You should read the following discussion and analysis in conjunction with our consolidated financial statements and the accompanying notes included in the Accountants' Report set forth in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed "Forward-Looking Statements," "Risk Factors" and "Business" in this document.

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

You should note that the acquisition of Jiangsu Daotai was completed in October, 2023. As a result, the consolidated financial statements of our Group for the periods ended December 31, 2023, 2024 and 2025 include the financial information of Jiangsu Daotai for the period from October 31, 2023 to December 31, 2025. Please refer to the section headed "—Acquisition of Jiangsu Daotai" in this document for more information. To follow applicable regulations and disclosure requirements and for the purpose of presenting necessary key data to assess the financial impacts of the acquisition of Jiangsu Daotai, this document includes the audited pre-acquisition financial information of Jiangsu Daotai for the ten months ended October 31, 2023 (see the section headed Section III of the Accountants' Report included in Appendix I to this document) and the discussion and analysis on the pre-acquisition financial information of Jiangsu Daotai for the ten months ended October 31, 2023 in this section.

OVERVIEW

We are an independent AI-driven technology company in the insurance industry, which processed the largest number of insurance cases in China in 2024, according to the Frost & Sullivan Report, with full-stack risk analytics capabilities, enhancing underwriting capabilities and improving claims efficiency of insurance companies.

The insurance transaction lifecycle typically comprises four key stages, namely product design, underwriting, claim management and policy servicing. As an AI-driven technology company in the insurance industry with full-stack risk analytics capabilities, we are dedicated to offering AI-driven technologies to facilitate the entire operational lifecycle of insurance companies with a specific focus on two key segments — the underwriting process and the claim management process. Using risk analytics technologies, our solutions enable faster and more accurate assessments, enhance operational efficiency and streamline the decision-making process. Our solutions are accessible via modular packages hosted on our cloud-based infrastructure that can be easily integrated with our clients through an application programming interface, or API layer.

As of December 31, 2025, our solutions had been cumulatively adopted by 115 insurance companies, including nine of the top ten insurance companies in China in terms of insurance premiums in 2025, according to the Frost & Sullivan Report. In 2025, our revenue generated from nine of the top ten insurance companies in China amounted to RMB162.6 million, representing 15.9% of our revenue in the same year. As of December 31, 2025, we had cumulatively performed 221.4 million cases of underwriting reviews and claim investigations and served more than 44.0 million underwriting and claim customers of insurance companies since our inception. We also facilitated a cumulative first-year premium ("FYP") of over RMB13.0 billion as of December 31, 2025 since our inception.

We achieved rapid revenue growth during the Track Record Period. Our revenue increased from RMB654.7 million in 2023 to RMB943.8 million in 2024, and further increased to RMB1,023.9 million in 2025, representing a CAGR of 25.1% from 2023 to 2025. We had net losses of RMB239.9 million, RMB155.2 million and RMB269.8 million in 2023, 2024 and 2025, respectively.

In 2023, 2024 and 2025, our adjusted net profit (non-IFRS measure) amounted to RMB18.5 million, RMB57.5 million and RMB60.6 million, respectively.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with IFRS, issued by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value, which are carried at fair value.

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 2 to the Accountant's Report included in Appendix I to this document.

ACQUISITION OF JIANGSU DAOTAI

In October 2023, we completed the acquisition and obtained control of Jiangsu Daotai. Upon completion of the acquisition, Jiangsu Daotai became an indirect subsidiary of our Company and its results have consolidated into ours since then.

Jiangsu Daotai primarily engages in customers engagement services through telephone calls with voice agents. By acquiring and integrating with Jiangsu Daotai, we expect to benefit in the long-term from its customer engagement capabilities and existing client base and customer relationship, as well as business synergies from cross-selling and up-selling with our clients, products and solutions.

The acquisition of Jiangsu Daotai affected our financial condition and results of operation. Our revenue from customer engagement increased from RMB209.9 million in 2023 to RMB483.6 million in 2024, and gross profit from customer engagement increased from RMB87.4 million in 2023 to RMB172.1 million in 2024. The gross profit margin of our customer engagement decreased from 41.7% in 2023 to 35.6% in 2024. The decrease in gross profit margin of our customer engagement was primarily attributable to the increase in the telecommunication costs from RMB27.0 million in 2023 to RMB203.9 million in 2024. While the Group's customer engagement are primarily offered as a part of full stack underwriting solutions holistically, Jiangsu Daotai focuses on AI outbound calls and text messages for customer engagement, leading to a different cost structure compared to our Group's customer engagement.

In several months of 2025, an industry-wide control on telecom service capacity temporarily reduced the efficiency of Jiangsu Daotai's AI-driven outbound calls, which constrained our service capacity. Our revenue from customer engagement decreased from RMB483.6 million in 2024 to RMB436.5 million in 2025, and gross profit from customer engagement decreased from RMB172.1 million in 2024 to RMB141.3 million in 2025. The gross profit margin of our customer engagement decreased from 35.6% in 2024 to 32.4% in 2025.

To comply with the requirements of Rule 4.05A of the Listing Rules, the pre-acquisition consolidated financial information of Jiangsu Daotai for the period from January 1, 2023 to October 31, 2023, which was drawn up in conformity with accounting policies adopted by our Group, has been disclosed (see the section headed Section III of the Accountants' Report included in Appendix I to this document).

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The success and growth of our business depend on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address to optimize our results of operations and sustain our growth.

Our Ability to Deepen Relationships with Existing Customers

We primarily adopt an outcome-based revenue model, which allows us to grow with our insurance company clients as their businesses utilize and benefit from our solutions. To drive the growth of our customers' transaction volume or usage of solutions, we have been focused on deepening engagement with insurance company clients by up-selling and cross-selling our solutions. For instance, we provide our insurance company clients with the full stack AI risk analytics solutions that leverage data insights from both the underwriting and claim analytics processes to significantly improve overall operational efficiency for our insurance company clients. Our cross-selling capabilities is testified by our high revenue retention rate and extended customer base. With a revenue retention rate of 96.5% in 2025, we had cumulatively engaged with 115 insurance companies as of December 31, 2025, including nine out of the top ten insurance companies in China in terms of insurance premiums in 2025, according to the Frost & Sullivan Report.

In addition, we maintained close and sustainable business relationships with our major customers during the Track Record Period. Leveraging our AI agents and risk management models, we believe we will be able to continue to provide competitive solutions to our insurance company clients and further reinforce our cooperation with them.

We need to keep improving our solutions, brand influence, value-added technology service capabilities and risk analytics capabilities so as to strengthen and deepen cooperation with our existing insurance company clients.

Our Ability to Promote Our Solutions

Our success depends on the willingness of insurance company clients to adopt our solutions. Any acceleration or deceleration in insurance company clients' adoption of our solutions could affect our operating result and financial performance. In addition, fluctuations in macroeconomic conditions could affect the overall demand for our solutions. While the impacts to our business of a macroeconomic downturn are uncertain, we believe such a downturn may, in certain circumstances, increase the demand for our insurance company clients and accordingly the demand for our solutions.

We aim to provide effective solutions to more insurance company clients and expand our insurance exposure. We plan to boost our revenue through continuous product improvement and technological advancements. Leveraging our deep insights and strong R&D capabilities in AI-driven solutions, we are committed to attracting new insurance company clients with our innovative solutions catering to end customers' evolving needs. As we continue to optimize our solutions and expand our sales network, we expect to attract more insurance company clients in the future.

Our Ability to Attract Talent and Develop Technology

Our financial performance is dependent on our ability to maintain our market position through constant technological advancements and innovation. We focus on investing in our people and technology, which are crucial for us to enrich our offerings and further grow our customer base and achieve long-term profitability. We recruit, retain and motivate talented employees to support our growth. In particular, our research and development expenses amounted to RMB69.3 million, RMB94.0 million and RMB86.6 million in 2023, 2024 and 2025, respectively. In addition, we will continue to develop and apply state-of-the-art technologies to keep pace with the growth of our business, scale our offerings and improve operating efficiency. For example, we are expanding the adoption of AI technologies such as AI agents to further improve the efficiency of traditionally time-consuming processes such as application review, claim review and claim investigation.

Our Ability to Continuously Develop Our Service and Solution Mix

Our ability to develop new services and solutions affects our results of operations, especially our overall revenue and profit margin. We have continued to expand our services and solutions offering. In 2019, we launched our underwriting solutions to help insurance companies introduce new products, conduct efficient underwriting and expand customer outreach through multifaceted channels. We also introduced value-added health management services to address the unmet needs of our insurance company clients through pulling resources in upstream and downstream markets. These expansions of our solution offerings have diversified our source of revenue and expanded our profit margin. Furthermore, since 2023, we have integrated LLMs and successfully developed an AI agent featuring "real-person interactive experience" in the customer engagement process. We also adopted vertical models to enhance the efficiency of underwriting risk management. We believe the integration of AI will add value to our offerings.

Seasonality

Our results of operations are affected by seasonal fluctuations in demand for our solutions, reflecting traditional insurance seasonality patterns. For example, we generally experience less order volume during national holidays in China, particularly during the Chinese New Year holiday season in the first half of each year. Such fluctuations are seasonal in nature and thus our half-year results may not be indicative of our results of operations for the full year. For relevant risks, see "Risk Factors—Risks Relating to Our Financial Condition—Our financial results may vary significantly from period to period."

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of the historical financial information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Our management also needs to exercise judgment in applying our accounting policies. Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on us and that are believed to be reasonable under the circumstances. For details on such estimates and judgments, see note 3 in Section II to the Accountants' Report included in Appendix I to this document. Our management has identified below the accounting policies, estimates and judgments that they believe are critical to the preparation of our financial statements.

Revenue Recognition

We recognize revenue from contracts with customers when control of goods or services is transferred to the customers at an amount that reflects the consideration of our expected entitlement in exchange for those goods or services.

When such consideration in a contract includes a variable amount, the variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur and, if the associated with uncertainty, when such uncertainty is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, we measure revenue at the present value of the amount receivable, and discounted by using the discount rate that would be reflected in a separate financing transaction between us and the customer at contract inception. When the contract contains a financing component which provides us with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Underwriting Solutions

Customer Engagement Services

We provide customer engagement services by means of public domain or private domain for insurance carriers to help them with, for instance, customer engagement services. We earn service fees from insurance carriers upon completing customer engagement services. The services fees are determined as a predetermined percentage of premiums paid by the insured over the term of the insurance policy. Our obligation to insurance company clients is to identify promise to sell insurance policies on behalf of such insurance company clients. When such obligation is satisfied, we recognize revenue at the point in time when an insurance policy becomes effective.

The terms of our contracts can result in variable considerations, such as the estimated premium paid over the policy term for specific periods. We estimate the service fees mainly based on historical experience and customer behavior assumptions using the expected value method. The estimated amounts are included in the transaction price only if it is probable that there will be no significant reversal of revenue recognized for such transactions.

Underwriting Risk Management

We provide online risk assessment services by obtaining access to the potential insured's information and providing risk assessment results to help insurance carriers optimize their risk analytics. Consideration is primarily based on standard unit prices and service volumes rendered during the period, or a predetermined percentage of premiums paid by the insured over the term of the insurance policy. Revenue is recognized at a point in time upon the service delivery and acceptance by the customers. Related services fees are generally billed to insurance carriers monthly.

The contracts may also involve variable considerations, such as performance bonuses if the loss ratio is below a predetermined threshold for a given period. Fees are estimated using the expected value method based on historical experience and assumptions about future customer behavior. These estimates are only included in the transaction price if it is probable that there will be no significant reversal of revenue.

Underwriting-Related Software Development Services

We generate revenue from software development services, which are mainly provided to insurance companies, including the design and development of interfaces and digital infrastructure and other value-added services related to underwriting processes.

We recognize revenue from customer engagement solutions and other support services over time if one of the following criteria is met: (i) the customer simultaneously receives and consumes the benefits as our Group performs; (ii) our Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (iii) the asset delivered has no alternative use and our Group has an enforceable right to payment for performance completed to date. For performance obligations satisfied over time, we recognize revenue over time by measuring the progress toward complete satisfaction of a performance obligation usually using an input measure. Otherwise, revenues are recognized at a point in time when customers obtain control of the software solutions and we satisfy our performance obligation.

Specialty Health Insurance Products Services

We generate revenue through agreements with insurance company clients by facilitating insurance coverage for patients with pre-existing conditions. Service fees consist of either fixed service fees for distribution infrastructure set-up or variable fees determined by applying fixed unit prices to the service volumes rendered during the period. Revenue is recognized at a point in time when the relevant services are delivered.

Claim Solutions

Claim Assistance and Investigation Services

We generate revenue from service fees of claim review and investigation services to the insurance company clients. Consideration is primarily based on predetermined unit prices and service volumes rendered during the period. We recognize revenue at a point in time upon the service delivery and acceptance by the customers. Related services fees are generally billed to insurance carriers monthly.

Claim-Related Software Development Services

We generate revenue from software development services offered to insurance companies, including the design and development of interfaces and digital infrastructure, consulting and other value-added services and other support services helping insurance companies to better manage their claim processes. We recognize revenue from claim related solutions and other support services over time if the criteria is met. Otherwise, we recognize revenue at a point in time when customers obtain control of promised software solutions and we satisfy our performance obligation.

Value-added Healthcare Management Services

We provide value-added healthcare management services to customers, including health screening services, health management activity services, Patient Assistance Programs ("PAP") and integrated health management services. Service fees are generally determined based on standard unit pricing applied to the volume or usage of services rendered. Revenue is recognized either at a point in time when the relevant services are delivered or, for certain stand-ready service components of integrated health management services, over time over the relevant service period.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at fair value on the acquisition date which is the sum of fair values of assets transferred by our Group on the acquisition date, liabilities assumed by our Group from the former owners of the acquiree and the equity interests issued by our Group in exchange for control of the acquiree. For each business combination, we elect whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

We determine that we have acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When we acquire a business, we assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of our previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. We perform our annual impairment test of goodwill as of December 31 of the relevant year. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of our Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

RESULTS OF OPERATIONS

The following table summarizes our results of operations for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)					
Revenue	654,732	100.0	943,836	100.0	1,023,886	100.0
Cost of services	(273,078)	(41.7)	(473,414)	(50.2)	(540,890)	(52.8)
GROSS PROFIT	**381,654**	**58.3**	**470,422**	**49.8**	**482,996**	**47.2**
Other income and gains	4,200	0.6	4,572	0.5	5,050	0.5
Selling and distribution expenses	(163,393)	(25.0)	(146,555)	(15.5)	(165,599)	(16.2)
Administrative expenses	(134,423)	(20.5)	(182,708)	(19.4)	(199,413)	(19.5)
Research and development expenses	(69,298)	(10.6)	(93,988)	(10.0)	(86,583)	(8.5)
Loss on changes in fair value of financial liabilities at FVTPL	(256,735)	(39.2)	(205,535)	(21.8)	(303,550)	(29.6)
Other expenses	(101)	(0.0)	(54)	(0.0)	(49)	(0.0)
Impairment for financial assets and contract assets	(1,060)	(0.2)	(57)	(0.0)	(1,862)	(0.2)
Finance costs	(767)	(0.1)	(1,374)	(0.1)	(1,038)	(0.1)
LOSS BEFORE TAX	**(239,923)**	**(36.6)**	**(155,277)**	**(16.5)**	**(270,048)**	**(26.4)**
Income tax credits	20	0.0	39	0.0	276	0.0
LOSS FOR THE YEAR/PERIOD	**(239,903)**	**(36.6)**	**(155,238)**	**(16.4)**	**(269,772)**	**(26.3)**

NON-IFRS MEASURES

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe these non-IFRS measures, when shown in conjunction with the corresponding IFRS measures, facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items.

We believe these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net profit (non-IFRS measure) as net loss or profit for the period adjusted by adding back equity-settled share-based payment expenses, loss on changes in fair value of financial liabilities at fair value through profit or loss and listing expenses, and we define adjusted net profit margin (non-IFRS measure) as adjusted net profit (non-IFRS measure) divided by revenue. The adjustments have been consistently made during the Track Record Period.

The following table reconciles our adjusted net profit (non-IFRS measure) for the periods indicated with our loss for the year or period presented in accordance with IFRS:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	**(239,903)**	**(155,238)**	**(269,772)**
Add:			
Equity-settled share-based payment expenses[1]	1,683	2,436	14,045
Losses on changes in fair value of financial liabilities[2]	256,735	205,535	303,550
Listing expenses[3]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit (non-IFRS measure)	18,515	57,500	60,554
Adjusted net profit margin (non-IFRS measure)[4]	2.8%	6.1%	5.9%

Notes:

1. Equity-settled share-based payment expenses are non-cash expenses arising from granting share-based compensation to selected employees. It mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Equity-settled share-based payment is not expected to result in future cash payments. Share-based payment is recorded under our selling and marketing expenses, administrative expenses and research and development expenses, and equity-settled share-based payment expenses in the above table represents the sum of that recorded under each type of such expenses.

2. Losses on changes in fair value of financial liabilities are non-cash in nature arising from the convertible redeemable shares and convertible instruments issued to investors of Pre-[**REDACTED**] Investments. The convertible redeemable preferred shares will be automatically converted into Ordinary Shares upon completion of the [**REDACTED**], and we do not expect to further record this item after the Listing.

3. Listing expenses are primarily related to our [**REDACTED**].

4. Adjusted net profit margin (non-IFRS measure) equals adjusted net profit (non-IFRS measure) for the year/period divided by revenue for the year/period and multiplied by 100%.

DESCRIPTION OF KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

We had revenue of RMB654.7 million, RMB943.8 million and RMB1,023.9 million in 2023, 2024 and 2025, respectively, which reflects revenue generated from the provision of our underwriting and claim solutions.

Revenue by Business Line

During the Track Record Period, we generated revenue from the sales of (i) underwriting, including customer engagement, underwriting risk management, specialty health insurance products and underwriting-related software development services, and (ii) claim solutions, including claim review and claim investigation, value-added health management services and claim-related software development services. The following table sets forth a breakdown of our revenue by business line for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Underwriting solutions						
Customer engagement	209,891	32.1	483,645	51.2	436,463	42.6
Underwriting risk management	212,994	32.5	217,950	23.1	235,440	23.0
Specialty health insurance products	3,547	0.5	3,348	0.4	4,594	0.5
Underwriting-related software development services	36,016	5.5	27,459	2.9	30,133	2.9
Subtotal	**462,448**	**70.6**	**732,402**	**77.6**	**706,630**	**69.0**
Claims solutions						
Claim review and claim investigation	144,376	22.1	139,175	14.7	218,705	21.4
Value-added health management services	12,690	1.9	42,914	4.5	66,403	6.5
Claim-related software development services	35,218	5.4	29,345	3.1	32,148	3.1
Subtotal	**192,284**	**29.4**	**211,434**	**22.4**	**317,256**	**31.0**
Total	**654,732**	**100.0**	**943,836**	**100.0**	**1,023,886**	**100.0**

Cost of Services

Our cost of services during the Track Record Period primarily consisted of (i) data and investigation expenses in relation to our online underwriting data verification, claim review and investigations, (ii) telecommunication expenses in relation to our underwriting solutions, (iii) customer support expenses incurred for customer services and customer engagement in relation to our underwriting solutions, (iv) consultation costs in relation to our health management services, and (v) others, primarily include insurance brokerage fees and technical service fees. The following table sets forth a breakdown of our cost of services by nature for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Data and investigation expense	132,179	48.4	116,147	24.5	155,162	28.7
Telecommunication expense	27,016	9.9	203,942	43.1	136,996	25.3
Customer support expense	79,505	29.1	91,856	19.4	121,276	22.4
Health management costs	1,840	0.7	27,387	5.8	37,476	6.9
Labor costs	14,203	5.2	5,229	1.1	39,733	7.3
Rental cost	392	0.1	310	0.1	977	0.2
Depreciation and Amortization	106	0.0	32	0.0	242	0.0
Others	17,837	6.5	28,511	6.0	49,028	9.1
Total	**273,078**	**100.0**	**473,414**	**100.0**	**540,890**	**100.0**

Our cost of services accounted for 41.7%, 50.2% and 52.8% of our revenue in 2023, 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by business line for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Underwriting Solutions						
Customer engagement	87,427	41.7	172,147	35.6	141,262	32.4
Underwriting risk management	189,684	89.1	196,796	90.3	202,207	85.9
Specialty health insurance products	3,355	94.6	3,154	94.2	4,570	99.5
Underwriting-related software development services	26,108	72.5	18,300	66.6	21,273	70.6
Subtotal	**306,574**	**66.3**	**390,397**	**53.3**	**369,312**	**52.3**
Claims Solutions						
Claim review and claim investigation	38,097	26.4	43,611	31.3	62,325	28.5
Value-added health management services	11,766	92.7	15,283	35.6	25,468	38.4
Claim-related software development services	25,217	71.6	21,131	72.0	25,891	80.5
Subtotal	**75,080**	**39.0**	**80,025**	**37.8**	**113,684**	**35.8**
Total	**381,654**	**58.3**	**470,422**	**49.8**	**482,996**	**47.2**

Other Income and Gains

Our other income and gains primarily consists of (i) government grants, representing the financial subsidies from the local government, (ii) bank interest income, (iii) additional deductible input VAT, (iv) fair value changes of financial assets at fair value through profit or loss ("FVTPL"), (v) investment income, (vi) foreign currency exchange loss and (vii) others, primarily include tax refunds. The following table sets forth a breakdown of our other income and gains for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Government grants	923	3,321	2,607
Bank interest income	1,676	575	659
Additional deductible input VAT	1,273	86	11
Investment income	–	–	641
Fair value changes of financial assets at fair value through profit or loss	–	–	726
Foreign currency exchange gains	–	–	181
Gains on lease termination	–	–	1
Others	328	590	224
Total	**4,200**	**4,572**	**5,050**

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) marketing expenses to promote our brand and platform, (ii) salaries and employment benefits for our sales personnel, (iii) depreciation and amortization, (iv) share-based payments for our sales personnel, and (v) other sales and distribution expenses such as rental, travel and hospitality expenses. The following table sets forth a breakdown of our selling and distribution expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Marketing expenses	137,179	84.0	113,890	77.7	132,926	80.3
Salaries and employment benefits	22,052	13.5	22,743	15.5	23,261	14.0
Depreciation and amortization	551	0.3	2,436	1.7	2,789	1.7
Share-based payments	145	0.1	52	0.0	364	0.2
Others	3,466	2.1	7,434	5.1	6,259	3.8
Total	**163,393**	**100.0**	**146,555**	**100.0**	**165,599**	**100.0**

Administrative Expenses

Our administrative expenses primarily consist of (i) salaries and employment benefits for employees involved in general corporate functions, (ii) professional services expenses in relation to our general and administrative activities, (iii) listing expenses, (iv) share-based payments, and (v) depreciation and amortization. The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Salaries and employment benefits	114,994	85.5	146,164	80.0	140,924	70.7
Professional services expenses	17,803	13.2	25,118	13.7	28,438	14.3
Listing expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share-based payments	1,429	1.1	2,286	1.3	13,316	6.7
Depreciation and amortization	197	0.2	4,373	2.4	4,004	2.0
Total	**134,423**	**100.0**	**182,708**	**100.0**	**199,413**	**100.0**

Research and Development Expenses

Our research and development expenses primarily consist of (i) salaries and employment benefits for R&D personnel, (ii) professional service expenses to support our research, design and development activities and operations and software developments, (iii) depreciation and amortization and (iv) share-based payments. The following table sets forth a breakdown of our research and development expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Salaries and employment benefits	51,457	74.2	48,288	51.4	53,230	61.5
Professional service expenses	17,185	24.8	43,779	46.6	30,459	35.2
Depreciation and amortization	549	0.8	1,823	1.9	2,528	2.9
Share-based payments	107	0.2	98	0.1	366	0.4
Total	**69,298**	**100.0**	**93,988**	**100.0**	**86,583**	**100.0**

Losses on Changes in Fair Value of Financial Liabilities at FVTPL

The financial liabilities measured at FVTPL primarily represent convertible redeemable preferred share and convertible instruments issued by us that are not traded in an active market and the respective fair value is determined by using valuation techniques. Based on our Group's underlying equity value determined by an independent professionally qualified valuer using the back-solve method and discounted cash flow method, we used (i) the back-solve method to determine the fair value of financial liabilities as of December 31, 2024 and (ii) the discounted cash flow method to determine the fair value of financial liabilities as of December 31, 2023 and 2025. See note 2.3 in Section II to the Accountant's Report in Appendix I to this document.

We recorded losses on changes in fair value of financial liabilities at FVTPL of RMB256.7 million, RMB205.5 million and RMB303.6 million in 2023, 2024 and 2025, respectively.

Other Expenses

Our other expenses primarily represent net foreign exchange losses in relation to asset disposal losses. We recorded other expenses of RMB0.1 million, RMB54,000 and RMB49,000 in 2023, 2024 and 2025, respectively.

Impairment Losses on Financial and Contract Assets

We recorded net impairment losses for financial assets and contract assets of RMB1.1 million, RMB57,000 and RMB1.9 million in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs consist of interest expenses on bank borrowings and other borrowings and lease liabilities. We recorded finance costs of RMB0.8 million, RMB1.4 million and RMB1.0 million in 2023, 2024 and 2025, respectively.

Income Tax Credit

We recorded income tax credit of RMB20,000, RMB39,000 and RMB0.3 million in 2023 and 2024 and 2025, respectively.

We are a limited liability company incorporated in the Cayman Islands, which are not subject to tax on income or capital gains under the current laws of the Cayman Islands. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of our PRC subsidiaries is 25% unless subject to preferential tax treatments as set out below. Our PRC subsidiaries that were recognized as a national High and New Technology Enterprise ("HNTE") in during the Track Record Period have been entitled to a preferential income tax rate of 15%. Our PRC subsidiaries that were qualified as a Double Soft Enterprise ("DSE") were exempted from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year. Our subsidiaries incorporated in Hong Kong are subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Track Record Period. For details, see note 12 in Section II to the Accountant's Report in Appendix I to this document.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 8.5% from RMB943.8 million in 2024 to RMB1,023.9 million in 2025. Specifically:

- Revenue from our underwriting solutions remained relatively stable at RMB732.4 million and RMB706.6 million in 2024 and 2025, respectively. Specifically, our underwriting risk management increased from RMB218.0 million in 2024 to RMB235.4 million in 2025, primarily due to (i) increased purchases from our existing customers, and (ii) increased revenue from variable portion in relation to enhanced efficiency of loss reduction results. The increase was partially offset by a decrease in customers engagement services due to the industry-wide control in several months in 2025. See "— Acquisition of Jiangsu Daotai."

- Revenue from our claim solutions increased by 50.1% from RMB211.4 million in 2024 to RMB317.3 million in 2025, primarily driven by the expansion of (i) our claim review and claim investigation from RMB139.2 million in 2024 to RMB218.7 million in 2025 primarily due to our up-selling efforts and the consolidation of Guangzhou Tianxin since September 2025, and (ii) our health management services from RMB42.9 million in 2024 to RMB66.4 million in 2025 primarily due to the acquisition of new customers.

Cost of services

Our cost of services increased by 14.3% from RMB473.4 million in 2024 to RMB540.9 million in 2025, primarily in relation to our business growth, which is partially offset by a decrease in telecommunication expenses in relation to decreased revenue from Jiangsu Daotai.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 2.7% from RMB470.4 million in 2024 to RMB483.0 million in 2025.

Our gross profit margin decreased from 49.8% in 2024 to 47.2% in 2025.

- Gross profit margin of our sales of underwriting solutions remained stable at 53.3% and 52.3% in 2024 and 2025, respectively. Specifically, we experienced a decrease in gross profit margin of customer engagement due to the temporary industry-wide control on telecommunication service capacity. See "— Acquisition of Jiangsu Daotai."

- Gross profit margin of our sales of claim solutions decreased from 37.8% in 2024 to 35.8% in 2025, primarily due to the changes in our service mix driven by (i) the growth of our claim review and investigation services as a result of the consolidation of Guangzhou Tianxin since September 2025; and (ii) the growth of service offerings under our health management services, both of which had relatively lower gross profit margins compared to those of our other claim solutions.

Other Income and Gains

Our other income and gains increased by 10.5% from RMB4.6 million in 2024 to RMB5.1 million in 2025, primarily due to an increase in fair value changes of financial assets at FVTPL of RMB0.7 million.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 13.0% from RMB146.6 million in 2024 to RMB165.6 million in 2025, primarily due to an increase in our marketing expenses of RMB19.0 million to drive business growth.

Administrative Expenses

Our administrative expenses increased by 9.1% from RMB182.7 million in 2024 to RMB199.4 million in 2025, primarily due to (i) an increase in listing expenses of [**REDACTED**] in relation to the [**REDACTED**]; and (ii) an increase in our share-based payment expenses in relation to the new share options granted.

Research and Development Expenses

Our research and development expenses decreased by 7.9% from RMB94.0 million in 2024 to RMB86.6 million in 2025, primarily due to a decrease in professional services fees of RMB13.3 million mainly as a result of reduced utilization of third-party professional services driven by the continuous integration of AI technologies in our R&D processes.

Loss on Changes in Fair Value of Financial Liabilities at FVTPL

We recorded loss on changes in fair value of financial liabilities of RMB205.5 million and RMB303.6 million in 2024 and 2025, respectively. The loss was primarily driven by changes in our Group's valuation. See note 2.3 in Section II to the Accountants' Report in Appendix I to this document.

Other Expenses

We recorded other expenses of RMB54,000 and RMB49,000 in 2024 and 2025, respectively.

Impairment Losses on Financial and Contract Assets

Our impairment losses on financial and contract assets increased from RMB57,000 in 2024 to RMB1.9 million in 2025, primarily due to the increase in expected credit losses resulting from the increase in trade receivables.

Finance Costs

Our finance costs decreased from RMB1.4 million in 2024 to RMB1.0 million in 2025, primarily due to a decrease in interest on interest-bearing bank and other borrowings mainly as a result of the decreased bank borrowings in 2025.

Loss and Adjusted Net Profit (Non-IFRS Measure) for the Period

As a result of the foregoing, our loss for the period increased by 74.0% from RMB155.3 million in 2024 to RMB269.8 million 2025.

Our adjusted net profit (non-IFRS) amounted to RMB57.5 million and RMB60.6 million in 2024 and 2025, respectively.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 44.2% from RMB654.7 million in 2023 to RMB943.8 million in 2024. The increase was primarily driven by the following:

- Revenue from our underwriting solutions increased by 58.4% from RMB462.4 million in 2023 to RMB732.4 million in 2024, primarily driven by (i) increasing demand from our existing customers as well as expansion of client base and (ii) the consolidation of Jiangsu Daotai for the full year of 2024, while we only consolidated Jiangsu Daotai since October 2023.

- Revenue from our claim solutions increased by 10.0% from RMB192.3 million in 2023 to RMB211.4 million in 2024, primarily driven by the engagement of new insurance company clients for our value-added health management services partially offset by decrease in other claim solutions.

Cost of Services

Our cost of services increased by 73.4% from RMB273.1 million in 2023 to RMB473.4 million in 2024 primarily due to (i) an increase in telecommunication expenses by RMB176.9 million driven by the consolidation of Daotai since October 2023 and the expansion of our underwriting solutions and (ii) an increase in consultation costs by RMB25.5 million due to increase in health management services, partially offset by a decrease by RMB16.0 million in data and investigation expenses as a result of reduced investigation services.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 23.3% from RMB381.7 million in 2023 to RMB470.4 million in 2024.

Our gross profit margin decreased from 58.3% in 2023 to 49.8% in 2024, primarily attributable to our acquisition of Jiangsu Daotai in October 2023 and the consolidation of its results of operation in the Group since then.

- Gross profit margin of our sales of underwriting solutions decreased from 66.3% in 2023 to 53.3% in 2024, primarily due to the higher telecommunication costs that arose from our acquisition of Jiangsu Daotai since October 2023. This gross profit margin compression is attributable to the telephone sales channel, Jiangsu Daotai's primary channel to engage customers. In particular, the gross profit margin of our customers engagement services decreased from 41.7% in 2023 to 35.6% in 2024.

- Gross profit margin of our sales of claim solutions remained stable at 39.0% in 2023 and 37.8% in 2024.

Other Income and Gains

Our other income and gains increased by 8.9% from RMB4.2 million in 2023 to RMB4.6 million in 2024, primarily due to an increase in government grants of RMB2.4 million, partially offset by (i) a decrease in additional deductible input VAT of RMB1.2 million due to the cancellation of relevant favorable tax policies and (ii) a decrease in bank interest income of RMB1.1 million due to the decreased interest rate.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 10.3% from RMB163.4 million in 2023 to RMB146.6 million in 2024, primarily due to a decrease in our marketing expenses of RMB23.3 million because (i) we have achieved greater efficiency in utilizing our promotion expenses leveraging the enhanced recognition of our brand, and (ii) the synergies in our sales and marketing activities through acquisition of Jiangsu Daotai.

Administrative expenses

Our administrative expenses increased by 35.9% from RMB134.4 million in 2023 to RMB182.7 million in 2024, primarily due to an increase in salaries and employment benefits of RMB31.2 million as a result of increased number of staffs in relation to the consolidation of Jiangsu Daotai.

Research and Development Expenses

Our research and development expenses increased by 35.6% from RMB69.3 million in 2023 to RMB94.0 million in 2024, primarily due to an increase in professional service fees of RMB26.6 million in relation to model testing and cloud server services procured by Jiangsu Daotai.

Loss on Changes in Fair Value of Financial Liabilities at FVTPL

We recorded loss on changes in fair value of financial liabilities at FVTPL of RMB256.7 million in 2023 and RMB205.5 million in 2024. The changes in the fair value of our financial liabilities at FVTPL were primarily attributable to the change in our Group's equity valuation. See note 2.3 in Section II to the Accountants' Report in Appendix I to this document.

Other Expenses

Our other expenses decreased from RMB0.1 million in 2023 to RMB54,000 in 2024.

Impairment Losses on Financial and Contract Assets

Our impairment loss on financial and contract assets decreased from RMB1.1 million in 2023 to RMB57,000 in 2024.

Finance Costs

Our finance costs increased by 79.1% from RMB0.8 million in 2023 to RMB1.4 million in 2024, primarily due to an increase in our interests on bank and other borrowings as a result of (i) the consolidation of finance costs incurred by Jiangsu Daotai and (ii) an increase in our interest-bearing borrowings to support our business expansion.

Loss and Adjusted Net Profit (Non-IFRS Measure) for the Period

As a result of the foregoing, our loss for the period decreased by 35.3% from RMB239.9 million in 2023 to RMB155.2 million in 2024.

Our adjusted net profit (non-IFRS) amounted to RMB18.5 million and RMB57.5 million in 2023 and 2024.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

The following table sets forth a summary of our consolidated statement of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	5,634	5,945	5,602
Right-of-use assets	3,876	15,232	12,254
Goodwill	3,957	3,957	6,615
Intangible assets	31,100	30,414	37,869
Prepayments, other receivables and other assets	284	1,957	1,716
Deferred tax assets	17	57	124
Pledged deposits	5,202	5,202	5,202
Contract assets	27,321	22,981	7,321
Total non-current assets	**77,391**	**85,745**	**76,703**
Current assets			
Trade receivables	119,212	177,966	223,037
Prepayments, other receivables and other assets	64,798	121,295	67,757
Financial assets at FVTPL	–	–	25,727
Contract assets	39,032	23,725	20,604
Amounts due from related parties	111,524	157,349	195,997
Restricted cash	–	–	–
Cash held on behalf of other parties	16,226	11,181	7,137
Cash and cash equivalents	137,170	166,964	247,109
Total current assets	**487,962**	**658,480**	**787,368**
Current liabilities			
Trade payables	143,635	214,152	253,114
Other payables and accruals	115,644	76,917	102,213
Financial liabilities at FVTPL	881,660	1,228,655	1,502,059
Interest-bearing bank and other borrowings	8,000	38,171	29,900
Lease liabilities	3,620	6,607	6,639
Contract liabilities	44,393	26,529	38,780
Amounts due to related parties	70,498	24,603	29,877
Total current liabilities	**1,267,450**	**1,615,634**	**1,962,582**
Net current liabilities	**(779,488)**	**(957,154)**	**(1,175,214)**
Total assets less current liabilities	**(702,097)**	**(871,409)**	**(1,098,511)**
Non-current liabilities			
Lease liabilities	163	8,974	6,058
Deferred tax liabilities	1,698	1,699	3,989
Total non-current liabilities	**1,861**	**10,673**	**10,047**
Net Liabilities	(703,958)	(882,082)	(1,108,558)

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Equity			
Equity attributable to owners of the parent			
Share capital	79	79	79
Other reserves	(735,791)	(932,951)	(1,166,533)
	(735,712)	(932,872)	(1,166,454)
Non-controlling interests	31,754	50,790	57,896
Deficiency in assets	(703,958)	(882,082)	(1,108,558)

In the opinion of our Directors, no provision for impairment was required for non-financial assets as of December 31, 2023, 2024 and 2025.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of (i) deposits and other receivables, (ii) prepayments for listing expenses, (iii) impairment allowance, (iv) receivables from convertible instruments, (v) prepayments to suppliers, (vi) deductible input VAT, (vii) insurance premium received on behalf of other third parties, (viii) contract fulfillment cost. The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current			
Deposits	285	1,174	1,725
Prepayments for listing expenses	[REDACTED]	[REDACTED]	[REDACTED]
Impairment allowance	(1)	(7)	(9)
	284	1,957	1,716
Current			
Receivables from convertible instruments	–	75,000	–
Prepayments to suppliers	50,096	36,867	37,335
Deductible input VAT	4,200	2,587	5,876
Insurance premium received on behalf of other third parties	6,345	2,964	19,010
Contract fulfillment costs	3,502	2,620	772
Deposits and other receivables	764	1,905	2,090
Prepayments for listing expense	[REDACTED]	[REDACTED]	[REDACTED]
Impairment allowance	(109)	(648)	(90)
	64,798	121,295	67,757
Total	**65,082**	**123,252**	**69,473**

Our prepayments, other receivables and other assets increased from RMB65.1 million as of December 31, 2023 to RMB123.3 million as of December 31, 2024, primarily due to an increase in receivables from convertible instruments from nil as of December 31, 2023 to RMB75.0 million as of December 31, 2024 in relation to our Pre-[**REDACTED**] Investments. Our prepayments, other receivables and other assets decreased from RMB123.3 million as of December 31, 2024 to RMB69.5 million as of December 31, 2025, primarily due to a decrease in receivables from convertible instruments from RMB75.0 million as of December 31, 2024 to nil as of December 31, 2025.

As of February 28, 2026, RMB36.7 million, or approximately 54.1%, of the current portion of our prepayments, other receivables and other assets as of December 31, 2025 had been subsequently settled.

Trade Receivables

Our trade receivables represent amounts due from customers for solutions sold or services performed in our ordinary course of business. The following table sets forth a breakdown of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables	119,737	178,337	225,600
Impairment	(525)	(371)	(2,563)
Total	119,212	177,966	223,037

Our trade receivables increased from RMB178.0 million as of December 31, 2024 to RMB223.0 million as of December 31, 2025, primarily due to our business growth.

The credit period that we granted to customers during the Track Record Period was generally one month, extending up to three months for major customers. Our trade receivables are generally settled in line with the terms of relevant contracts. The following table sets forth an aging analysis of our trade receivables, including related provision for impairment, based on recognition date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 3 months	72,508	112,722	154,036
3 months to 6 months	9,682	24,358	19,557
6 months to 12 months	32,558	38,298	29,756
Over 12 months	4,464	2,588	19,688
Total	119,212	177,966	223,037

The following table sets forth the turnover days of our trade receivables and contract assets for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade receivables and contract assets turnover days[1]	70	79	85

Note:

(1) Trade receivables and contract assets turnover days equal the average of opening balance and closing balance of trade receivables and contract assets for relevant period divided by total revenue for the same period and multiplied by the number of days during such period, which is 365 days for one fiscal year.

Our trade receivables and contract assets turnover days increased from 70 days in 2023 to 79 days in 2024, primarily due to temporary extension of settlement schedule for certain customers of Jiangsu Daotai. Our trade receivables and contract assets turnover days increased to 85 days in 2025, primarily due to the growth in our performance in the fourth quarter of 2025, which led to an increase in the trade receivables and contract assets by the end of 2025. In addition, during the Track Record Period, most of our trade receivables were outstanding for less than one year. Thus, our Director considers that there are no issues regarding the recoverability of trade receivables.

As of December 31, 2023, 2024 and 2025, our loss allowance for impairment of trade receivables were RMB0.5 million, RMB0.4 million and RMB2.6 million, respectively. The increase in impairment of trade receivables in 2025 was primarily due to delayed payments from one of our customers.

As of February 28, 2026, RMB93.3 million, or approximately 41.4%, of our trade receivables as of December 31, 2025 had been subsequently settled.

Intangible Assets

Our intangible assets consist of customer relationships, licenses and software and system. Our intangible assets remained relatively stable at RMB31.1 million as of December 31, 2023 and RMB30.4 million as of December 31, 2024. Our intangible assets increased to RMB37.9 million as of December 31, 2025, primarily due to the acquisition of Guangzhou Tianxin.

Impairment of our Operating License

We provide customer engagement primarily through Aibang, which holds the requisite insurance intermediary license and online investigation primarily through Yadun and Guangzhou Tianxin, who holds insurance assessment license (collectively, "Operating Licenses"). We evaluate the Operating Licenses each financial year end to determine whether events and circumstances continue to support the indefinite useful lives. Impairment test on the Operating Licenses has been conducted by the management as at the end of each year during the Track Record Period. For the purposes of the impairment test, each of the Operating Licenses were allocated to Aibang, Yadun and Guangzhou Tianxin respectively, which were considered as separate CGU. The carrying amounts of Operating Licences allocated to each CGU at the end of each year during the Track Record Period were as follow:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Aibang			
Carrying amount	14,963	14,963	14,963
Yadun			
Carrying amount	1,651	1,651	1,651
Guangzhou Tianxin			
Carrying amount	–	–	5,100
Total	16,614	16,614	21,714

The recoverable amounts of the CGUs are determined based on the VIU calculations using the discounted cash flow method. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in the estimation of VIU calculations were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aibang			
Pre-tax discount rate	15.0%	15.0%	20.8%
Revenue growth rate	2.2%-5.0%	2.0%-3.0%	2.0%-7.0%
Terminal value growth rate	2.2%	2.0%	2.0%
Yadun			
Pre-tax discount rate	14.0%	14.0%	20.9%
Revenue growth rate	2.2%-5.0%	2.0%-3.0%	2.0%-5.0%
Terminal value growth rate	2.2%	2.0%	2.0%
Guangzhou Tianxin			
Pre-tax discount rate	NA	NA	18.7%
Revenue growth rate	NA	NA	2.0%-14.8%
Terminal value growth rate	NA	NA	2.0%

Details of the headroom calculated based on the recoverable amounts deducting the carrying amount allocated for the significant CGUs as at the end of each of the Relevant Periods are set out as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aibang	6,092	2,771	1,406
Yadun	1,039	1,029	144
Guangzhou Tianxin	NA	NA	4,314

Cash Held on Behalf of Other Parties

Our cash held on behalf of other parties represent insurance premiums received on behalf of insurance companies but not yet remitted as of the end of each of the reporting periods. We recorded cash held on behalf of other parties of RMB16.2 million, RMB11.2 million and RMB7.1 million as of December 31, 2023, 2024 and 2025, respectively, mainly due to fluctuations in the volume of related projects.

As part of our customer acquisition solutions, we collect insurance premiums from certain policyholders on behalf of the relevant insurance carriers. Any unremitted amounts are held in a custodial capacity. Premiums received via bank transfer are recorded as cash held on behalf of other parties under assets and premiums received and held in third-party payment platforms are recorded as insurance premiums received on behalf of third parties under prepayments, other receivables and other assets. Corresponding obligations are recognized as insurance premium payables under other payables and accruals or amounts due to related parties as liabilities.

Trade Payables

Our trade payables primarily represent amounts owed to our suppliers for services purchased. The following table sets forth our trade payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Trade payables	143,635	214,152	253,114

Our trade payables increased from RMB143.6 million as of December 31, 2023 to RMB214.2 million as of December 31, 2024, primarily due to an increased in our purchases of services in line with our business expansion. Our trade payables further increased from RMB214.2 million as of December 31, 2024 to RMB253.1 million as of December 31, 2025, primarily due to our business growth which resulted in respective increases in procurement from suppliers.

During the Track Record Period, our suppliers typically granted us a credit period of one to three months. The following table sets forth an aging analysis of our trade payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	116,603	159,875	203,417
Over one year	27,032	54,277	49,697
Total	**143,635**	**214,152**	**253,114**

The following table sets forth the turnover days of our trade payables for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days[(1)]	174	138	158

Note:

(1) Trade payables turnover days equal the average of the opening and closing balances of trade payables for relevant period divided by total cost of services for the same period and multiplied by the number of days during such period, which is 365 days for one fiscal year.

Our trade payables turnover days decreased from 174 days in 2023 to 138 days in 2024, primarily due to our improved liquidity driven by our working capital enhancement. Our trade payable turnover days increased from 138 days in 2024 to 158 days in 2025, primarily due to our increased sales in the fourth quarter of 2025, which resulted in a respective increase in trade payables as of December 31, 2025.

As of February 28, 2026, RMB130.3 million, or approximately 51.5%, of our trade payables as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Our contract liabilities arise from advances received from customers. We receive payments from customers based on the billing schedule as established in contracts during the customization and implementation stage of our solutions. Our contract liabilities decreased from RMB44.4 million as of December 31, 2023 to RMB26.5 million as of December 31, 2024, primarily due to more acceptance and delivered projects by the end of 2024 as compared to the same period in 2023. Our contract liabilities increased from RMB26.5 million as of December 31, 2024 to RMB38.8 million as of December 31, 2025, primarily due to the increased number of new projects we received in 2025 in line with our business growth.

As of February 28, 2026, RMB9.9 million, or approximately 25.4%, of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Other Payables and Accruals

Our other payables and accruals primarily consist of payroll and welfare payables, other tax payables, insurance premium payables, payables for acquisition of subsidiaries, accrued listing expenses, deposits, dividend payables and other payables. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Payroll and welfare payables	30,358	27,771	49,062
Medication payments received on behalf of other parties	18,753	3,330	–
Other tax payables	13,741	16,620	26,985
Insurance premium payables	11,431	7,440	8,741
Payable for acquisition of subsidiaries	4,900	4,900	–
Accrued listing expenses	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	4,815	2,194	2,392
Dividend payable	25,000	–	–
Other payables	6,646	10,191	13,036
Total	**115,644**	**76,917**	**102,213**

Our other payables and accruals decreased from RMB115.6 million as of December 31, 2023 to RMB76.9 million as of December 31, 2024, mainly as a result of a decrease in dividend payables from RMB25.0 million as of December 31, 2023 to nil as of December 31, 2024 following the settlement of relevant dividends. Our other payables and accruals increased to RMB102.2 million as of December 31, 2025, primarily due to an increase in payroll and welfare payables from (i) costs of corporate restructuring, (ii) recruitment of new talents, and (iii) the consolidation of Guangzhou Tianxin.

As of February 28, 2026, RMB15.0 million, or approximately 14.7%, of our other payables and accruals as of December 31, 2025 had been subsequently settled.

Financial Assets at FVTPL

Our financial assets at FVTPL represent wealth management products purchased by us pursuant to certain asset management agreements, pursuant to which we participated in asset management plans operated by corresponding asset managers and to deposit investments to the designated accounts maintained by the asset managers. As of December 31, 2025, we recorded financial assets at FVTPL of RMB25.7 million arising from such wealth management products.

We managed and evaluated the performance of investments on a fair value basis in accordance with our business needs and investment strategy. We endeavor to increase the return of idle cash and bank balances by [**REDACTED**] investments in wealth management products with high liquidity and low risk such that our risk exposure arising from such investments is controlled. Our investment strategy related to such products focuses on minimizing the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs, while generating desirable investment returns. In addition, in order to monitor and control the investment risks associated with our portfolio of low-risk wealth management products, we have adopted a comprehensive set of internal policies and guidelines to manage our investments. Our treasury managers are responsible for proposing, analyzing and evaluating potential investment in such products. Our management, including chief financial officer, has extensive experience in managing the financial aspects of an enterprise's operations. Prior to making any material investments in wealth management products or modifying our existing investment portfolio, the proposal shall be reviewed by our chief financial officer and submitted to our chief executive officer for approval.

Financial Liabilities at FVTPL

Our financial liabilities measured at FVTPL primarily represent preferred share and convertible instruments issued by us that are not traded in an active market, and the respective fair value is determined by using valuation techniques. See "— Description of Key Components of Our Results of Operations — Losses on Changes in Fair Value of Financial Liabilities at FVTPL." We recorded financial liabilities at FVTPL of RMB881.7 million, RMB1,228.7 million and RMB1,502.1 million as of December 31, 2023, 2024 and 2025, respectively. Among our financial liabilities at FVTPL, we had convertible instruments of RMB66.6 million, RMB139.2 million and nil as of the same dates, and convertible redeemable preferred shares of RMB803.2 million, RMB1,089.5 million and RMB1,502.1 million as of the same dates, respectively. We also recorded contingent consideration payable of RMB11.9 million as of December 31, 2023. During the Track Record Period, the general increase of our convertible instruments and convertible redeemable preferred shares was primarily driven by the changes in our Group's valuation.

Amounts Due from Related Parties

As of December 31, 2023, 2024 and 2025, we recorded amounts due from related parties of RMB111.5 million, RMB157.3 million and RMB196.0 million. The amounts due from related parties increased from RMB111.5 million as of December 31, 2023 to RMB157.3 million as of December 31, 2024, primarily due to the increase in trade receivables from ZhongAn Online as it procured more solutions from us in 2024. The amounts due from related parties further increase from RMB157.3 million as December 31, 2024 to RMB196.0 million as of December 31, 2025, primarily due to the increase in contract assets from ZhongAn Online as it procured more solutions from us in 2025. As of December 31, 2023, 2024 and 2025, RMB25.8 million, RMB38.2 million and RMB25.6 million of our amounts due from related parties were non-trade in nature, primarily related to exercising of share options and financing activities. Our Directors confirm that all other related party balances which are non-trade in nature and did not occur in our ordinary course of business will be settled before Listing. We do not expect to enter into similar arrangements going forward.

Amounts Due to Related Parties

Our amounts due to related parties primarily represent outsourced procedural and insurance premium collected on behalf of our related parties and historical business advances made by ZhongAn Online. Our amounts due to related parties decreased from RMB70.5 million as of December 31, 2023 to RMB24.6 million as of December 31, 2024, primarily due to (i) the repayment of the advances made by Zhongan Online and (ii) the settlement of the insurance premiums. Our amounts due to related parties increased from RMB24.6 million as of December 31, 2024 to RMB29.9 million as of December 31, 2025, primarily due to the increased premiums collected on behalf of our related parties driven by the growth in our business.

As of December 31, 2023, 2024 and 2025, RMB47.6 million, RMB4.8 million and RMB1.2 million of our amounts due to related parties were non-trade in nature, primarily related to salaries and rental expenses paid by the related parties on our behalf. Our Directors confirm that RMB1.2 million of the related party balances which are non-trade in nature and did not occur in our ordinary course of business has been settled as of the Latest Practicable Date and the remaining of which will be settled upon Listing. We do not expect to enter into similar arrangements going forward.

NET CURRENT ASSETS

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Current assets				
Trade receivables	119,212	177,966	223,037	325,188
Prepayments, other receivables and other assets	64,798	121,295	67,757	69,529
Financial assets at FVTPL	–	–	25,727	56,056
Contract assets	39,032	23,725	20,604	27,685
Amounts due from related parties	111,524	157,349	195,997	205,515
Cash held on behalf of other parties	16,226	11,181	7,137	57,566
Cash and cash equivalents	137,170	166,964	247,109	143,396
Total current assets	**487,962**	**658,480**	**787,368**	**884,935**
Current liabilities				
Trade payables	143,635	214,152	253,114	313,268
Other payables and accruals	115,644	76,917	102,213	124,221
Financial liabilities at FVTPL	881,660	1,228,655	1,502,059	1,480,863
Interest-bearing bank and other borrowings	8,000	38,171	29,900	29,900
Lease liabilities	3,620	6,607	6,639	6,638
Contract liabilities	44,393	26,529	38,780	39,711
Amounts due to related parties	70,498	24,603	29,877	30,017
Total current liabilities	**1,267,450**	**1,615,634**	**1,962,582**	**2,024,618**
NET CURRENT LIABILITIES	**(779,488)**	**(957,154)**	**(1,175,214)**	**(1,139,683)**

Our net current liabilities remained relatively stable at RMB1,175.2 million and RMB1,139.7 million as of December 31, 2025 and February 28, 2026 , respectively.

Our net current liabilities increased from RMB957.2 million as of December 31, 2024 to RMB1,175.2 million as of December 31, 2025, primarily due to an increase of RMB273.4 million in the financial liabilities at FVTPL mainly as a result of the fair value change of our convertible redeemable preferred shares. Our convertible redeemable preferred shares will be re-designated from liabilities to equity as a result of the automatic conversion into Ordinary Shares upon the Listing, after which we do not expect to recognize any further loss or gain on changes in fair value of convertible instruments and will return to a net assets position from a net liabilities position.

Our net current liabilities increased from RMB779.5 million as of December 31, 2023 to RMB957.2 million as of December 31, 2024, primarily due to (i) an increase of RMB347.0 million in financial liabilities at FVTPL, (ii) an increase of RMB70.5 million in trade payables and (iii) an increase of RMB30.2 million in interest-bearing bank and other borrowings, partially offset by (i) an increase of RMB58.8 million in trade receivables, (ii) an increase of RMB56.5 million in prepayments, other receivables and other assets and (iii) an increase of RMB29.8 million in cash and cash equivalents.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital Sufficiency

Our Directors are of the view that taking into account our available resources including cash and cash equivalents on hand, the operating cash flows, the available banking facilities and the net estimated proceeds from the [**REDACTED**], we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this document.

During the Track Record Period and up to the Latest Practicable Date, we primarily funded our cash requirements from cash from operations, bank borrowings and proceeds we received from Pre-[**REDACTED**] Investments. As of February 28, 2026, we had cash and cash equivalents of RMB143.4 million, financial assets at FVTPL of RMB56.1 million and unutilized credit facilities of RMB20.1 million.

Cash Flows

The following table sets forth selected cash flow statements for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash (used in)/ generated from operating activities	4,642	7,039	51,720
Net cash (used in)/ generated from investing activities	27,256	(16,591)	(40,390)
Net cash (used in)/ generated from financing activities	3,101	39,471	69,535
Net increase/(decrease) in cash and cash equivalents	34,999	29,919	80,865
Cash and cash equivalents at the beginning of the period	102,294	137,170	166,964
Effect of foreign exchange rate changes, net	(123)	(125)	(720)
Cash and cash equivalents at the end of the period	137,170	166,964	247,109

Net Cash Generated from Operating Activities

For the year ended December 31, 2025, we had net cash generated from operating activities of RMB51.7 million, which represents our loss before tax of RMB270.1 million, primarily adjusted for (i) fair value changes of financial liabilities at FVTPL of RMB303.6 million and (ii) an increase in other payables and accruals of RMB7.3 million, partially offset by increase in amounts due from related parties of RMB60.1 million.

For the year ended December 31, 2024, we had net cash generated from operating activities of RMB7.0 million, which represents our loss before tax of RMB155.3 million, primarily adjusted for (i) fair value changes of financial liabilities at FVTPL of RMB205.5 million, and (ii) an increase in trade payables of RMB70.5 million, partially offset by (i) an increase in trade receivables of RMB58.6 million, (ii) a decrease in amounts due to related parties of RMB45.7 million, and (iii) an increase in amounts due from related parties of RMB34.0 million.

For the year ended December 31, 2023, we had net cash generated from operating activities of RMB4.6 million, which represents our loss before tax of RMB239.9 million, primarily adjusted for (i) fair value changes of financial liabilities at FVTPL of RMB256.7 million, (ii) a decrease in cash held on behalf of other parties of RMB36.0 million, and (iii) a decrease in amounts due from related parties of RMB54.7 million. The amount was partially offset by (i) an increase in trade receivables of RMB24.2 million, (ii) a decrease in amounts due to related parties of RMB35.4 million, and (iii) an increase in contract assets of RMB53.9 million.

Net Cash (Used in)/Generated from Investing Activities

For the year ended December 31, 2025, we had net cash used in investing activities of RMB40.4 million, primarily due to (i) acquisition of financial assets at FVTPL of RMB80.0 million and (ii) acquisition of subsidiaries of RMB13.5 million, partially offset by withdraw in financial assets designated as at fair value of RMB55.6 million.

For the year ended December 31, 2024, we had net cash used in investing activities of RMB16.6 million, primarily due to (i) acquisition of subsidiaries of RMB12.3 million and (ii) purchases of items of property, plant and equipment of RMB3.5 million.

For the year ended December 31, 2023, we had net cash generated from investing activities of RMB27.3 million, primarily due to acquisition of subsidiaries of RMB25.8 million, partially offset by (i) purchases of items of property, plant and equipment of RMB1.6 million and (ii) purchase of intangible assets of RMB0.5 million.

Net Cash (Used in)/Generated from Financing Activities

For the year ended December 31, 2025, we had net cash generated from financing activities of RMB69.5 million, attributable to proceeds from convertible instruments of RMB87.0 million, partially offset by a repayment of interest-bearing bank borrowings of RMB38.9 million.

For the year ended December 31, 2024, we had net cash generated from financing activities of RMB39.5 million, attributable to (i) proceeds from interest-bearing bank and other borrowings of RMB70.5 million, (ii) proceeds from convertible instruments of RMB53.0 million, and (iii) proceeds from issue of convertible redeemable preferred shares of RMB50.9 million, partially offset by (i) payments of convertible instruments of RMB50.9 million, and (ii) repayment of interest-bearing bank and other borrowings of RMB40.7 million.

For the year ended December 31, 2023, we had net cash generated from financing activities of RMB3.1 million, attributable to proceeds from interest-bearing bank and other borrowings of RMB21.0 million, partially offset by (i) repayment of interest-bearing bank and other borrowings of RMB13.0 million and (ii) lease payments of RMB4.5 million.

INDEBTEDNESS

The table below sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Current				
Interest-bearing bank borrowings	8,000	38,171	29,900	29,900
Lease liabilities	3,620	6,607	6,639	6,638
Financial liabilities at FVTPL	881,660	1,228,655	1,502,059	1,480,863
Non-trade related amounts due to related parties	47,569	4,827	1,218	1,178
Non-current				
Lease liabilities	163	8,974	6,058	4,831
Total	941,012	1,287,234	1,545,874	1,523,410

Interest-bearing Bank Borrowings

The table below sets forth a breakdown of our interest-bearing bank borrowings as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Bank loans – unsecured	3,000	19,271	19,900	19,900
Bank loans – guaranteed	5,000	18,900	10,000	10,000
Total	8,000	38,171	29,900	29,900

As of December 31, 2023, 2024 and 2025 and February 28, 2026, we had borrowings of RMB8.0 million, RMB38.2 million, RMB29.9 million and RMB29.9 million, respectively, mainly representing bank loans to supplement our working capital. The increase in our total borrowings from 2023 to 2024 were primarily due to our business expansion. The decrease in our total borrowings from 2024 to 2025 were primarily due to our repayment of bank loans by the end of 2025. During the Track Record Period, our borrowings were obtained from commercial banks. The effective interest rate on our bank loans ranged from 2.75% to 3.90%, 2.75% to 2.90% and 2.30% to 2.40% during the Track Record Period.

As of February 28, 2026, our committed unutilized banking facilities amounted to RMB20.1 million.

The following table sets forth the maturity analysis of our bank borrowings as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Within one year	8,000	38,171	29,900	29,900

Lease Liabilities

Our lease liabilities are in relation to properties that we lease for our offices. As of December 31, 2023, 2024 and 2025 and February 28, 2026, we recognized total lease liabilities of RMB3.8 million, RMB15.6 million, RMB12.7 million and RMB11.5 million. The fluctuation in our lease liabilities was primarily due to (i) new leaseholds in relation to the relocation of our offices in 2024 and (ii) depreciation recognized during the lease term.

Save as disclosed above, as of February 28, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there had been no material change in our indebtedness since February 28, 2026 and up to the date of this document.

CAPITAL EXPENDITURES

Our capital expenditures were RMB2.2 million, RMB4.3 million and RMB2.6 million in 2023, 2024 and 2025, respectively. The following table sets forth our capital expenditures for the periods indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Purchase of property, plant and equipment	1,618	3,516	2,571
Purchase of intangible assets	546	764	–
Total	2,164	4,280	2,571

During the Track Record Period, our capital expenditures were primarily in relation to purchase of property, plant and equipment and intangible assets used in our operation. We expect that our capital expenditures in 2026 will primarily consist of purchase of property, plant and equipment. We expect to finance our capital expenditures through existing cash on hand, bank loans and the net proceeds from the [**REDACTED**]. We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we did not have any capital commitments contracted for but not yet provided. Our Directors confirm that there had been no material change in our capital commitments since December 31, 2025 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any significant contingent liabilities. Our Directors confirmed that there had not been any material change in the contingent liabilities of our Company since December 31, 2025 and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated.

	As of/Year ended December 31,		
	2023	2024	2025
Gross profit margin[(1)]	58.3%	49.8%	47.2%
Adjusted net profit margin (non-IFRS)[(2)]	2.8%	6.1%	5.9%

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue as of the dates indicated.

(2) Adjusted net profit margin (non-IFRS measure) equals adjusted net profit (non-IFRS measure) for the year/period divided by revenue for the year/period and multiplied by 100%.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any outstanding off-balance sheet arrangements.

FINANCIAL RISK MANAGEMENT

Our principal financial instruments include cash and cash equivalents, interest-bearing bank and other borrowings and convertible redeemable preferred shares. The primary purpose of these financial instruments is to support our operations by raising financing. We also have other financial assets and liabilities, such as trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals, which arise directly from our business activities.

The key risks associated with our financial instruments include foreign currency risk, credit risk and liquidity risk. Our Directors regularly review these risks and establish policies to manage and mitigate their impact effectively. For details, see note 39 in Section II to the Accountant's Report included in Appendix I to this document.

FINANCIAL INFORMATION OF JIANGSU DAOTAI

In October 2023, we completed the acquisition and obtained control of Jiangsu Daotai, which mainly provide customer engagement services. The acquisition is expected to further enhance our underwriting solutions. The total purchase consideration was RMB21.7 million, including a contingent consideration of RMB11.9 million based on Jiangsu Daotai's operating result and dividends distribution subsequent to the acquisition date. See Section III to the Accountant's Report included in Appendix I to this document.

Set out below is selected pre-acquisition financial information of Jiangsu Daotai for the period from January 1, 2023 to October 31, 2023 in accordance with IFRS Accounting Standards.

Principal Components of Statement of Comprehensive Income

The following table summarizes the statement of comprehensive income of Jiangsu Daotai for the periods indicated:

	For the ten months ended October 31, 2023
	(RMB in thousands)
Revenue	241,200
Cost of services	(163,285)
Gross profit	**77,915**
Other income and gains	1,720
Selling and distribution expenses	(3,375)
Administrative expenses	(9,844)
Research and development expenses	(19,955)
Impairment for financial assets	3
Profit before tax	**46,464**
Income tax credit/(expense)	–
Profit for the year/period	**46,464**

Revenue

Leveraging its experience in insurtech business, Jiangsu Daotai primarily offers customer engagement services, which are categorized under our underwriting solutions after our acquisition of Jiangsu Daotai. Jiangsu Daotai generally charges its customers service fees based on performance completion. In the ten months ended October 31, 2023, Jiangsu Daotai recorded revenue of RMB241.2 million.

Cost of services

Jiangsu Daotai's cost of services primarily represents telecommunication costs incurred to provide customer engagement services. In the ten months ended October 31, 2023, Jiangsu Daotai recorded cost of services of RMB163.3 million.

Other income and gains

Jiangsu Daotai's other income and gains primarily represents government grants. Jiangsu Daotai recorded other income and gains of RMB1.7 million in the ten months ended October 31, 2023.

Selling and distribution expenses

Jiangsu Daotai's selling and distribution expenses primarily represent staff expenses, including salaries, commissions, bonuses and benefits paid to sales and marketing personnel, share-based compensation, and miscellaneous expenses related to sales and marketing activities. In the ten months ended October 31, 2023, Jiangsu Daotai recorded selling and distribution expenses of RMB3.4 million.

Administrative expenses

Jiangsu Daotai's administrative expenses primarily represent staff expenses, including salaries, commissions, bonuses and benefits paid to administrative personnel, share-based compensation, and miscellaneous expenses related to administrative activities. In the ten months ended October 31, 2023, Jiangsu Daotai recorded administrative expenses of RMB9.8 million.

Research and development expenses

Jiangsu Daotai's research and development expenses primarily represent staff expenses, including salaries, commissions, bonuses and benefits paid to research and development personnel, share-based compensation, and miscellaneous expenses related to research and development activities. In the ten months ended October 31, 2023, Jiangsu Daotai recorded research and development expenses of RMB20.0 million, respectively.

Impairment for financial assets

Jiangsu Daotai's impairment for financial assets primarily represent provision for trade receivables. Jiangsu Daotai recorded a reversal of impairment for financial assets of RMB3,000 in the ten months ended October 31, 2023.

Profit for the Period

As a result of foregoing, Jiangsu Daotai had a net profit of RMB46.5 million in the ten months ended October 31, 2023.

Discussion of Certain Key Balance Sheet Items

The following table sets forth a summary of Jiangsu Daotai's consolidated statement of financial position as of the dates indicated.

	As of October 31, 2023
	(RMB in thousands)
Non-current assets	
Property, plant and equipment	4,595
Right-of-use assets	292
Total non-current assets	**4,887**
Current assets	
Trade receivables	51,942
Prepayments, other receivables and other assets	9,158
Cash and cash equivalents	30,746
Total current assets	**91,846**
Current liabilities	
Trade payables	29,427
Other payables and accruals	33,208
Lease liabilities	72
Contract liabilities	290
Amounts due to related parties	1,166
Total current liabilities	**64,163**
Net Current Assets	27,683
Total Assets Less Current Liabilities	32,570
Net Assets	**32,570**

Trade Receivables

Trade receivables of Jiangsu Daotai primarily represent receivables from provision of customer engagement services. The following table sets forth a breakdown of Jiangsu Daotai's trade receivables:

	As of October 31, 2023
	(RMB in thousands)
Trade receivables	51,958
Impairment	(16)
Total	51,942

For the ten months ended October 31, 2023, average trade receivable turnover days of Jiangsu Daotai were 72 days.

Trade payables

Trade payables of Jiangsu Daotai represent the amounts owed to its suppliers for services purchased. Trade payables of Jiangsu Daotai were RMB29.4 million as of October 31, 2023, all of which were aged within one year.

For the ten months ended October 31, 2023, average trade and payable turnover days of Jiangsu Daotai were 41 days.

Other Payables and Accruals

Other payables and accruals of Jiangsu Daotai consist primarily of (i) payroll and welfare payables, (ii) other tax payables, (iii) dividend payables and (iv) other payables.

The table below set forth the components of Jiangsu Daotai's other payables and accruals as of the date indicated.

	As of October 31, 2023
	(RMB in thousands)
Payroll and welfare payables	7,279
Other tax payables	495
Dividend payables	25,000
Other payables	434
Total	33,208

Other payables and accruals of Jiangsu Daotai were RMB33.2 million as of October 31, 2023. The dividend payables was primarily in relation to dividend announced but not yet settled in 2023.

Liquidity and Capital Resources

In the ten months ended October 31, 2023, Jiangsu Daotai had funded its working capital primarily from cash generated from its business operations. As of October 31, 2023, Jiangsu Daotai's cash and cash equivalents were RMB30.7 million.

Cash Flow

The flowing table sets forth selected cash flow statement information of Jiangsu Daotai for the periods indicated.

	For the ten months ended October 31, 2023
	(RMB in thousands)
Net cash generated from operating activities	57,753
Net cash used in investing activities	(2,025)
Net cash used in financing activities	(41,200)
Net increase/(decrease) in cash and cash equivalents	14,528
Cash and cash equivalents at the beginning of the period	16,218
Cash and cash equivalents at the end of the period	**30,746**

Net cash generated from operating activities

For the ten months ended October 31, 2023, Jiangsu Daotai had net cash generated from operating activities of RMB57.8 million, which represents Jiangsu Daotai's profit before tax of RMB46.5 million, adjusted for a decrease in trade receivables of RMB10.8 million. The amount was further adjusted by (i) an decrease in other payables and accruals of RMB19.0 million and (ii) an increase in trade payables of RMB15.0 million.

Net cash used in investing activities

For the ten months ended October 31, 2023, Jiangsu Daotai had net cash used in investing activities of RMB2.0 million, primarily due to purchases of items of property, plant and equipment.

Net cash used in financing activities

For the ten months ended October 31, 2023, Jiangsu Daotai had net cash used in financing activities of RMB41.2 million, attributable to payments for dividends of RMB45.7 million, partially offset by capital contributions by shareholders of RMB5.0 million.

Capital Expenditures

For the ten months ended October 31, 2023, Jiangsu Daotai did not have any material capital expenditures.

Capital Commitments

As of October 31, 2023, Jiangsu Daotai did not have any capital commitments contracted for but not yet provided.

Contingent Liabilities

As of October 31, 2023, Jiangsu Daotai did not have any significant contingent liabilities.

Off-Balance Sheet Commitments and Arrangements

As of October 31, 2023, Jiangsu Daotai did not have any off-balance sheet commitments and arrangements.

RELATED PARTY TRANSACTIONS

For details of our Group's related party transactions during the Track Record Period, see Note 38 of Section II to Appendix I to this document. For details of Jiangsu Daotai's related party transactions during the Track Record Period, see Note 11 of Section III to Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Appendix I to this document was conducted on an arm's length basis and would not distort our track record results or cause our historical results to be not reflective of our future performance.

DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. During the Track Record Period, we did not make any dividend payment. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our Memorandum of Association and Articles of Association and the Cayman Companies Act. As advised by our Cayman Islands legal advisor, under Cayman Islands law, a position of net liabilities or accumulated losses does not necessarily restrict us from declaring and paying dividends to our Shareholders, as dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

LISTING EXPENSES

Listing expenses represent professional fees, [**REDACTED**] commission and other fees incurred in connection with the [**REDACTED**]. Listing expenses to be borne by us are estimated to be approximately [**REDACTED**] ([**REDACTED**]), comprising: (i) [**REDACTED**] fees of [**REDACTED**] ([**REDACTED**]); and (ii) non-[**REDACTED**]-related expenses of [**REDACTED**] ([**REDACTED**]), which are further categorized into: (a) fees and expenses of legal advisors and accountants of [**REDACTED**] ([**REDACTED**]); and (b) other fees and expenses of [**REDACTED**] ([**REDACTED**]), assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range), approximately [**REDACTED**] ([**REDACTED**]) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately [**REDACTED**] ([**REDACTED**]) of which is expected to be deducted from equity upon the completion of the [**REDACTED**]. The listing expenses are expected to represent approximately [**REDACTED**]% of the gross proceeds of the [**REDACTED**], assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and that the [**REDACTED**] is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For more information, please see Unaudited [**REDACTED**] Financial Information in Appendix II to this document for details.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the end date of the period reported on in the Accountant's Report in Appendix I to this document) and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountant's Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.