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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, 2025

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, 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended December 31, 2024. 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		Change (%)
	2025	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	1,623,177	3,488,094	(53.5)
Gross profit	775,080	861,672	(10.0)
Operating loss	(853,301)	(376,141)	126.9
Loss for the year	(968,493)	(491,390)	97.1
Adjusted net loss (non-IFRS measure) ⁽¹⁾	(182,129)	(116,093)	56.9

	Year ended December 31		Change (%)
	2025	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue by product or service type	1,623,177	3,488,094	(53.5)
— In-hospital Solution	1,188,791	2,683,282	(55.7)
Value Added Solution	515,780	2,115,411	(75.6)
Subscription Solution (i.e. Targeted Marketing)	253,874	281,903	(9.9)
P2M Solution ⁽²⁾	419,137	285,968	46.6
— Out-of-hospital Solution	434,386	804,812	(46.0)
Subscription Solution	90,482	57,347	57.8
Value Added Solution	160,883	591,667	(72.8)
P2M Solution ⁽²⁾	85,327	34,428	147.8
Others	97,694	121,370	(19.5)

Notes:

- (1) We define “adjusted net loss (non-IFRS measure)” as loss for the year and adding back (i) share-based payment expenses, (ii) expenses related to subsidiaries’ equity financing activities, (iii) change in the carrying amounts of financial instruments issued to investors and changes in fair value of investment in unlisted equity instrument, (iv) losses recognized related to certain subsidiaries disposed and other disposal-related assets, (v) one-off special provision related to certain businesses whose counterparty is currently under major lawsuits or judicial investigations and (vi) impairment losses recognized on non-current assets due to unexpected policy risks.
- (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, 2025.

BUSINESS REVIEW AND OUTLOOK

Overview

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

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

Hospital is of the utmost importance in the China’s healthcare value chain, which has extremely high barrier to entry. By December 31, 2025, we have accessed more than 18,000 hospitals, which represents 40% of top 100 hospitals and more than 30% penetration in Class III public hospitals. Our AI-driven hospital platform enables hospitals to standardize and optimize diagnosis procedures and improve treatment efficiency and reduce medical errors by automating and standardizing electronic health records, prescriptions, testing results, and other medical data.

On the pharmacy side, by December 31, 2025, we have installed our AI-driven pharmacy platform in 275,613 pharmacies, which represents approximately 40% penetration of total pharmacies in China. Over the years, we issued approximately 1.5 billion prescriptions cumulatively through our internet hospitals. Our AI-driven pharmacy platform allows every customer, especially chronic condition patients, once they walk into the pharmacy, to have the immediate access to our internet hospitals and get the online diagnosis and prescriptions so they can purchase prescribed drugs in the pharmacy. We continued to serve more patients with chronic conditions, with the average daily online effective prescription volume exceeding one million during the Reporting Period.

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

have reached an expert consensus on the “Establishment and Application of an Internet Healthcare-related Intelligence Assisted Prescription Review System” with the Chinese Society of Clinical Pharmacy of the Chinese Medical Association, the Clinical Pharmacy Society of the Shanghai Medical Association, the Hospital Pharmacy Committee of the Shanghai Pharmaceutical Association, and 35 Class III-A hospitals across China, which sets industry standard for AI-assisted prescription review out of hospitals.

During the Reporting Period, the ClouD GPT model consistently provided clinical decision support to doctors at hospitals and monetized through digital marketing efforts. In pharmacies, it assisted in prescription review using a “traffic light” mechanism to control prescription errors and to enhance drug usage safety, and successfully deployed the first digital employee, resulting in significant savings in manpower and compliance costs for the Company. The ClouD DTx model published five articles in top international journals, including one in Journal Citation Reports (“JCR”) Q1 with an impact factor of 6.0 on *Journal of Medical Internet Research*. This study leveraged Cloud DTx, the Company’s in-house developed medical foundation model, to provide researchers with a powerful tool capable of rapidly and accurately identifying research directions and formulating methodologies. As a result, it successfully unlocked a new therapeutic approach for Gestational Diabetes Mellitus (“GDM”), revealing that digital lifestyle interventions can help GDM patients maintain stable blood glucose levels over the long term, thereby positively influencing pregnancy outcomes. This research holds both medical and sociological significance and also lays a theoretical foundation for the Company’s future development in the field of digital therapeutics.

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

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



Connect hospitals and pharmacies based on two AI-driven platforms to enhance healthcare ecosystem efficiency

Strategic upgrade: AI+P2M (from patients to manufacturers) model for significant improvement in profitability

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

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

During the Reporting Period, the Company restructured its business model to prioritize high-quality and cash-generation growth by focusing on the core AI capabilities. Rather than pursuing growth for scale alone, our strategy is now centered on delivering long-term value and improved financial resilience. Specifically, we continued to focus on the AI-driven P2M strategy to conduct targeted marketing for both proprietary and third-party drugs whilst we proactively scaled down the business related to the sales of medical supplies and consumables, which had weaker strategic relevance, lower profitability and lower cash flow. This strategy led us to achieve the closed-loop sales from in-hospital to out-of-hospital of proprietary products. Overall, by shifting from a scale-driven model to a quality-driven model, the Company's business model is more resilient and sustainable.

Notably, during 2025, we achieved the first-ever net cash inflow from operating activities of RMB66.8 million since our initial public offering in June 2022, as compared to net cash outflow from operating activities of RMB148.4 million during the same period in 2024, thereby fully validating the viability of our transformation. In the short term, the transformation will be focused on the P2M strategy to achieve healthy cash flow and profitability; in the mid-long term, it will target data assets monetization; and in the long term, we believe the transformation will lead us to achieve a closed-loop of individual chronic condition management by connecting hospital, pharmacy, pharmaceutical companies, patients and payers via healthcare data sharing.

The AI-driven P2M strategy is based on our solid infrastructure in both in-hospital 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 Hetangjing[®], our P2M solution has already realized a total revenue of RMB504.5 million, a significant increase of 57.5% as compared to that as of December 31, 2024, and has achieved profitability as of December 31, 2025.

We are pleased to update on the progress in the development and regulatory pathway of Iloprost Infusion for Injection, one of our key P2M pipeline products indicated for rare diseases such as pulmonary arterial hypertension (PAH), severe peripheral arterial occlusive disease (PAOD), thromboangiitis obliterans (TAO) and severe disability-inducing raynaud. The product has received sales approval under the Medicine and Device Access (藥械通) in the Greater Bay Area by the end of December 2025. Following the approval, a real-world study will be launched in the region to collect clinical data with an estimated duration of six months. Concurrently, we have made substantial headway in our national regulatory strategy. Preliminary discussions with the National Medical Products Administration (NMPA) have aligned on utilizing the “green channel” for expedited review. The submission to the Center for Drug Evaluation (CDE) is under orderly progress, targeting a conditional approval by the end of 2027. This timeline represents critical steps in accelerating patient access to this important therapy while supporting long-term market expansion and leading to profitability.

We also enriched our P2M pipeline in 2025 with four listed products and 11 products in the process of phase III clinical trial, registration application or pre-launch. We have already become the gateway for industrial enterprises to enter into hospitals and pharmacies based on our broad and in-depth hospital network and pharmacy network. As a result, our digitization capability can connect industrial enterprises with end hospitals and pharmacies, and ultimately bring high-quality products with competitive pricing and high convenience to patients with chronic conditions.

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, 2025, our total revenue amounted to RMB1,623.2 million, representing a year-on-year decrease of 53.5%, 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 significantly increased from 24.7% for the year ended December 31, 2024 to 47.8% for the year ended December 31, 2025, a positive result of our business restructuring that focuses on high-quality and cash-generation growth. Due to losses recognized related to certain subsidiaries disposed and the one-off specific provision, our net loss for the Reporting Period amounted to RMB968.5 million, representing a year-on-year increase of 97.1%. With the deepening execution of the national centralized procurement using a volume-based purchase (“VBP”) (集中帶量採購) policy initiated by the NHSA (國家醫療保障局), we proposed the disposal of certain subsidiaries in the first quarter of 2025. By the end of 2025, all disposal transactions have been completed. Our non-IFRS adjusted net loss amounted to RMB182.1 million, representing a year-on-year increase of 56.9%, primarily due to VBP impact on our hospital value-added business and subscription business. For further details of the disposals, please refer to the Company’s announcements dated August 27, 2025 and October 21, 2025 in relation to, among the other things, the termination of certain discloseable transactions, the entering into of a new discloseable transaction and impairment related to strategic divestment and one-off specific provision.

In-hospital Solution

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

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

As of December 31, 2025, 18,017 hospitals had accessed our hospital platform, including 1,230 Class III public hospitals and 2,603 Class II public hospitals. Additionally, 40 out of the 1,230 Class III 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 includes the hospital platform and hospital supplies, which are primarily related to chronic conditions and can be connected to our hospital platform through the proprietary AIoT devices. During the Reporting Period, 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 strengthen our hospital platform by optimizing AI-driven functions for more precise and customized chronic condition management.

Leveraging our hospital network, 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 as well as compliance requirements, thus targeted marketing has greater room to grow continuously.

As of December 31, 2025, we had contracted with 51 pharmaceutical companies to provide them with targeted marketing services, which represented an increase of 13.3% as compared to that as of December 31, 2024, showing that our strong hospital access capability through AI-driven hospital platform network has been recognized by more pharmaceutical companies. The total partnered SKUs reached 57 as of December 31, 2025, which represented an increase of 3.6% as compared to that as of December 31, 2024. Revenue from our in-hospital subscription solution amounted to RMB253.9 million, representing a decrease of 9.9% as compared to that as of December 31, 2024, primarily due to headwinds from VBP.

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. We believe that P2M solution is an upgraded version of targeted marketing, given that we have stronger control of the products and are more involved in the process including but not limited to research and development, manufacturing, sales and marketing, etc. During the Reporting Period, this sub-business line mainly includes our proprietary Ischelium[®], a drug widely recognized 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. Our Hetangjing[®] Dapagliflozin Tablets were ranked the second position in the 11th batch of the national procurement, ensuring its sales volume for the upcoming years.

We also enriched our P2M pipeline in 2025 with four listed products and 11 products in the process of phase III clinical trial, registration application or pre-launch. Revenue from our in-hospital P2M solution amounted to RMB419.1 million, representing a significant increase of 46.6% as compared to the year ended December 31, 2024.

The AI-driven hospital platform significantly improved our customer stickiness for monetization opportunities. Our in-hospital solution has allowed us to successfully build deep connections with hospitals and pharmaceutical companies, laying a solid foundation to extend our businesses to out-of-hospital settings. For the year ended December 31, 2025, the number of hospitals that accessed our hospital platform reached 18,017, representing an increase of 3,212 hospitals, or 21.7% as compared to the year ended December 31, 2024.

	Year ended December 31		Change (%)
	2025	2024	
	RMB'000	RMB'000	
Revenue			
In-hospital solution	1,188,791	2,683,282	(55.7)
Value Added Solution	515,780	2,115,411	(75.6)
Subscription Solution (i.e. Targeted Marketing)	253,874	281,903	(9.9)
P2M Solution	419,137	285,968	46.6
Gross profit			
In-hospital solution	570,064	675,928	(15.7)
Value Added Solution	100,335	217,556	(53.9)
Subscription Solution (i.e. Targeted Marketing)	218,817	250,515	(12.7)
P2M Solution	250,912	207,857	20.7
Gross margin			
In-hospital solution	48.0%	25.2%	22.8
Value Added Solution	19.5%	10.3%	9.2
Subscription Solution (i.e. Targeted Marketing)	86.2%	88.9%	(2.7)
P2M Solution	59.9%	72.7%	(12.8)

	Year ended December 31		Change (%)
	2025	2024	
	Number of hospital that accessed our AI-driven hospital platform ⁽¹⁾	18,017	
Subscription Solution — Number of partnered pharmaceutical companies ⁽²⁾	51	45	13.3
Subscription Solution — Number of partnered SKUs ⁽³⁾	57	55	3.6

Notes:

- (1) Number of hospitals that accessed our AI-driven hospital platform is the cumulative total number as of the end date of the respective 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' needs for out-of-hospital consultation and prescription services, and high value pharmaceuticals through our pharmacy platform.

Our AI-driven pharmacy platform, *ClouDr. Pharmacy*, was launched in the first half of 2019. It plays a critical role in our out-of-hospital medical services by empowering pharmacies with in-store, real-time consultation and AI-assisted prescription services for walk-in customers. We currently have two internet hospitals as part of our platform to deliver these services in compliance with relevant regulations. These internet hospitals allow us to provide online consultation and prescription services through our online applications to patients in different provinces across China. We had approximately 112,100 registered doctors and approximately 61.4 million registered users as of December 31, 2025. During the Reporting Period, the number of online prescriptions provided through our services reached 371.6 million, i.e. the average daily online prescription volume surpassed 1.0 million, representing a significant year-on-year increase of 40.5%, which proves the high customer recognition of our pharmacy platform. We also provide advanced features, such as a new retail function that offers e-commerce solutions on private domain traffic management such as WeChat mini programs, public domain traffic management and inventory management services. Our pharmacy platform has also integrated risk pooling of outpatient services in 11 provinces. As of December 31, 2025, 275,613 pharmacies had installed *ClouDr. Pharmacy*, representing an increase of 32,963 pharmacies, or a year-on-year increase of 13.6%, from that as of December 31, 2024, covering approximately 40% of pharmacies in China.

Leveraging the data insights generated from the AI-driven pharmacy platform prescription services, we effectively connect pharmaceutical companies and pharmacies for pharmacy supplies purchases. Due to our proactive reduction of certain low-margin value-added services, the number of transacting customers for our pharmacy supplies amounted to 294 customers for the year ended December 31, 2025, representing a decrease of 984 customers, or 77.0% as compared to that for the year ended December 31, 2024, but the average revenue per transacting customer increased to approximately RMB596 for the year ended December 31, 2025, representing an increase of 21.6% as compared to that for the year ended December 31, 2024.

The revenue of our out-of-hospital subscription solution business line amounted to RMB90.5 million, representing a significant increase of 57.8% as compared to that for the year ended December 31, 2024, due to the market share gain as a result of rendering online prescriptions efficiently and safely to pharmacies based on our strong AI modelling capabilities and increased demand of the integrated risk pooling of outpatient services. The revenue of our out-of-hospital value-added solution business line amounted to RMB160.9

million, representing a decrease of 72.8% as compared to that for the year ended December 31, 2024, due to our proactive reduction of certain low-margin value-added services and the shift of our strategic focus to P2M solution. Revenue from the out-of-hospital P2M Solution amounted to RMB85.3 million for the year ended December 31, 2025.

	Year ended December 31		Change (%)
	2025	2024	
	RMB'000	RMB'000	
Revenue			
Out-of-hospital solution	434,386	804,812	(46.0)
Subscription Solution	90,482	57,347	57.8
Value Added Solution	160,883	591,667	(72.8)
P2M Solution	85,327	34,428	147.8
Others	97,694	121,370	(19.5)
Gross profit			
Out-of-hospital solution	205,016	185,744	10.4
Subscription Solution	84,177	56,132	50.0
Value Added Solution	17,112	55,844	(69.4)
P2M Solution	50,600	20,407	148.0
Others	53,127	53,361	(0.4)
Gross margin			
Out-of-hospital solution	47.2%	23.1%	24.1
Subscription Solution	93.0%	97.9%	(4.9)
Value Added Solution	10.6%	9.4%	1.2
P2M Solution	59.3%	59.3%	—
Others	54.4%	44.0%	10.4

	Year ended December 31		Change (%)
	2025	2024	
Number of pharmacy stores that installed our AI-driven pharmacy platform ⁽¹⁾	275,613	242,650	13.6
Number of registered users (in millions) ⁽²⁾	61.4	38.4	59.9
Number of registered doctors (in thousands) ⁽³⁾	112.1	106.9	4.9
Number of online prescriptions (in millions)	371.6	264.4	40.5
Subscription Solution — Number of platform-paying pharmacy stores	164,279	127,452	28.9
Value Added Solution — Number of transacting customers	294	1,278	(77.0)
Value Added Solution — Average revenue per transacting customer (in thousands)	596	490	21.6

Notes:

- (1) Number of pharmacy stores that installed our AI-driven pharmacy platform is the cumulative total number as of the end date of the respective 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 February 2026, the official list of recipients for the 2025 Wu Wenjun Artificial Intelligence Science and Technology Award was announced. The project titled "Knowledge-Enhanced Trustworthy Multimodal Interaction Key Technologies and Applications", led by Beijing University of Posts and Telecommunications in collaboration with the Company, Peking University, and other institutions, won the Second Prize in Scientific and Technological Progress due to its outstanding technological innovation, practical application, and industry leadership. This award, regarded as China's highest honor in intelligent science and technology, serves as an authoritative recognition of the Company's technological strength and leadership in the industry.

In terms of technology development, the project leveraged vast amounts of chronic condition management data and application scenarios to address key technologies in the medical field, including knowledge graph construction and retrieval, multi-turn intelligent consultation for task completion, and privacy protection and secure computing for sensitive patient data. These efforts effectively solved core challenges in AI within medical scenarios, such as the accuracy of knowledge, the trustworthiness of interactions, and the security of data.

On the application promotion aspect, the Company integrated the project's results into the Company's self-developed dual AI-driven platform for hospitals and pharmacies, achieving large-scale technology conversion and implementation.

Business Outlook

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues decreased by 53.5% from approximately RMB3,488.1 million for the year ended December 31, 2024 to approximately RMB1,623.2 million for the year ended December 31, 2025. The decrease was primarily attributable to the decrease of value-added solutions in both in-hospital solution and out-of-hospital solution due to the strategic transformation that the Company restructured its business model to prioritize high-quality and cash-generation growth by focusing on the core AI capabilities.

In-hospital solution. Revenue from the in-hospital solution decreased by 55.7% from approximately RMB2,683.3 million for the year ended December 31, 2024 to approximately RMB1,188.8 million for the year ended December 31, 2025, primarily due to the decrease of value-added solution as a result of certain subsidiaries disposed that are involved in the sales of medical supplies and consumables, which is in line with our restructuring that prioritizes high-quality and cash-generation growth. For further details of the disposals, please refer to the Company's announcements dated August 27, 2025 and October 21, 2025 in relation to, among the other things, the termination of certain discloseable transactions, the entering into of a new discloseable transaction and impairment related to strategic divestment and one-off specific provision.

Out-of-hospital solution. Revenue from the out-of-hospital solution decreased by 46.0% from approximately RMB804.8 million for the year ended December 31, 2024 to approximately RMB434.4 million for the year ended December 31, 2025, primarily due to our proactive decision to reduce some low margin value-added solution and to focus on AI-assisted pharmacy solution and proprietary SKUs' P2M solution.

Cost of sales

Our cost of sales decreased by 67.7% from approximately RMB2,626.4 million for the year ended December 31, 2024 to approximately RMB848.1 million for the year ended December 31, 2025. The main reason for the decrease of cost of sales being faster than the decrease of revenue was primarily attributable to a reduced proportion of the low-margin value-added solution in the revenue mix as a result of our restructuring that prioritizes high-quality and cash-generation growth.

Gross profit and gross margin

As a result of the foregoing, our overall gross profit for the year ended December 31, 2024 and 2025 were approximately RMB861.7 million and approximately RMB775.1 million, respectively, and our overall gross margin for the same periods were 24.7% and 47.8%, respectively. The significant increase of our overall gross margin was a result of the optimization of the revenue structure with a focus on high-margin subscription solution and P2M solution in both in-hospital solution and out-of-hospital solution.

In-hospital solution. Our gross margin for the in-hospital solution significantly increased from 25.2% for the year ended December 31, 2024 to 48.0% for the year ended December 31, 2025, primarily attributable to higher revenue contribution from high-margin subscription solution, i.e. targeted marketing services rendering to pharmaceutical companies and proprietary SKUs' P2M solution as a result of our business restructuring.

Out-of-hospital solution. Our gross margin for the out-of-hospital solution significantly increased from 23.1% for the year ended December 31, 2024 to 47.2% for the year ended December 31, 2025, primarily due to our proactive reduction of the low-margin value-added solution in pharmacies as a result of our business restructuring that prioritizes high-quality and cash-generation growth.

Selling and marketing expenses

Our selling and marketing expenses slightly decreased by 0.7% from approximately RMB810.5 million for the year ended December 31, 2024 to approximately RMB804.9 million for the year ended December 31, 2025. 74.3% of our selling and marketing expenses are people related costs (including share-based payment expenses).

Although we enjoyed significant operating leverage and customer stickiness with high recurring purchases, the selling and marketing expense to revenue ratio increased from 22.3% for the year ended December 31, 2024 to 49.3% for the year ended December 31, 2025 due to (1) reduced revenue as a result of our strategic transformation; and (2) investment in market share gain of our P2M products.

Administrative expenses

Our administrative expenses decreased by 8.3% from RMB232.0 million for the year ended December 31, 2024 to RMB212.8 million for the year ended December 31, 2025. The decrease was primarily attributable to effective management and proactive control of administrative expenses.

The administrative expenses to revenue ratio increased from 4.0% for the year ended December 31, 2024 to 8.5% for the year ended December 31, 2025, due to reduced revenue as a result of strategic transformation.

Research and development expenses

Our research and development expenses decreased from approximately RMB75.4 million for the year ended December 31, 2024 to approximately RMB47.0 million for the year ended December 31, 2025. The research and development expense to revenue ratio for the year ended December 31, 2024 and for the year ended December 31, 2025 was 2.0% and 2.7%, respectively.

Loss from operations

As a result of the foregoing, our loss from operations increased by 126.9% from approximately RMB376.1 million for the year ended December 31, 2024 to approximately RMB853.3 million for the year ended December 31, 2025. The increase was primarily due to losses recognized on certain subsidiaries disposed and the one-off specific provision.

Finance costs

Our finance costs decreased by 13.8% from approximately RMB16.6 million for the year ended December 31, 2024 to approximately RMB14.4 million for the year ended December 31, 2025, primarily attributable to the decrease in loan balance.

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 RMB13.0 million and a loss of approximately RMB20.3 million for the year ended December 31, 2024 and 2025, respectively. The losses were due to the amortized interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights and change in fair value of convertible bonds, which was recognized as financial instruments issued to investors.

Impairment loss on trade receivables and other receivable

We recorded impairment loss on trade receivables and other receivables of RMB116.0 million and RMB293.2 million for the year ended December 31, 2024 and the year ended December 31, 2025, respectively. The change was primarily due to the impairment loss recognized on the assets related to disposals of certain subsidiaries and the one-off specific provision.

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

We recorded impairment loss recognized on non-current assets and assets held for sale of approximately RMB83.5 million and RMB345.9 million for the year ended December 31, 2024 and the year ended December 31, 2025 respectively. The change was primarily as a result of recognizing impairment loss on the assets related to disposals and impairment losses on non-current assets.

Income tax

We recorded income tax expenses of approximately RMB2.1 million for the year ended December 31, 2024 and income tax gains of approximately RMB364,000 for the year ended December 31, 2025. The change was primarily due to the changes of deferred tax liabilities.

Loss for the year

As a result of the foregoing, our loss increased by 97.1% from approximately RMB491.4 million for the year ended December 31, 2024 to approximately RMB968.5 million for the year ended December 31, 2025. The increase was primarily due to losses recognized related to certain subsidiaries disposed and the one-off specific provision.

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 and losses recognized on certain subsidiaries disposed and the one-off specific provision. 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 measures 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 (i) share-based compensation expenses, (ii) expenses related to subsidiaries' equity financing activities, (iii) change in the carrying amounts of financial instruments issued to investors, (iv) losses recognized related to certain subsidiaries disposed and other disposal-related assets, (v) one-off specific provision related to certain businesses whose counterparty is currently under major lawsuits or judicial investigations and (vi) impairment losses on non-current assets due to unexpected policy risks.

For the years ended December 31, 2024 and 2025, our adjusted net loss (non-IFRS measure) was approximately RMB116.1 million and RMB182.1 million, respectively.

For further details of the disposals, please refer to the announcements of the Company dated August 27, 2025 and October 21, 2025.

The following table sets forth the reconciliations of our non-IFRS financial measure for the years ended December 31, 2024 and 2025 to the nearest measure prepared in accordance with IFRS Accounting Standards:

	Year ended December 31	
	2025	2024
	RMB'000	RMB'000
Loss for the year	(968,493)	(491,390)
Add:		
Share-based payment related items ⁽¹⁾	79,306	130,923
Expenses related to subsidiaries' equity financing activities ⁽²⁾	2,481	249
Change in the carrying amounts of financial instruments issued to investors and changes in fair value of investment in unlisted equity instrument ⁽³⁾	29,495	13,032
Loss recognized related to certain subsidiaries disposed and other disposal-related assets ⁽⁴⁾	350,796	231,093
One-off specific provision related to certain businesses whose counterparty is under major lawsuits or judicial investigations ⁽⁵⁾	264,395	—
Impairment losses recognized on non-current assets due to unexpected policy risks ⁽⁶⁾	59,891	—
Adjusted net loss (non-IFRS measure)	(182,129)	(116,093)
Adjusted net loss margin (non-IFRS measure) (%)⁽⁷⁾	(11.2)	(3.3)

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, post-IPO share award scheme and 2025 share 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) Expenses 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 amortized interest expense on the redemption liability of our subsidiaries' equity financing with the redemption rights, which was recognized as financial instruments issued to investors, and changes in the fair value of convertible bonds issued to investors. Changes in fair value of investment in unlisted equity instrument represents 20% equity interest in Wuhu Jingxin Digital Creative Industry Investment Fund Partnership (Limited Partnership) (“**Wuhu Jingxin**”), and this investment is for financing purpose and designated as a financial asset at FVPL. Such change is non-cash in nature.
- (4) Losses recognized on the assets related to certain subsidiaries disposed include disposal loss, impairment loss and operating loss and other losses, which are not indicative of our continuing operational performance. Among the RMB350.1 million losses, RMB321.2 million were recognized as of June 30, 2025, and another RMB29.6 million were recognized after June 30, 2025 with a nature of property impairment loss and other assets losses related to disposed subsidiaries. For further details of the disposals, please refer to the announcements dated August 27, 2025 and October 21, 2025 in relation to, among the other things, the termination of certain discloseable transactions, the entering into of a new discloseable transaction and impairment related to strategic divestment and one-off specific provision.
- (5) One-off specific provision related to certain businesses whose counterparty is under major lawsuits or judicial investigations is presented separately to provide a clearer view of the Company's core operational performance. This provision amount is higher than the provision amount as disclosed in the 2025 interim report as a result of further inspections and investigations conducted on the counterparty's assets which led to more losses recognized as a the judicial investigation progressed.
- (6) This item includes RMB28.1 million impairment loss on goodwill and RMB31.7 million impairment loss on intangible assets, primarily due to risks resulted from policy changes. Such impairment losses on non-current assets are non-cash and non-operating in nature.
- (7) 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, 2025, we funded our cash requirements principally from capital contribution from shareholders and bank loans. We had cash and cash equivalents of approximately RMB304.8 million and approximately RMB267.6 million as of December 31, 2024 and December 31, 2025, respectively. In addition, we had RMB73.0 million financial assets measured at fair value and RMB69.9 million time deposits with initial term over three months in current assets as of December 31, 2025, and those financial assets are short term and for treasury management purposes.

As of December 31, 2025, we had bank and other loans of RMB268.3 million (as of December 31, 2024: RMB340.2 million). Borrowings are classified as current liabilities and non-current liabilities. RMB259.0 million are repayable within one year and RMB9.3 million are payable over one year as of December 31, 2025. The effective annual interest rates of borrowings ranged from 2.50% to 4.45% as of December 31, 2025.

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.

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, 2025) during the year ended December 31, 2025.

Material acquisitions and disposals

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), Jiangsu Zhiyun Health Management Co., Ltd. (江蘇智雲健康管理有限公司) and 91health Shanghai Limited (上海運臻網絡科技有限公司) 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, respectively. The disposals support our long-term strategies that focuses on: (a) technological improvement of AI-driven platforms; and (b) P2M pipeline enrichment and monetization. For further details of the disposals and the terminations, please refer to the announcements of the Company dated March 30, 2025, August 27, 2025 and October 21, 2025.

Save as disclosed in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures for the year ended December 31, 2025.

Pledge of assets

As at December 31, 2025, approximately RMB80.8 million of property, plant and equipment and intangible assets 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, 2025, 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, 2025, the gearing ratio was 51.1%, as compared with 42.1% as at December 31, 2024. The increase was primarily due to the decline of total assets is faster than the decline of total liabilities.

Foreign exchange exposure

During the year ended December 31, 2025, 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, 2025, we had currency exchange loss of approximately RMB1.1 million, as compared with currency gain of approximately RMB46,000 for the year ended December 31, 2024. We did not hedge against any fluctuation in foreign currency during the years ended December 31, 2024 and 2025.

The Group will monitor its foreign currency exposure and foreign exchange risk management strategies closely and will consider hedging significant foreign currency exposure should the need arises to minimize its foreign exchange risk.

Contingent liabilities

As at December 31, 2025, we did not have any material contingent liabilities (as at December 31, 2024: nil).

Indebtedness

As at December 31, 2025, the Group had bank and other loans of RMB268.3 million and lease liabilities of RMB20.4 million, as compared to RMB340.2 million and RMB26.4 million, respectively, as at December 31, 2024.

Employees and remuneration

As at December 31, 2025, the Group had a total of 887 employees, of which 268 employees are in Hangzhou, 95 employees are in Shanghai and 524 employees are in other offices in China.

The following table sets forth the total number of employees by function as at December 31, 2025:

Function	Number of full-time employees
Selling and marketing	703
Research and development	66
General and administrative	47
Others ¹	71
	<hr/>
Total	<u><u>887</u></u>

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.

The total people related cost incurred by the Group for the year ended December 31, 2025 was approximately RMB786.5 million, as compared to approximately RMB842.6 million for the year ended December 31, 2024. The full-time staff cost and flexible staffing cost incurred for the year ended December 31, 2025 was approximately RMB386.2 million and RMB400.3 million respectively as compared to approximately RMB504.4 million and RMB338.2 million respectively for the year ended December 31, 2024.

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.

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.

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 the 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, 2025. 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, 2025 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, 2025. 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, 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, 2025.

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, the proceeds have been fully utilized in accordance with the intended use of proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated June 23, 2022.

Set out below is the status of use of proceeds from the global offering as at December 31, 2025.

Purpose	% of use of proceeds	Net proceeds (HK\$ million)	Unutilized	Utilized	Unutilized
			amount as at December 31, 2024 (HK\$ million)	during the year ended December 31, 2025 (HK\$ million)	amount as at December 31, 2025 (HK\$ million)
Business expansion	60%	255.4	87.2	87.2	—
To advance our medical know-how and technology capabilities to reinforce our leadership in the digital healthcare industry	25%	106.4	28.1	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	—	—	—
Total	100%	425.7	115.3	115.3	—

Dividend

The Board does not recommend the distribution of a final dividend for the year ended December 31, 2025.

Closure of register of members

The Company's annual general meeting (the "AGM") will be held on Monday, June 8, 2026. The register of members of the Company will be closed from Wednesday, June 3, 2026 to Monday, June 8, 2026, 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 Tuesday, June 2, 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

(Expressed in Renminbi (“RMB”))

	Note	2025 RMB'000	2024 RMB'000
Revenue	5	1,623,177	3,488,094
Cost of sales		<u>(848,097)</u>	<u>(2,626,422)</u>
Gross profit		775,080	861,672
Other income and loss, net	6	(5,421)	(3,874)
Selling and marketing expenses		(804,913)	(810,546)
Administrative expenses		(212,847)	(231,996)
Research and development expenses		(46,959)	(75,396)
Impairment loss on trade receivables and other receivables		(293,223)	(116,001)
Impairment loss recognised on assets held for sale		<u>(265,018)</u>	<u>—</u>
Loss from operations		(853,301)	(376,141)
Finance costs	7(a)	(14,351)	(16,641)
Change in the carrying amounts of financial instruments issued to investors		(20,300)	(13,032)
Impairment loss recognised on non-current assets		<u>(80,905)</u>	<u>(83,508)</u>
Loss before taxation		(968,857)	(489,322)
Income tax	8	<u>364</u>	<u>(2,068)</u>
Loss for the year		<u>(968,493)</u>	<u>(491,390)</u>
Attributable to:			
— Equity shareholders of the Company		(924,151)	(516,409)
— Non-controlling interests		<u>(44,342)</u>	<u>25,019</u>
Loss for the year		<u>(968,493)</u>	<u>(491,390)</u>
Loss per share	9		
Basic and diluted (RMB)		<u>(1.52)</u>	<u>(0.89)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

for the year ended 31 December 2025

(Expressed in Renminbi)

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the year		(968,493)	(491,390)
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:		<u>(9,876)</u>	<u>3,746</u>
Total comprehensive income for the year		<u>(978,369)</u>	<u>(487,644)</u>
Attributable to:			
— Equity shareholders of the Company		<u>(934,027)</u>	(512,663)
— Non-controlling interests		<u>(44,342)</u>	<u>25,019</u>
Total comprehensive income for the year		<u>(978,369)</u>	<u>(487,644)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

(Expressed in Renminbi)

		At 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		90,607	143,245
Intangible assets		157,019	202,206
Goodwill		36,033	72,209
Financial assets measured at fair value through profit or loss (“FVPL”)		31,177	40,372
Other non-current assets		191,937	89,531
		<u>506,773</u>	<u>547,563</u>
Current assets			
Financial assets measured at FVPL		73,048	222,354
Inventories		161,682	169,386
Trade and bills receivables	10	352,339	727,577
Prepayments, deposits and other receivables		213,638	302,045
Restricted bank deposits		39,022	6,313
Time deposits with initial term over three months		69,868	5,000
Cash and cash equivalents		267,635	304,802
Assets held for sale		—	559,162
		<u>1,177,232</u>	<u>2,296,639</u>
Current liabilities			
Trade payables	11	129,463	173,832
Other payables and accrued expenses		347,937	423,495
Contract liabilities		60,659	70,827
Bank and other loans		258,967	330,962
Lease liabilities		11,311	13,122
Financial instruments issued to investors		336,399	214,622
Liabilities held for sale		—	126,369
		<u>1,144,736</u>	<u>1,353,229</u>
Net current assets		<u>32,496</u>	<u>943,410</u>
Total assets less current liabilities		<u>539,269</u>	<u>1,490,973</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
at 31 December 2025
(Expressed in Renminbi)

		At 31 December	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
Non-current liabilities			
Bank and other loans		9,310	9,279
Lease liabilities		9,040	13,254
Deferred tax liabilities		<u>33,464</u>	<u>35,756</u>
		<u>51,814</u>	<u>58,289</u>
NET ASSETS		<u>487,455</u>	<u>1,432,684</u>
CAPITAL AND RESERVES			
Share capital	<i>12(b)</i>	433	391
Reserves		<u>548,119</u>	<u>1,453,356</u>
Total equity attributable to equity shareholders of the Company		548,552	1,453,747
Non-controlling interests		<u>(61,097)</u>	<u>(21,063)</u>
TOTAL EQUITY		<u>487,455</u>	<u>1,432,684</u>

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 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 artificial intelligence (“**AI**”)-driven platform service to hospitals and pharmacies.

On 6 July 2022, the Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025 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 as explained in the accounting policies set out below:

- Investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures and;
- derivative financial instruments.

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 preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Material uncertainty related to going concern

The Group's business performance has been and will continue to be adversely affected by the national centralized procurement using a volume-based purchase policy, which has led to, amongst others, the disposal of the vitro diagnostic products in current year. For the year ended 31 December 2025, the Group experienced a significant decrease in revenue compared with last year and incurred a further loss of RMB968,493,000, resulting in accumulated losses of RMB11,355,541,000 as at 31 December 2025. The net current assets as at 31 December 2025 also decreased significantly compared with last year.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In assessing whether the Group has sufficient working capital for at least the next twelve months from the end of the reporting period, the management has prepared a cash flow forecast, taking into account measures planned or being taken which could turn around the business performance, including streamlining and optimizing its business lines,

deploying the necessary resources to patient to manufacturer business, AI-driven pharmacy platform service business, including increase in workforce in profitable business.

The directors have reviewed the Group's cash flow forecast prepared by management and considered that material uncertainty exists regarding the Group's ability to successfully implement the above measures and therefore the achievability of the forecast. In the opinion of the directors, assuming the success of the above measures, the Group will have sufficient working capital to finance its operations and meet its obligations as and when they fall due for at least the next twelve months, and thus it is appropriate to prepare the Group's financial statements on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to adjust the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“**IFRSs**”), 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. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or 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.

4 CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

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

- Patient to manufacturer ("P2M") solutions include sales of hospital supplies and pharmacy supplies, under which the Group had ownership or national distribution rights on the pharmaceutical products through strategic cooperation with pharmaceutical companies;
- Value added solutions include sales of hospital supplies and pharmacy supplies excluding the supplies included in the P2M solutions, and providing AI-driven hospital platform service;
- Subscription solutions include providing digital marketing services and AI-driven pharmacy platform service;
- Others mainly include sales of chronic condition products to individual customers and providing insurance brokerage services.

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Type of goods or services:		
In-hospital		
Value added solution	515,780	2,115,411
P2M solution	419,137	285,968
Subscription solution	253,874	281,903
Out-of-hospital		
Value added solution	160,883	591,667
P2M solution	85,327	34,428
Subscription solution	90,482	57,347
Others	97,694	121,370
	<u>1,623,177</u>	<u>3,488,094</u>
Timing of revenue recognition:		
Point in time	1,553,619	3,430,747
Over time	69,558	57,347
	<u>1,623,177</u>	<u>3,488,094</u>

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	
	2025	2024
	RMB'000	RMB'000
Customer A	<u>—</u>	<u>456,908</u>

(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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	5,749	23,163
Interest income	2,657	905
Fair value (losses)/gains on financial assets measured at FVPL	(7,371)	5,050
(Loss)/gain on disposal of subsidiaries	(2,736)	416
Impairment loss on prepayments	—	(31,699)
Foreign exchange (loss)/gain	(1,071)	46
Others	(2,649)	(1,755)
	<u>(5,421)</u>	<u>(3,874)</u>

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses	12,879	14,191
Interest on lease liabilities	818	1,255
Other financial cost	654	1,195
	<u>14,351</u>	<u>16,641</u>

(b) Staff costs

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	290,697	355,251
Contributions to defined contribution retirement plan (note (i))	16,235	18,235
Equity-settled share-based payment expenses	79,306	130,923
	386,238	504,409

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 31 December	
	2025	2024
	RMB'000	RMB'000
Amortisation of intangible assets	47,494	48,796
Depreciation expenses	23,403	52,744
Write down of inventories	10,762	35,404
Auditors' remuneration — audit services	4,500	4,500
Cost of inventories	754,616	2,565,680

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	
	2025	2024
	RMB'000	RMB'000
Current tax expense		
Provision for PRC income tax for the year	1,894	1,944
Under-provision in respect of prior years	34	3,893
Deferred tax expense		
Reversal of temporary differences	(2,292)	(3,769)
	<u>(364)</u>	<u>2,068</u>

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss before taxation	(968,857)	(489,322)
Notional tax calculated (<i>note (i)</i>)	(242,214)	(122,331)
Different tax rates in foreign tax jurisdictions (<i>notes (ii) and (iii)</i>)	12,939	19,630
Tax effect of non-deductible expenses	25,666	23,962
Tax effect of additional deduction from qualified research and development costs (<i>note (iv)</i>)	(8,815)	(18,114)
Tax effect of utilisation of tax losses previously unrecognised	(8,616)	(15,662)
Tax effect of deductible temporary differences not recognized	174,367	65,958
Tax effect of unrecognized tax losses	46,275	44,732
Under-provision in respect of prior years	34	3,893
	<u>(364)</u>	<u>2,068</u>

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) in 2025 and 2024. 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 2025 and 2024.

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 2025 and 2024.
- (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 RMB924,151,000 (2024: RMB516,409,000) divided by the weighted average number of ordinary shares in issue of 609,853,000 during the year (2024: 580,306,000).

The calculation of the weighted average number of ordinary shares for the years ended 31 December 2025 and 2024 is as follows:

	Year ended 31 December	
	2025	2024
	Number of shares '000	Number of shares '000
Issued ordinary shares at 1 January	586,735	563,870
Effect of equity instruments vested and delivered	23,118	18,441
Effect of new shares issuance (<i>note</i>)	53,697	—
Effect of the ordinary shares held by the Group (<i>note</i>)	<u>(53,697)</u>	<u>(2,005)</u>
Weighted average number of ordinary shares for the year	<u>609,853</u>	<u>580,306</u>

Note: 58,680,611 ordinary shares were issued to the trust controlled by the Group and reserved for the Group's 2025 share scheme, which was taken as ordinary shares held by the Group.

(b) Diluted loss per share

The share awards and convertible bonds were excluded from the calculation of diluted loss per share because their effect would have been anti-dilutive. The diluted loss per share is the same as the basic loss per share for the years ended 31 December 2025 and 2024.

10 TRADE AND BILLS RECEIVABLES

	At 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	578,753	728,269
Less: Loss allowance	<u>(242,004)</u>	<u>(44,771)</u>
	336,749	683,498
Bills receivables	<u>15,590</u>	<u>44,079</u>
	<u>352,339</u>	<u>727,577</u>

(a) Ageing analyses

At the year ended 31 December 2025 and 2024, 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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	227,841	486,031
4 to 6 months	68,617	175,150
7 to 12 months	53,174	38,814
Over 12 months	<u>2,707</u>	<u>27,582</u>
	<u>352,339</u>	<u>727,577</u>

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

11 TRADE PAYABLES

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Payables for inventories and services	<u>129,463</u>	<u>173,832</u>

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 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	119,936	165,762
More than 1 year	<u>9,527</u>	<u>8,070</u>
	<u>129,463</u>	<u>173,832</u>

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 2025 and 2024.

(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 2025 and 2024, 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.

Issued share capital

	2025		2024	
	Number of shares	Share capital RMB'000	Number of shares	Share capital RMB'000
Ordinary shares, issued and fully paid:				
At 1 January	587,038,219	391	587,038,219	391
Issuance of ordinary shares (<i>note</i>)	58,680,611	42	—	—
At 31 December	<u>645,718,830</u>	<u>433</u>	<u>587,038,219</u>	<u>391</u>

Note: 58,680,611 ordinary shares were issued to the trust controlled by the Group and reserved for the Group's 2025 share scheme, which was taken as ordinary shares held by the Group.

Extract of Independent Auditor’s Report

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2025.

“Opinion

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

Material uncertainty related to going concern

We draw attention to Note 2(c) to the consolidated financial statements, which indicates that the Group’s business performance has been and will continue to be adversely affected by the national centralized procurement using a volume-based purchase policy and the Group experienced a significant decrease in revenue and incurred a further loss of RMB968,493,000 for the year ended 31 December 2025, resulting in accumulated losses of RMB11,355,541,000 as at that date. The net current assets as at 31 December 2025 also decreased significantly compared with last year. As stated in Note 2(c), these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

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, 2025 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 26, 2026

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

* *For identification purpose only*