisions, the right to receive financial returns etc. and all official seals and bank passwords to Ms. Zhu.	(6) Jiangsu Zhiyun has completed the handover of the right to appoint senior management and personnel, the right to make operational decisions, the right to receive financial returns etc. and all official seals and bank passwords to Ms. Zhu.

Consideration and payment terms:	The total consideration of the Xinwange Medical Disposal is RMB32,000,000. Ms. Zhu shall pay Hangzhou Kangsheng the total consideration within one calendar year after the completion of the change of industrial and commercial registration.	The total consideration of the Wandi Biotech Disposal is RMB3,000,000. Ms. Zhu shall pay Jiangsu Zhiyun the total consideration within one calendar year after the completion of the change of industrial and commercial registration.

Basis of Consideration

The consideration was determined after arm's length negotiations between Hangzhou Kangsheng, Jiangsu Zhiyun and Ms. Zhu with reference to, amongst other things, (a) the prevailing and prospective market conditions of the business engaged by Xinwange Medical and Wandi Biotech, as set out in the paragraph headed "Reasons For and Benefits of the Disposal" below, (b) the unaudited net asset value of Xinwange Medical and Jiangsu Zhiyun as of December 31, 2024 (proportionate to the 30% equity interest of Xinwange Medical and 65% equity interest of Wandi Biotech to be transferred to Ms. Zhu); (c) the financial performance of Xinwange Medical and Wandi Biotech for the year ended December 31, 2023 and December 31, 2024, and (d) the estimated future earnings of Xinwange Medical and Wandi Biotech based on the prospective market conditions.

The unaudited net asset values of Xinwange Medical and Wandi Biotech as of December 31, 2024 were RMB106.2 million and RMB3.2 million, respectively. As such, the net asset value proportionate to the 30% equity interest of Xinwange Medical and 65% equity interest of Wandi Biotech to be transferred to Ms. Zhu is approximately RMB31.9 million and RMB2.1 million respectively.

The negotiation with Ms. Zhu in relation to the Xinwange Medical Disposal and Wandi Biotech Disposal was conducted together and a total consideration was reached for the two companies. The total consideration of RMB35 million is at a slight premium to the total net asset value of Xinwange Medical and Wandi Biotech as at December 31, 2024 (proportionate to the equity interest to be transferred to Ms. Zhu).

In accordance with the Xinwange Medical Share Transfer Agreement and Wandi Biotech Share Transfer Agreement, Ms. Zhu shall pay Hangzhou Kangsheng and Jiangsu Jianyun the total consideration within one calendar year after the completion of the change of industrial and commercial registration for the share transfer. The change of industrial and commercial registration for the share transfer is expected to be completed by May 30, 2025. In view of the unfavorable regulatory development pertaining to the business of Xinwange Medical and Wandi Biotech as further detailed in the paragraph headed "Reasons For and Benefits of the Disposal" and the Company's proactive decision to accelerate the disposal of Xinwange Medical and Wandi Biotech, the Directors are of the view that the longer payment term is fair and reasonable in order to facilitate the Xinwange Medical Disposal and Wandi Biotech Disposal.

Financial Information

Set out below is the unaudited financial information of Xinwange Medical and Wandi Biotech for the years ended December 31, 2023 and December 31, 2024:

	For the year ended 31 December	
Xinwange Medical	**2024**	2023
	RMB'000	*RMB'000*
Net profit/(loss) before taxation	**79,630**	(4,271)
Net profit/(loss) after taxation	**76,402**	(5,099)
Wandi Biotech		
Net profit before taxation	**2,214**	—
Net profit after taxation	**2,214**	—

The unaudited net asset values of Xinwange Medical and Wandi Biotech as of December 31, 2024 was RMB106.2 million and RMB3.2 million, respectively.

Financial Effect of the Deemed Disposal on the Group

Following the disposal of Xinwange Medical, the Group, through Hangzhou Kangsheng, will hold 25% of the equity interest in Xinwange Medical and Xinwange Medical ceases to be a subsidiary of the Company and the financial results of Xinwange Medical will no longer be consolidated into those of the Group.

Following the disposal of Wandi Biotech, the Group, through Jiangsu Zhiyun, will hold 25% of the equity interest in Wandi Biotech and Wandi Biotech ceases to be a subsidiary of the Company and the financial results of Wandi Biotech will no longer be consolidated into those of the Group.

Save and except for the relevant transaction costs and expenses, it is expected that the Xinwange Medical Disposal and the Wandi Biotech Disposal will not result in material disposal gain or loss to the Group. The estimation is made with reference to 30% of the unaudited net asset value of Xinwange Medical and 65% of the unaudited net asset value of Wandi Biotech as at December 31, 2024 (being the equity interests to be transferred to Ms. Zhu) and the consideration for the Xinwange Medical Disposal and Wandi Biotech Disposal.

Information on the Parties of the Xinwange Medical Share Transfer Agreement and Wandi Biotech Share Transfer Agreement

Jiangsu Zhiyun is a limited liability company established in the PRC on August 20, 2020, and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the sale of medical and pharmaceutical equipment.

Ms. Zhu is a PRC national engaged in investment management, investment consulting and asset management in the medical industry. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Ms. Zhu is a third party independent of and not connected with the Company or its connected persons (as defined in the Listing Rules).

Xinwange Medical is a limited liability company established in the PRC on October 11, 2018. It is principally engaged in the sales of IVD (in vitro diagnostic) testing equipment and reagents. Immediately prior to the disposal, Xinwange Medical is an indirect non-wholly owned subsidiary of the Company. After the disposal, Xinwange Medical will cease to be a subsidiary of the Company and the financial results of Xinwange Medical will no longer be consolidated into those of the Group.

Wandi Biotech is a limited liability company established in the PRC on June 20, 2024. It is principally engaged in the sales of IVD (in vitro diagnostic) testing equipment and reagents. Immediately prior to the disposal, Wandi Biotech is an indirect non-wholly owned subsidiary of the Company. After the disposal, Wandi Biotech will cease to be a subsidiary of the Company and the financial results of Wandi Biotech will no longer be consolidated into those of the Group.

For details and information of Hangzhou Kangsheng, please refer to the section headed "Information on the Parties of the Qilian Medicine Share Transfer Agreement" above.

Listing Rules Implications

As the Xinwange Medical Disposal and Wandi Biotech Disposal have the same counterparty and the transactions are both completed within the same 12-month period, such transactions are aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules.

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Xinwange Medical Disposal and Wandi Biotech Disposal (as aggregated pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules) are more than 5% but less than 25%, the Xinwange Medical Disposal and Wandi Biotech Disposal on an aggregated basis constitute discloseable transactions of the Company, which is subject to the reporting and announcement requirements, but exempt from shareholders' approval requirements, under Chapter 14 of the Listing Rules.

(3) Disposal of Zhenghe Science Equipment and Jiangsu Chengsheng

On March 30, 2025, 91health Shanghai entered into a share transfer agreement with Shanghai Lueyu Management Consulting Co., Ltd. (上海略語管理諮詢有限公司) ("**Shanghai Lueyu**") pursuant to which 91health Shanghai agreed to sell, and Shanghai Lueyu agreed to purchase, 75% of the equity interest in Lianyungang Zhenghe Science Equipment Co., Ltd. (連雲港正和科學儀器有限公司) ("**Zhenghe Science Equipment**"), at a consideration of RMB8,000,000 (the "**Zhenghe Science Equipment Share Transfer Agreement**").

On March 30, 2025, 91health Shanghai entered into a share transfer agreement with Shanghai Lueyu pursuant to which 91health Shanghai agreed to sell, and Shanghai Lueyu agreed to purchase, 35% of the equity interest in Jiangsu Chengsheng Gene Precise Medical Science Co., Ltd (江蘇成升基因精準醫療科技有限公司) ("**Jiangsu Chengsheng**") at a consideration of RMB3,000,000 (the "**Jiangsu Chengsheng Share Transfer Agreement**").

The principal terms of the Zhenghe Science Equipment Share Transfer Agreement and Jiangsu Chengsheng Share Transfer Agreement are set out as follows:

Date:	March 30, 2025	March 30, 2025
Parties:	(1) 91health Shanghai;	(1) 91health Shanghai;
	(2) Shanghai Lueyu; and	(2) Shanghai Lueyu; and
	(3) Zhenghe Science Equipment.	(3) Jiangsu Chengsheng.

Subject matter of the disposals:	Pursuant to the Zhenghe Science Equipment Share Transfer Agreement, 91health Shanghai has agreed to sell 75% of the equity interest in Zhenghe Science Equipment (the "**Zhenghe Science Equipment Disposal**"). Upon completion of the Zhenghe Science Equipment Disposal, 91health Shanghai will hold 25% of the equity interest in Zhenghe Science Equipment, Shanghai Lueyu will hold 75% of the equity interest in Zhenghe Science Equipment.	Pursuant to the Jiangsu Chengsheng Share Transfer Agreement, 91health Shanghai has agreed to sell 35% of the equity interest in Jiangsu Chengsheng (the "**Jiangsu Chengsheng Disposal**"). Upon completion of the Jiangsu Chengsheng Disposal, 91health Shanghai will hold 25% of the equity interest in Jiangsu Chengsheng, Shanghai Lueyu will hold 75% of the equity interest in Jiangsu Chengsheng.
Conditions Precedent:	Shanghai Lueyu's obligation to purchase the 75% equity interest of Zhenghe Science Equipment shall be subject to the following condition precedents which shall be satisfied by March 31, 2025:	Shanghai Lueyu's obligation to purchase the 35% equity interest of Jiangsu Chengsheng shall be subject to the following condition precedents which shall be satisfied by March 31, 2025:
	(1) 91health Shanghai has released all pledge and/or other rights restrictions (if any) on its equity interest in Zhenghe Science Equipment;	(1) 91health Shanghai has released all pledge and/or other rights restrictions (if any) on its equity interest in Jiangsu Chengsheng;
	(2) Shanghai Lueyu has completed and is satisfied with the results of the commercial, financial and legal due diligence on Zhenghe Science Equipment or Shanghai Lueyu decides that no due diligence is required;	(2) Shanghai Lueyu has completed and is satisfied with the results of the commercial, financial and legal due diligence on Jiangsu Chengsheng or Shanghai Lueyu decides that no due diligence is required;

(3) there has not been any change in Zhenghe Science Equipment's business, operations, assets, liabilities or other financial condition that is significantly unfavorable to Zhenghe Science Equipment, nor has there been an event that has had an adverse effect and is not reasonably expected to have an effect that is likely to have an adverse effect;

(4) Zhenghe Science Equipment has provided originals and copies of all agreements in its possession relating to its historical debt obligations;

(5) Zhenghe Science Equipment does not have any external borrowings or guarantees that have not been confirmed by all parties; and

(6) 91health Shanghai has completed the handover of the right to appoint senior management and personnel, the right to make operational decisions, the right to receive financial returns etc. and all official seals and bank passwords to Shanghai Lueyu.

(3) there has not been any change in Jiangsu Chengsheng's business, operations, assets, liabilities or other financial condition that is significantly unfavorable to Jiangsu Chengsheng, nor has there been an event that has had an adverse effect and is not reasonably expected to have an effect that is likely to have an adverse effect;

(4) Jiangsu Chengsheng has provided originals and copies of all agreements in its possession relating to its historical debt obligations;

(5) Jiangsu Chengsheng does not have any external borrowings or guarantees that have not been confirmed by all parties; and

(6) 91health Shanghai has completed the handover of the right to appoint senior management and personnel, the right to make operational decisions, the right to receive financial returns etc. and all official seals and bank passwords to Shanghai Lueyu.

Consideration and payment terms:	The total consideration of the Zhenghe Science Equipment Disposal is RMB8,000,000. Shanghai Lueyu shall pay 91health Shanghai the total consideration within one calendar year after the completion of the change of industrial and commercial registration.	The total consideration of the Jiangsu Chengsheng Disposal is RMB3,000,000. Shanghai Lueyu shall pay 91health Shanghai the total consideration within one calendar year after the completion of the change of industrial and commercial registration.

Basis of Consideration

The consideration was determined after arm's length negotiations between 91health Shanghai and Shanghai Lueyu with reference to, amongst other things, (a) the prevailing and prospective market conditions of the business engaged by Zhenghe Science Equipment and Jiangsu Chengsheng, as set out in the paragraph headed "Reasons For and Benefits of the Disposal" below, (b) the unaudited net asset value of Zhenghe Science Equipment and Jiangsu Chengsheng as of December 31, 2024 (proportionate to the 75% equity interest of Zhenghe Science Equipment and 35% equity interest of Jiangsu Chengsheng to be transferred to Shanghai Lueyu); (c) the financial performance of Zhenghe Science Equipment and Jiangsu Chengsheng for the year ended December 31, 2023 and December 31, 2024, and (d) the estimated future earnings of Zhenghe Science Equipment and Jiangsu Chengsheng based on the prospective market conditions.

The unaudited net asset values of Zhenghe Science Equipment and Jiangsu Chengsheng as of December 31, 2024 were RMB10.5 million and RMB6.9 million, respectively. As such, the net asset value proportionate to the 75% equity interest of Zhenghe Science Equipment and 35% equity interest of Jiangsu Chengsheng to be transferred to Shanghai Lueyu is approximately RMB7.9 million and RMB2.4 million respectively.

The negotiation with Shanghai Lueyu in relation to the Zhenghe Science Equipment Disposal and Jiangsu Chengsheng Disposal were conducted together and a total consideration was reached for the two companies. The total consideration of RMB11 million is at a slight premium to the total net asset value of Zhenghe Science Equipment and Jiangsu Chengsheng as at December 31, 2024 (proportionate to the equity interest to be transferred to Shanghai Lueyu).

In accordance with the Zhenghe Science Equipment Share Transfer Agreement and Jiangsu Chengsheng Share Transfer Agreement, Shanghai Lueyu shall pay 91health Shanghai the total consideration within one calendar year after the completion of the change of industrial and commercial registration for the share transfer. The change of industrial and commercial registration for the share transfer is expected to be completed by May 30, 2025. In view of the unfavorable regulatory development pertaining to the business of Zhenghe Science Equipment and Jiangsu Chengsheng as further detailed in the paragraph headed "Reasons For and Benefits of the Disposal" and the Company's proactive decision to accelerate the disposal of Zhenghe Science Equipment and Jiangsu Chengsheng, the Directors are of the view that the longer payment term is fair and reasonable in order to facilitate the Zhenghe Science Equipment Disposal and Jiangsu Chengsheng Disposal.

Financial Information

Set out below is the unaudited financial information of Zhenghe Science Equipment and Jiangsu Chengsheng for the years ended December 31, 2023 and December 31, 2024:

	For the year ended 31 December	
Zhenghe Science Equipment	**2024**	2023
	RMB'000	*RMB'000*
Net profit before taxation	**9,314**	1,390
Net profit after taxation	**9,230**	1,302
Jiangsu Chengsheng		
Net profit/(loss) before taxation	**(4,330)**	1,376
Net profit/(loss) after taxation	**(4,124)**	1,066

The unaudited net asset values of Zhenghe Science Equipment and Jiangsu Chengsheng as of December 31, 2024 was RMB10.5 million and RMB6.9 million, respectively.

Financial Effect of the Deemed Disposal on the Group

Following the disposal of Zhenghe Science Equipment, the Group, through 91health Shanghai, will hold 25% of the equity interest Zhenghe Science Equipment and Zhenghe Science Equipment ceases to be a subsidiary of the Company and the financial results of Zhenghe Science Equipment will no longer be consolidated into those of the Group.

Following the disposal of Jiangsu Chengsheng, the Group, through 91health Shanghai, will hold 25% of the equity interest in Jiangsu Chengsheng and Jiangsu Chengsheng ceases to be a subsidiary of the Company and the financial results of Jiangsu Chengsheng will no longer be consolidated into those of the Group.

Save and except for the relevant transaction costs and expenses, it is expected that the Zhenghe Science Equipment Disposal and the Jiangsu Chengsheng Disposal will not result in material disposal gain or loss to the Group. The estimation is made with reference to 75% of the unaudited net asset value of Zenghe Science Equipment and 35% of the unaudited net asset value of Jiangsu Chengsheng as at December 31, 2024 (being the equity interests to be transferred to Shanghai Lueyu) and the consideration for the Zhenghe Science Equipment Disposal and Jiangsu Chengsheng Disposal.

Information on the Parties of the Zhenghe Science Equipment Share Transfer Agreement and Jiangsu Chengsheng Share Transfer Agreement

91health Shanghai is a limited liability company established in the PRC on November 24, 2015, and is a wholly-owned subsidiary of the Company. It is principally engaged in the sales of medical products.

Shanghai Lueyu is a limited liability company established in the PRC on May 17, 2024 and principally engaged in investment management, investment consulting and asset management in the medical industry. Shanghai Lueyu is ultimately owned by Mr. Jin Qiaoyun. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Shanghai Lueyu and its ultimate beneficial owner are third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules).

Zhenghe Science Equipment is a limited liability company established in the PRC on June 20, 2024. It is principally engaged in the sales of drug substance. Immediately prior to the disposal, Zhenghe Science Equipment is an indirect wholly owned subsidiary of the Company. After the disposal, Zhenghe Science Equipment will cease to be a subsidiary of the Company and the financial results of Zhenghe Science Equipment will no longer be consolidated into those of the Group.

Jiangsu Chengsheng is a limited liability company established in the PRC on May 25, 2021. It is principally engaged in the sales of medical testing and inspection equipment. Immediately prior to the disposal, Jiangsu Chengsheng is an indirect non-wholly owned subsidiary of the Company. After the disposal, Jiangsu Chengsheng will cease to be a subsidiary of the Company.

Listing Rules Implications

As the Zhenghe Science Equipment Disposal and Jiangsu Chengsheng Disposal have the same counterparty both Zhenghe Science Equipment and Jiangsu Chengsheng are engaged in the same business, and the transactions are both completed within the same 12-month period, such transactions are aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules.

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Zhenghe Science Equipment Disposal and Jiangsu Chengsheng Disposal (as aggregated pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules) are more than 5% but less than 25%, the Zhenghe Science Equipment Disposal and Jiangsu Chengsheng Disposal on an aggregated basis constitute discloseable transactions of the Company, which is subject to the reporting and announcement requirements, but exempt from shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Reasons For and Benefits of the Disposals

The Disposals are considered from both strategic level and operational level. Strategically, the Company announced its P2M (from Patient to Manufacturer) strategy at the end of 2023, which was further upgraded in 2024 with a focus on AI integration as part of its strategic transformation. As a result, the Company has decided to divest from businesses with low added-value and minimal relevance to its core strategy.

As disclosed in the prospectus of the Company dated June 23, 2022 and the 2023 annual report of the Company, our business is subject to extensive and evolving legal and regulatory requirements. Specifically, we are subject to risks associated with the "two-invoice system" (兩票制) and national centralized procurement using a VBP (集中帶量採購) policy initiated by the NHSA (國家醫療保障局), particularly the potential expansion of the scope of pharmaceutical products covered in the policies. Operationally, the main businesses of the five subsidiaries involved in the Disposals include the following: (i) Xinwange Medical and Wandi Biotech are engaged in the sales of IVD (in vitro diagnostic) testing equipment and reagents; (ii) Qilian Medicine is engaged in the purchase and subsequent sale of pharmaceutical products to private hospitals in China through GPO (group purchasing organization) channel; and (iii) Zhenghe Science Equipment and Jiangsu Chengsheng are engaged in the sales of drug substance. The aforementioned businesses engaged by the subsidiaries are facing significant implications from the policy risks associated with the VBP policy initiated by the NHSA. Under the implementation of the VBP policy, the Company has already observed price reductions in drugs and medical products associated with the products and business of the five subsidiaries in the current 5th batch of consumable VBP (第五批高值醫用耗材集採) and 10th batch of pharmaceutical products VBP (第十批藥品

集採) initiated by the NHSA. The upcoming 6th batch of consumable VBP (第六批高值醫用耗材集採) and 11th batch of pharmaceutical products VBP (第十一批藥品集採) in 2025 initiated by NHSA are expected to have a substantial negative impact on the future revenue, profit, and asset quality of the five subsidiaries in the Disposals.

Based on the unaudited financial figures of the five subsidiaries, the total net profit (before taxation) for the five subsidiaries for the year ended December 31, 2024 amounted to RMB99.6 million. Although the five subsidiaries in total were profitable in the Reporting Period, the regulatory development pertaining to the VBP approach initiated by the NHSA is expected to have a negative impact on the future earnings of the five subsidiaries. The Company is of the view that the Disposals will improve the cashflow of the Group in the long-term given that the Group will no longer need to invest significantly in the operations of the five subsidiaries after the divestment. Given the challenges, the Company has identified the current period as an appropriate window to divest from these subsidiaries in order to mitigate potential future losses.

The proceeds from the Disposals will be utilised by the Group as general working capital. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the three purchasers in the Disposals are independent of and not related to each other. The Directors (including the independent non-executive Directors) consider that the Disposals are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cloudr.cn). The annual report of the Company for the year ended December 31, 2024 will be made available for review on the same websites in due course.

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

Hong Kong, March 30, 2025

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

* *For identification purpose only*