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The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in “Appendix I — Accountant’s Report,” together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in “Risk Factors” and “Forward-Looking Statements” and elsewhere in this document.

OVERVIEW

We are an established provider in AI-empowered whole-course healthcare management in China. We are committed to revolutionizing healthcare through AI, connecting hospitals, physicians and patients to redefine the value chain of hospital services. During the Track Record Period, we generated revenue through (i) whole-course healthcare management services; (ii) the sale of certain healthcare products; (iii) insurance brokerage services; and (iv) IP-driven healthcare marketing solutions.

We experienced consistent revenue growth during the Track Record Period. Our revenue increased from RMB627.6 million in 2023 to RMB652.7 million in 2024, and further increased to RMB863.4 million in 2025. In 2023, 2024 and 2025, our loss for the year amounted to RMB149.6 million, RMB193.1 million and RMB290.1 million, respectively. In 2023, 2024 and 2025, our adjusted net loss (non-IFRS measures) decreased by 69.5% from RMB99.1 million in 2023 to RMB30.2 million in 2024, and further decreased by 21.2% to RMB23.8 million from 2024 to 2025, highlighting our significantly enhanced operating efficiency.

BASIS OF PREPARATION

We were incorporated in the Cayman Islands in September 2015. Our Company, as the holding company of our business, indirectly owns subsidiaries in the PRC that are principally engaged in value-added telecommunications services business, medical institution practice license service and insurance brokerage service. See “History, Reorganization and Corporate Structure” for more details. Our historical financial information has been prepared under the historical cost convention, except for certain financial liabilities at fair value through profit or loss (“FVTPL”) which has been measured at fair value. All intra-group transactions and balances have been eliminated on consolidation.

Our historical financial information has been prepared in accordance with IFRS Accounting Standards which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). All IFRSs effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information during the Track Record Period.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by several factors, many of which are outside of our control, including the following:

Growth of the Whole-course Healthcare Management Market in China

Our financial performance and future business growth depend on the development and growth of the whole-course healthcare management market in China. The growth of the whole-course healthcare management industry is mainly driven by the following factors: (i) favorable government policies to incentivize hospitals to increase non-medical insurance scheme revenue; (ii) increasing willingness to

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pay from patients; (iii) AI is enhancing healthcare management by streamlining hospital processes like screening and decision support, increasing efficiency, and allowing medical practitioners to focus on complex clinical decisions; and (iv) the adoption of whole-course healthcare management is expanding across clinical departments with each specialty requiring customized management strategies based on their specific disease characteristics and treatment timelines. As a leading whole-course healthcare management company in China, we expect to capture growth opportunities in this market, which will impact our results of operations and future performance. For details, please see “Industry Overview.”

Our Ability to Cost-Effectively Empower Our Business through Proprietary CareAI

The rapid evolution of AI technologies is revolutionizing the whole-course healthcare management industry, unlocking new possibilities for innovation and growth. Our AI-empowered platform, namely CareAI, is instrumental to our service delivery. Leveraging the latest developments in pre-trained large language models, CareAI can detect and identify the specific medical-related requests of its users and assign it to the most suitable agents, thereby creating a unified system that significantly outperforms single-model solutions across all key performance metrics. By analyzing incoming queries and dynamically routing them to the optimal combination of models, we deliver improved accuracy, reduced latency, and enhanced domain-specific expertise. By offering cost-effective AI-empowered whole-course healthcare management services, we have created a win-win outcome for patients, hospitals, doctors and public health insurance funds by addressing critical challenges in healthcare more efficiently and effectively.

We have strategically committed, and will continue to commit, significant resources to strengthening our technological capabilities in an cost-effective manner. Our focus remains on developing new features, applications, and functionalities, as well as advancing big data analytics and AI technologies to foster innovation in our offerings. Additionally, we will persist in investing in the expansion and enhancement of our AI technology to support and sustain the growth of our business.

Our Ability to Maintain and Deepen Partnerships with Hospitals

Our results of operations and long-term success rely partly on our ability to attract and maintain partnerships with qualified hospitals. Our whole-course healthcare management services are built upon deep partnerships with hospitals that are mutually beneficial to streamline hospital operations, lessen administrative burden, design high-value and evidence-based services, and offer patients an integrated and high-quality healthcare experience. As a result, hospitals are taking the initiative, eagerly seeking to revolutionize solutions through whole-course healthcare management offerings.

As of the Latest Practicable Date, we partnered with 188 hospitals to provide whole-course healthcare management services. The pace of opening new centers and their initial ramp-up periods are key factors affecting our financial performance; however, we have continuously enhanced our operating efficiency to shorten these ramp-up times. To drive future growth, we plan to expand our geographic coverage through new multi-level public hospital partnerships, while deepening our existing network by broadening services across additional medical departments and specialties to increase physician and patient engagement.

Our Ability to Expand our User Base and Deepen our User Relationships

Our growth depends on our ability to maintain and expand the stakeholder base throughout the whole-course healthcare management process. We are dedicated to continually strengthening collaboration with our users and promoting our brand reputation to pave the way for our sustainable growth. By delivering greater value to our users, we are able to strengthen customer loyalty and further increase retention rate. Going forward, we believe our ability to expand our user base and deepen our user relationships will continue to affect our financial performance.

Our Ability to Broaden our Service Offerings

As the healthcare industry undergoes rapid transformation driven by technological advancements and shifting patient expectations, we remain committed to sustaining our market position in delivering offerings affiliated to whole-course healthcare management service to better meet the expectations.

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Our extensive whole-course healthcare management capabilities have fostered strategic partnerships with hospitals, providing us with comprehensive visibility into pharmaceutical consumption patterns, prescribing trends, and therapeutic efficacy data across diverse patient populations and clinical settings. We strategically entered the healthcare products sales segment during the Track Record Period. This integrated offering of our whole-course healthcare management service not only ensures timely access to essential medications but also strengthens collaborative healthcare delivery. Recognizing many patients’ increasing needs for insurance products, we launched our insurance brokerage services to facilitate access to commercial insurance products. This initiative addresses a significant gap in healthcare financing and provides patients with greater financial security, which in turn supports better adherence to healthcare management treatment plans. To further expand our product portfolio, we introduced healthcare management subscription plans in 2024 through partnerships with mobile service providers, targeting their VIP customers.

Looking ahead, we are deepening our commitment to comprehensively understanding our patients’ needs by analyzing extensive healthcare data. By leveraging these insights, we are uniquely positioned to proactively anticipate and address the evolving needs of patients.

Our Ability to Enhance our Operating Efficiency

Our ability to manage and control our operating expenses and cost of services is critical to our operations.

Our ability to manage and control our operating expenses is also critical to the success of our business. Our operating expenses during the Track Record Period primarily consisted of selling and distribution expenses, administrative expenses and research and development expenses. Our operating expenses as a percentage of total revenue reflect our ongoing efforts to enhance operating efficiency, decreasing from 36.4% in 2023 to 26.3% in 2024. It remained relatively stable at 26.3% and 26.9% in 2024 and 2025, respectively. Such movement during the Track Record Period was driven by substantial improvements in operational efficiency. Leveraging our unique operation model, which integrates multidisciplinary teams and advanced healthcare management service, we tailor patient-centric services that enhance healthcare management continuity and operational efficiency. Through the integration of automation and strategic labor management, we optimized operations, resulting in meaningful cost savings as well as increased accuracy and speed of our whole-course healthcare management service. We believe our operating expenses will continue to decrease as a percentage of our total revenue as we further optimize operational structure. Our ability to effectively manage our operating expenses may significantly affect our profitability.

Our cost of services primarily includes (i) in-hospital costs; (ii) cost of goods; (iii) cost of medical staff; (iv) insurance brokerage commissions; (v) employee salaries and benefits; (vi) software development costs; (vii) cost of marketing services; and (viii) others. We believe that as CareAI continues to optimize operational efficiency by replacing certain traditional manual functions, we will achieve further reductions in operating expenses as a percentage of revenue and improved operating leverage over time. Notably, our gross profit margin are increasing during the Track Record Period.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through revenue generated from our operations, proceeds from our equity financings, as well as bank and other borrowings. We expect to fund our future operations primarily with existing cash and cash equivalents, revenue generated from our operations, bank and other borrowings, debt financings and [REDACTED] from the [REDACTED]. As our business continues to expand, we may require further funding through equity offerings, debt financing, and other sources. Changes in our ability to fund our operations may affect our cash flow and results of operations. See also “Risk Factors — Risks Relating to Our Financial Performance — We may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances.”

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MATERIAL ACCOUNTING POLICY AND ESTIMATES

The preparation of our consolidated financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. We continually evaluate these estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and our best assumptions, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates and expectations. Our critical accounting policies and estimates are set forth in detail in note 2 and note 3 to the Accountants’ Report set out in Appendix I of this document.

Impairment Testing of Goodwill

The goodwill comprises the fair value of expected business synergies arising from the acquisitions, which is not separately recognized. Goodwill acquired through business combinations is allocated to each of our group of cash-generating units (“CGUs”), that are expected to benefit from the synergies of the combination, for impairment testing. The goodwill arising from the acquisitions (details of the acquisitions during the Track Record Period are set out in note 34 to the Accountants’ Report set out in Appendix I of this document) for expanding the business during the Track Record Period is allocated to the group of CGUs of the respective business based on their operating segments.

We acquired Hangzhou Wei’er Health Technology Co., Ltd.* (杭州微爾健康科技有限公司) (“**Hangzhou Wei’er Health Technology**”) in 2022, before the Track Record Period in order to enhance the our healthcare products sales business. The goodwill arising from the acquisitions is allocated the group of CGUs of healthcare products sales business.

We acquired Ningbo Censhi Insurance Agency Co., Ltd. 寧波岑石保險代理公司 (“**Ningbo Censhi**”) in 2025 (details of the acquisitions are set out in note 34 to the Accountants’ Report set out in Appendix I of this document) in order to enhance our insurance brokerage services business. The goodwill arising from the acquisitions is allocated to the group of CGUs of insurance brokerage services business.

We acquired Nanfang Health Technology Group Co., Ltd. 杭州醫普南方健康科技集團有限公司 (“**Nanfang Health**”) in 2025 (details of the acquisitions are set out in note 34 to the Accountants’ Report set out in Appendix I of this document) in order to enhance our IP-driven healthcare marketing solutions business. The goodwill arising from the acquisitions is allocated the group of CGUs of IP-driven healthcare marketing solutions.

We acquired Yongkang Yile Nursing Home Co., Ltd. 永康頤樂護理院有限公司 (“**Yongkang Yile**”), Ruiwankang (Hangzhou) Health Management Co., Ltd. 瑞萬康(杭州)健康管理有限公司 (“**Ruiwankang Hangzhou**”), Shanxi Ruiwankang Nursing Services Co., Ltd. 山西瑞萬康護理服務有限公司 (“**Shanxi Ruiwankang**”) and Yilai Shuo (Hangzhou) Health Technology Co., Ltd. 醫來說(杭州)健康科技有限公司 (“**Yilai Shuo**”) in 2025 (details of the acquisitions are set out in note 34 to the Historical Financial Information) in order to enhance our Whole-course healthcare management business. The goodwill arising from the acquisitions is allocated to the group of whole-course healthcare management business.

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The carrying amount of goodwill allocated to each of the CGUs or group of CGUs at the end of each of the Track Record Period is as follows:

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Hangzhou Wei'er Health Technology	14,596	14,596	14,596
Ningbo Censhi	—	—	38,364
Nanfang Health	—	—	28,093
Ruiwankang	—	—	8,006
Yilai Shuo	—	—	1,532
	14,596	14,596	90,591

Goodwill is tested by management for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of the CGU has been determined based on a value in use (“VIU”) calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill as of December 31, 2023, 2024 and 2025.

Revenue — The basis used to determine the budgeted revenue is based on the management’s expectation of market development.

Terminal Growth rate — The forecasted terminal growth rate is based on management’s expectations and does not exceed the long-term average growth rate for the industry relevant to the CGU.

The pre-tax discount rate used is before tax and reflects specific risks relating to the CGU.

The recoverable amount of the CGUs exceeding their carrying amount is as follows:

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Hangzhou Wei'er Health Technology	8,051	7,563	7,054
Ningbo Censhi	—	—	49,378
Nanfang Health	—	—	101,575
Ruiwankang	—	—	46,983
Yilai Shuo	—	—	7,416

The following describes each key assumption on which the management has based its cash flow projections to undertake impairment testing of goodwill:

	Hangzhou Wei'er Health Technology
December 31, 2023	
Pre-tax discount rate	11%
Revenue(% compound growth rate)	2%–30%
Terminal growth rate	2%
December 31, 2024	
Pre-tax discount rate	11%
Revenue(% compound growth rate)	2%–18%
Terminal growth rate	2%

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	Hangzhou Wei'er Health Technology	Ningbo Censhi	Nanfang Health	Ruiwankang	Yilai Shuo
December 31, 2025					
Pre-tax discount rate	11%	15%	18%	15%	15%
Revenue(% compound growth rate). . .	5%–12%	5%–32%	3%	8%–87%	2%–80%
Terminal growth rate	2%	2%	2%	2%	2%

Sensitivity to changes in key assumptions:

Our Directors have performed sensitivity test by decreasing 5% of expected revenue, decreasing 5% of terminal growth rate or increasing 5% of pre-tax discount rate, with all other assumptions held constant. The impacts on the amount by which the CGU's recoverable amount above its carrying amount (headroom) are as below:

	Hangzhou Wei'er Health Technology	Ningbo Censhi	Nanfang Health	Ruiwankang	Yilai Shuo
			(RMB in thousands)		
December 31, 2023					
Headroom	8,051	—	—	—	—
Impact by decreasing expected revenue	(2,199)	—	—	—	—
Impact by decreasing terminal growth rate	(338)	—	—	—	—
Impact by increasing pre-tax discount rate	(3,869)	—	—	—	—
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
December 31, 2024					
Headroom	7,563	—	—	—	—
Impact by decreasing expected revenue	(1,245)	—	—	—	—
Impact by decreasing terminal growth rate	(326)	—	—	—	—
Impact by increasing pre-tax discount rate	(3,813)	—	—	—	—
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
December 31, 2025					
Headroom	7,054	49,378	101,575	46,983	7,416
Impact by decreasing expected revenue	(1,578)	(4,371)	(3,035)	(5,035)	(1,384)
Impact by decreasing terminal growth rate	(342)	(657)	(643)	(344)	(51)
Impact by increasing pre-tax discount rate	(4,949)	(7,347)	(10,368)	(4,002)	(550)
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Except for these, any reasonable possible changes in the other assumptions used in the value in use calculation would not affect management's view on impairment as at the end of each reporting period.

The values assigned to the key assumptions on discount rate are consistent with external information sources.

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DESCRIPTION OF CERTAIN CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>
Revenue	627,564	100.0	652,699	100.0	863,384	100.0
Cost of services.	(509,264)	(81.1)	(522,979)	(80.1)	(676,288)	(78.3)
Gross profit	118,300	18.9	129,720	19.9	187,096	21.7
Other income and gains	11,559	1.8	12,129	1.9	15,848	1.8
Selling and distribution expenses.	(135,385)	(21.6)	(94,897)	(14.5)	(122,535)	(14.2)
Administrative expenses	(53,209)	(8.5)	(47,137)	(7.2)	(71,566)	(8.3)
Research and development expenses	(39,909)	(6.4)	(29,813)	(4.6)	(38,131)	(4.4)
Impairment (losses)/gains on financial assets, net.	605	0.1	(4,080)	(0.6)	(5,554)	(0.6)
Other expenses	(4,995)	(0.8)	(534)	(0.1)	(5,150)	(0.6)
Finance costs	(3,038)	(0.5)	(5,106)	(0.8)	(7,611)	(0.9)
Loss before fair value losses on financial liabilities at FVTPL	(106,072)	(16.9)	(39,718)	(6.1)	(47,603)	(5.5)
Fair value losses on financial liabilities at FVTPL	(43,430)	(6.9)	(152,336)	(23.3)	(237,767)	(27.5)
Loss before tax	(149,502)	(23.8)	(192,054)	(29.4)	(285,370)	(33.1)
Income tax expenses	(62)	(0.0)	(1,055)	(0.2)	(4,762)	(0.6)
Loss for the year	(149,564)	(23.8)	(193,109)	(29.6)	(290,132)	(33.6)
Attributable to:						
Owners of the parent	(147,414)	(23.5)	(196,372)	(30.1)	(300,304)	(34.8)
Non-controlling interests	(2,150)	(0.3)	3,263	0.5	10,172	1.2

NON-IFRS MEASURES

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measures), EBITDA (non-IFRS measures) and adjusted EBITDA (non-IFRS measures) as additional financial measures, which are not required by, or presented in accordance with the IFRS.

Adjusted net loss (non-IFRS measures) for the year was calculated by taking loss for the year and adding back: (i) fair value losses on financial liabilities at FVTPL, representing convertible redeemable preferred shares issued to our pre-[REDACTED] investors, which are expected to be fully converted prior to the [REDACTED]; (ii) [REDACTED] expenses, which represented expenses in relation to the [REDACTED]; and (iii) share-based compensation expenses primarily paid to our employees, which was non-cash in nature and therefore are one-off in nature; and (iv) fair value gain on financial asset at FVTPL that are relating to our acquisition of non-controlling interests, which is one-off in nature.

We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) (which refers to loss for the year plus (i) income tax expenses; (ii) depreciation of property, plant and equipment; (iii) amortization of intangible assets; (iv) depreciation of right-of-use assets; and (v) finance costs) for the year adjusted by adding back (i) fair value gain on financial asset at FVTPL that are relating to our acquisition of non-controlling interests, which is one-off in nature; and (ii) share-based compensation expenses.

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We believe that these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company. We believe that these measures provide useful information to [REDACTED] and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

In light of the foregoing factors and adjustments, our Directors are of the view that the loss for the year does not accurately represent our underlying financial performance. Our loss for each year during the Track Record Period was primarily due to the issuance of convertible redeemable preferred shares, which are expected to be fully converted prior to the [REDACTED]. When these non-recurring items are excluded, our adjusted net loss (non-IFRS measure) has been steadily decreasing. In addition, our loss also stems from operating expenses during the Track Record Period. Our operating expenses as a percentage of total revenue reflect our ongoing efforts to enhance operating efficiency, decreasing from 36.4% in 2023 to 26.3% in 2024. It remained relatively stable at 26.3% and 26.9% in 2024 and 2025, respectively. With these improvements in operational efficiency, we expect to maintain our growth rate.

The following table sets forth a reconciliation of our adjusted net loss (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) in accordance with IFRS for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	(149,564)	(193,109)	(290,132)
<i>Add:</i>			
Fair value losses on financial liabilities at FVTPL	43,430	152,336	237,767
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share-based compensation expenses	7,026	10,572	11,522
Fair value (gain) on call option of acquisition of non-controlling interests	—	—	(2,343)
Adjusted net loss (non-IFRS measure)	(99,108)	(30,201)	(23,789)
Loss for the year	(149,564)	(193,109)	(290,132)
<i>Add:</i>			
Income tax expenses	62	1,055	4,762
Depreciation of property, plant and equipment	3,169	1,226	1,744
Amortization of intangible assets	5,833	5,171	7,276
Depreciation of right-of-use assets	898	1,228	3,783
Net finance costs	3,038	5,106	7,611
EBITDA (non-IFRS measure)	(136,564)	(179,323)	(264,956)
<i>Add:</i>			
Fair value losses on financial liabilities at FVTPL	43,430	152,336	237,767
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share-based compensation expenses	7,026	10,572	11,522
Fair value (gain) on call option of acquisition of non-controlling interests	—	—	(2,343)
Adjusted EBITDA (non-IFRS measure)	(86,108)	(16,415)	1,387

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In 2023, 2024 and 2025, we incurred net loss of RMB149.6 million, RMB193.1 million and RMB290.1 million, respectively. Our loss for the year during the Track Record Period was primarily due to the fair value losses on financial liabilities at FVTPL of RMB43.4 million, RMB152.3 million and RMB237.8 million in 2023, 2024 and 2025, respectively, which is a non-cash item. After deducting the fair value losses on financial liabilities, our net loss has experienced a marked and consistent reduction, reflecting a significant improvement in our financial performance. For details, see “Summary — Business Sustainability.”

Revenue

During the Track Record Period, we primarily generated revenue from whole-course healthcare management services to users in China. To a lesser extent, we also generate revenue from the sale of certain healthcare products, the provision of insurance brokerage services, and the provision of IP-driven healthcare marketing solutions.

We provided a wide range of services to users under our whole-course healthcare management model, including treatment arrangement and appointment, medication management, rehabilitation guidance, revisit coordination, nutritional guidance, homecare services and remote monitoring. For our healthcare management service packages, we charge individual patients an upfront service fee that covers the entirety of the service cycle. We do not recognize any breakage amount as revenue derived from unexercised contractual rights under expired service. Our institutional clients primarily comprise pharmaceutical companies, mobile telecommunications operators, and hospitals and medical institutions, for whom we create value through customized healthcare management services, digital health infrastructure solutions and data-driven patient support services. For institutional customers, we charge an upfront service fee in connection with the provision of healthcare management services to their subscribers, as well as a software license fee for our proprietary healthcare management software solutions. To a lesser extent, we also generated revenue from sales of healthcare products, leveraging our unique insight into pharmaceutical consumption partner and therapeutic efficacy data across diverse patient populations. For instance, our insurance brokerage service provides customized insurance solutions designed to effectively address individual needs. All of our revenue generated from this business was commissions paid by our partner insurance companies. In 2025, we started to offer IP-driven healthcare marketing solutions, which provides health education and marketing content on social media platforms to generate traffic for pharmaceutical and healthcare product companies. The following table sets forth the breakdown of our revenue by type of business, both in absolute amounts and as percentages of total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Whole-course healthcare management	437,318	69.7	470,090	72.0	529,772	61.3
Patient-end whole-course healthcare management services	406,312	64.8	351,133	53.8	310,238	35.9
Institutional whole-course healthcare management services	31,006	4.9	118,957	18.2	219,534	25.4
Healthcare products sales	98,434	15.7	126,349	19.4	182,732	21.2
Insurance brokerage services	89,988	14.3	56,260	8.6	109,598	12.7
IP-driven healthcare marketing solutions ⁽¹⁾	—	—	—	—	41,282	4.8
Others	1,824	0.3	—	—	—	—
Total	627,564	100.0	652,699	100.0	863,384	100.0

Note:

- (1) Others mainly represented revenue generated from a subsidiary primarily engaged in provision of software and information technology services, which we disposed in 2023.

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We believe the following sets forth our major revenue drivers:

- **Whole-course Healthcare Management.**
 - o For patient-end whole-course healthcare management services, our revenue drivers primarily include: (i) the number of partnered hospitals, which serves as our primary user acquisition channel; and (ii) the service scope and pricing of our whole-course healthcare service packages.
 - o For institutional whole-course healthcare management services, our revenue drivers primarily include: (i) our technological capabilities to deliver efficient, accurate, and high-quality real-world study reports and patient adherence tracking through whole-course healthcare management of end customers; (ii) the number of pharmaceutical companies and telecommunication companies we partner with and (iii) our ability to develop whole-course healthcare management software tailored to hospitals’ specific needs.
- **Healthcare Product Sales.** For our healthcare product sales business, our revenue drivers primarily include: (i) the diversity and quality of our products; (ii) the expansion and efficiency of our customer network, primarily consisting of hospitals and pharmacies; and (iii) our supply chain management capabilities, which allow us to optimize procurement costs and ensure stable product availability.
- **Insurance Brokerage Services.** For our insurance brokerage services, our revenue drivers primarily include: (i) our ability to expand customer base from both new channels and cross-sell customized health and life insurance products via our existing healthcare user base; (ii) the number of insurance carriers we partner with and the breadth of insurance products we are authorized to distribute; and (iii) the commission rates we are able to negotiate with these insurance carriers based on our sales volume and risk-assessment capabilities.
- **IP-driven Healthcare Marketing Solutions.** For our IP-driven healthcare marketing solutions, our revenue drivers primarily include: (i) our ability to continuously generate and curate high-quality, proprietary medical content that attracts a highly engaged audience; and (ii) the number of pharmaceutical companies seeking our targeted, precision-marketing services.

Revenue Recognition Policy for Whole-course Healthcare Management Services

Patients typically activate the various service entitlements within the service package upon purchases, followed by a valid usage period commencing from the service activation date. Revenue is generally recognized over time on a usage basis over the valid usage period. We are responsible to render and ensure the patients have the right to utilize the healthcare management service at any time within the scope of the service package. We usually collect full advances from patients for the subscribed service package, which are recognized as contract liabilities. A pro rata refund will be issued to customers upon request based on the proportion of service period or service entitlements not yet completed compared to total service period or service entitlements within the service package. We provide whole-course healthcare management services for pharmaceutical companies to facilitate their ongoing R&D and marketing activities, or for corporate companies to provide health management services to their users. Revenue is generally recognized at the point in time when the services are rendered and accepted by the customers.

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Cost of Services

Our cost of services mainly consisted of (i) cost of goods, mainly related to our healthcare products; (ii) in-hospital costs, primarily representing service fees relating to medical treatment and diagnosis as part of our whole-course healthcare management service; (iii) cost of medical staff, primarily representing service fees we paid to the medical team; (iv) insurance brokerage commissions, representing commissions paid to sales channels; (v) software development costs; (vi) employee salaries and benefits; (vii) cost of marketing services, mainly related to costs paid to health-focused KOLs as part of our IP-driven healthcare marketing solutions; and (viii) others, mainly represented fees we paid to physicians and medical practitioners associated with their health education content.

The following table sets forth the breakdown of our cost of services by nature, both in absolute amounts and as percentages of total cost of services, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Cost of goods	95,453	18.7	127,144	24.3	173,861	25.7
In-hospital costs	218,854	42.9	182,147	34.8	170,305	25.1
Cost of medical staff	62,397	12.3	116,450	22.3	166,922	24.7
Insurance brokerage commissions	83,394	16.4	45,506	8.7	80,619	11.9
Software development costs	21,712	4.3	22,901	4.4	36,364	5.4
Costs of marketing services	—	—	—	—	26,266	3.9
Employee salaries and benefits	22,502	4.4	25,456	4.9	18,650	2.8
Others	4,952	1.0	3,375	0.6	3,301	0.5
Total	509,264	100.0	522,979	100.0	676,288	100.0

The following table sets forth the breakdown of our cost of services by type of business, both in absolute amounts and as percentages of total cost of services, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Whole-course healthcare management	340,973	67.0	363,105	69.5	400,330	59.2
Healthcare products sales	80,063	15.7	111,067	21.2	164,305	24.3
Insurance brokerage services	86,695	17.0	48,807	9.3	83,920	12.4
IP-driven healthcare marketing solutions	—	—	—	—	27,733	4.1
Others	1,533	0.3	—	—	—	—
Total	509,264	100.0	522,979	100.0	676,288	100.0

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Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded total gross profits of RMB118.3 million, RMB129.7 million and RMB187.1 million, and gross profit margins of 18.9%, 19.9% and 21.7%, for the year ended December 31, 2023, 2024 and 2025, respectively. The following table sets forth our gross profit and gross profit margin by type of business for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%
Whole-course healthcare management	96,345	22.0	106,985	22.8	129,442	24.4
Healthcare products sales	18,371	18.7	15,282	12.1	18,427	10.1
Insurance brokerage services	3,293	3.7	7,453	13.2	25,678	23.4
IP-driven healthcare marketing solutions	—	—	—	—	13,549	32.8
Others	291	16.0	—	—	—	—
Total	118,300	18.9	129,720	19.9	187,096	21.7

Other Income and Gains

Our other income and gains primarily consisted of (i) fair value gains on financial assets at FVTPL, primarily related to our invested funds; (ii) government grants, mainly represented various incentives received from local government for our R&D and operational projects; (iii) bank interest income; (iv) gains on disposal of subsidiaries; (v) additional tax reduction of value added tax; (vi) net foreign exchange differences; and (vii) others, mainly associated with loans to our related parties. The following table sets forth a breakdown of our other income and gains, in absolute amounts and as percentages of total other income and gains, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Fair value gains on financial assets at FVTPL . .	118	1.0	2,045	16.9	5,055	31.9
Government grants	3,473	30.0	4,790	39.5	4,948	31.2
Bank interest income	1,560	13.5	2,085	17.2	1,832	11.6
Investment income	—	—	—	—	995	6.3
Foreign exchange differences, net	3,538	30.6	—	—	—	—
Others	2,870	24.9	3,209	26.4	3,018	19.0
Total	11,559	100.0	12,129	100.0	15,848	100.0

Selling and Distribution Expenses

Our selling and distribution expenses primarily consisted of (i) marketing and promotion expenses, mainly in relation to marketing activities for our newly launched whole-course healthcare management service packages and insurance brokerage products associated with our acquisition with Censhi Insurance; (ii) employee benefits and labor expenses, primarily including salaries and benefits for our sales and marketing personnels; (iii) travel and business related expenses, mainly associated with our pitching and promotional activities; and (iv) others, primarily including depreciation and amortization and office expenses.

The following table sets forth the breakdown of our selling and distribution expenses, in absolute amounts and as percentages of total selling and distribution expenses, for the years indicated.

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For the year ended December 31,

	2023		2024		2025	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Marketing and promotion expenses	47,698	35.2	37,501	39.5	67,156	54.8
Employee benefits and labor expenses	65,855	48.6	45,155	47.6	42,813	35.0
Travel and business related expenses	14,300	10.6	8,579	9.0	6,402	5.2
Others	7,532	5.6	3,662	3.9	6,164	5.0
Total	135,385	100.0	94,897	100.0	122,535	100.0

Our selling and distribution expenses as a percentage of our revenue amounted to 21.6%, 14.5% and 14.2% for the year ended December 31, 2023, 2024 and 2025, respectively, representing our efforts to improve our sales and marketing operating efficiency.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee benefits and labor expenses, primarily including salaries and benefits for our administrative personnels and related outsourced consultants; (ii) [REDACTED] expenses, primarily related to our proposed [REDACTED]; (iii) professional service expenses, which was mainly in relation to our financing activities; (iv) depreciation and amortization; (v) travel and meeting expenses incurred associated with our administrative personnels; (vi) rental fees, primarily for our short-term leases for offices and warehouses; and (vii) others, primarily including office expenses.

For the year ended December 31,

	2023		2024		2025	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Employee benefits and labor expenses	35,404	66.5	32,850	69.7	35,441	49.5
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Professional service expenses	3,682	6.9	4,037	8.6	1,805	2.5
Depreciation and amortization	2,157	4.1	2,044	4.3	5,010	7.0
Travel and meeting expenses	1,768	3.3	1,430	3.0	1,979	2.8
Rental fees	2,047	3.8	1,417	3.0	1,421	2.0
Others	8,151	15.4	5,359	11.4	6,513	9.1
Total	53,209	100.0	47,137	100.0	71,566	100.0

Research and Development Expenses

Our research and development expenses primarily consisted (i) employee benefits and labor expenses associated with our R&D personnels and other outsourced consultants; and (ii) other miscellaneous R&D expenses, such as meeting expenses, travel expense and depreciation and amortizations.

For the year ended December 31,

	2023		2024		2025	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Employee benefits and labor expenses	35,290	88.4	27,236	91.4	35,496	93.1
Others	4,619	11.6	2,577	8.6	2,635	6.9
Total	39,909	100.0	29,813	100.0	38,131	100.0

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Our research and development expenses as a percentage of our revenue amounted to 6.4%, 4.6% and 4.4% for the year ended December 31, 2023, 2024 and 2025, respectively, reflecting the effective integration of AI tools in our R&D processes to improve operational efficiency.

Impairment Gains/(Losses) on Financial Assets, Net

Our impairment gains or losses on financial assets, net were primarily related to gains or losses allowance for trade and bills receivables at amortized cost based on the expected credit loss model. We recorded net impairment gains on financial assets of RMB0.6 million in 2023, mainly attributable to the reversal of previously recognized impairment losses on specific trade receivables due to successful subsequent collection efforts, demonstrating the recoverability of these assets. We recorded net impairment losses on financial assets of RMB4.1 million in 2024 and RMB5.6 million in 2025, primarily reflecting the growth of our healthcare products sales business, resulting in an increase in our trade and bill receivables.

Other Expenses

Our other expenses primarily included losses on the disposal of items of property, plant and equipment. Our other expenses amounted to RMB5.0 million, RMB0.5 million and RMB5.2 million in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs primarily represented interests on interest-bearing bank and other borrowings, loan from minority shareholders and lease liabilities, as well as increase in discounted amounts arising from the passage of time. The following table sets forth a breakdown of our finance costs for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Interest on interest-bearing bank and other borrowings	2,243	4,721	5,667
Interest on lease liabilities.	57	114	385
Interest on loan from minority shareholders . .	282	253	248
Increase in discounted amounts arising from the passage of time	456	18	1,311
Total	3,038	5,106	7,611

Fair Value Losses on Financial Liabilities at FVTPL

The fair value losses on financial liabilities at FVTPL primarily represented convertible redeemable preferred shares issued to our pre-[REDACTED] investors. Our fair value losses on financial liabilities at FVTPL amounted to RMB43.4 million, RMB152.3 million and RMB237.8 million in 2023, 2024 and 2025, respectively. These preferred shares will be converted into ordinary shares upon [REDACTED], and would no longer affect our results of operations going forward.

Income Tax Expenses

Our income tax expenses primarily consisted of current and deferred tax. We recorded income tax expenses of RMB0.1 million, RMB1.1 million and RMB4.8 million in 2023, 2024 and 2025, respectively.

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Cayman Islands

We are a limited liability company incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, upon payments of dividends by us to our shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

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.

Mainland China

Under the Law of the CIT Law and Implementation Regulation of the CIT Law, the CIT rate of the PRC subsidiaries is 25% during the Track Record Period unless they are subject to tax concession. Some of our subsidiaries benefited from a preferential CIT rate of 15% during the period from January 2023 to December 2025. Additionally, certain subsidiaries qualified as small-scale minimal profit enterprises and were subject to varying preferential CIT rates based on their assessable profits.

During the Track Record Period and as of the Latest Practicable Date, we did not have any disputes or unresolved tax issues with the relevant tax authorities.

Loss for the Year

We recorded a loss of RMB149.6 million, RMB193.1 million and RMB290.1 million in 2023, 2024 and 2025, respectively.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 32.3% from RMB652.7 million for the year ended December 31, 2024 to RMB863.4 million for the year ended December 31, 2025, primarily attributable to our continuous business growth and expansion. In particular, our revenue growth was result from an increase in revenue generated from the provision of whole-course healthcare management services and insurance brokerage services. This was also driven by the acquisition of Nanfang Health to provide IP-driven healthcare marketing solutions in 2025.

Specifically, our revenue generated from the provision of whole-course healthcare management service increased by 12.7% from RMB470.1 million for the year ended December 31, 2024 to RMB529.8 million for the year ended December 31, 2025. This was primarily driven by revenue from our institutional whole-course healthcare management services, which increased by 84.5% from RMB119.0 million in 2024 to RMB219.5 million in 2025. The number of our institutional customers grew from 47 in 2024 to 66 in 2025, driven by our strategic shift toward higher-value institutional customers and strengthened brand recognition. This was partially offset by a slight decrease in revenue from our patient-end whole-course healthcare management services, primarily due to our strategic focus on high-value specialties such as obstetrics, while discontinuing some lower-value service packages for individual patients. For details, please see “Business — Our Whole-Course Healthcare Management Service — Overview.”

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Our revenue generated from healthcare products sales increased by 44.7% from RMB126.3 million for the year ended December 31, 2024 to RMB182.7 million for the year ended December 31, 2025, primarily attributable to (i) the enhanced penetration of our customer base, primarily by engaging more large scaled pharmaceutical distributors particularly in Zhejiang province; (ii) the growing number of healthcare products for which we hold exclusive distribution rights in specific regions, increasing by 21.4% from 2024 to 2025; and (iii) the increased number of healthcare products we offered on our platform, which increased from 328 SKUs in 2024 to 340 SKUs in 2025.

Our revenue from insurance brokerage services increased by 94.7% from RMB56.3 million for the year ended December 31, 2024 to RMB109.6 million for the year ended December 31, 2025. This was mainly attributable to our acquisition of Censhi Insurance in April 2025, which enabled us to offer an expanded range of insurance products, including life annuity insurance products.

In 2025, we started to offer IP-driven healthcare marketing solutions alongside with the acquirement of Nanfang Health. We generate revenue from pharmaceutical companies primarily through project-based fees for delivering customized digital marketing and disease awareness campaigns that leverage our network of healthcare professional influencers. For details, please see “Business — IP-driven Healthcare Marketing Solutions.”

Cost of Services

Our cost of services increased by 29.3% from RMB523.0 million for the year ended December 31, 2024 to RMB676.3 million for the year ended December 31, 2025, primarily due to (i) an increase of RMB50.5 million in cost of medical staff, which aligned with our expanded whole-course healthcare management services; and (ii) an increase of RMB46.7 million in cost of goods in line with increased sales of our healthcare products, driven by partnerships with more large-scale pharmaceutical distributors alongside our ongoing inventory optimization efforts; and (iii) an increase of RMB35.1 million in insurance brokerage commissions in line with the increased revenue from insurance products.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 44.3% from RMB129.7 million for the year ended December 31, 2024 to RMB187.1 million for the year ended December 31, 2025, primarily attributable to an increase in gross profit for provision of whole-course healthcare management services, as well as insurance brokerage services.

Our overall gross profit margin increased from 19.9% for the year ended December 31, 2024 to 21.7% for the year ended December 31, 2025. This increase was primarily attributable to increased gross profit margin in whole-course healthcare management service and insurance brokerage services, and partially offset by a decrease of gross profit margin in healthcare product sales. In particular:

- Our gross profit margin for whole-course healthcare management service increased from 22.8% in 2024 to 24.4% in 2025. This was primarily because we strategically shifted our focus toward institutional customers demonstrating our improving operational efficiency and economies of scale. We also enhanced brand recognition and strategy of launching higher-value service packages for individual patients. For details, please see “Business — Our Whole-Course Healthcare Management Service — Overview.”
- Our gross profit margin for healthcare products sales decreased from 12.1% in 2024 to 10.1% in 2025, primarily attributable to the increased number of large-scale pharmaceutical distributors, who generally have substantial bargaining power. Additionally, we continued optimizing our healthcare product inventories at more favorable prices to meet evolving customer needs.

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- Our gross profit margin for insurance brokerage services increased from 13.2% in 2024 to 23.4% in 2025, primarily attributable to our acquisition of Censhi Insurance in April 2025, which enabled us to launch more higher-margin insurance products, such as life annuity insurance.

Other Income and Gains

Our other income and gains increased from RMB12.1 million for the years ended December 31, 2024 to RMB15.8 million for the year ended December 31, 2025, primarily due to an increase of RMB3.0 million in fair value gains on financial assets at FVTPL associated with our strategic investments in certain companies.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 29.1% from RMB94.9 million for the year ended December 31, 2024 to RMB122.5 million for the year ended December 31, 2025, primarily due to an increase of RMB29.7 million in our marketing and promotion expenses, primarily associated with our whole-course healthcare management service packages and insurance brokerage services. In particular, we intensified targeted marketing for whole-course service packages through enterprise outreach to attract more enterprise customers, alongside broader promotional initiatives to support higher-margin insurance policy sales amid agent network expansion.

Administrative Expenses

Our administrative expenses increased by 51.8% from RMB47.1 million for the year ended December 31, 2024 to RMB71.6 million for the year ended December 31, 2025, primarily due to (i) we record [REDACTED] expenses of RMB19.4 million, mainly in relation to the [REDACTED], (ii) an increase of RMB3.0 million in depreciation and amortization, and (iii) an increase of RMB2.6 million in employee benefits and labor expenses.

Research and Development Expenses

Our research and development expenses increased by 27.9% from RMB29.8 million for the year ended December 31, 2024 to RMB38.1 million for the year ended December 31, 2025, primarily due to an increase of RMB8.3 million in employees benefits and labor expenses, mainly due to our continued investment in personnel for developing our proprietary CareAI platform. Notably, our R&D personnel increased from 117 in 2024 to 130 in 2025.

Impairment Losses on Financial Assets, Net

We incurred net impairment losses on financial assets of RMB4.1 million in 2024 and RMB5.6 million in 2025, primarily reflecting the growth of our healthcare products sales business, resulting in an increase in our trade and bill receivables.

Other Expenses

Our other expenses increased significantly from RMB0.5 million for the year ended December 31, 2024 to RMB5.2 million for the year ended December 31, 2025, primarily attributable to net foreign exchange losses of approximately RMB3.1 million.

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Finance Costs

Our finance costs increased by 49.1% from RMB5.1 million for the year ended December 31, 2024 to RMB7.6 million for the year ended December 31, 2025, which was mainly attributable to an increase of RMB0.9 million in interest on interest-bearing bank and other borrowings, and an increase of RMB1.3 million in discounted amounts arising from the passage of time.

Fair Value Losses on Financial Liabilities at FVTPL

Our fair value losses on financial liabilities at FVTPL increased significantly from RMB152.3 million for the year ended December 31, 2024 to RMB237.8 million for the year ended December 31, 2025, which was mainly attributable to fair value changes relating to the preferred shares issued to our pre-[REDACTED] investors. For details, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.”

Income Tax Expenses

We recorded income tax expenses of RMB1.1 million and RMB4.8 million for the year ended December 31, 2024 and 2025, respectively.

Loss for the Year

For the foregoing reasons, we recorded total losses of RMB193.1 million and RMB290.1 million for the year ended December 31, 2024 and 2025, respectively.

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

Revenue

Our revenue increased by 4.0% from RMB627.6 million for the year ended December 31, 2023 to RMB652.7 million for the year ended December 31, 2024, primarily attributable to the increase in revenue generated from the provision of whole-course healthcare management services and healthcare products sales. This was partially offset by a decrease in revenue from insurance brokerage services.

Specifically, our revenue generated from the provision of whole-course healthcare management service increased by 7.5% from RMB437.3 million for the year ended December 31, 2023 to RMB470.1 million for the year ended December 31, 2024. This increase was primarily due to a significant increase of revenue from institutional whole-course healthcare management services from RMB31.0 million in 2023 to RMB119.0 million in 2024, driven by our initiatives into the institutional customers segment in order to allow us to deliver services at scale, achieving greater operational efficiency and economies of scale that improve gross margins. This was partially offset by a slight decrease in revenue from our patient-end whole-course healthcare management services, primarily due to our strategic discontinuation of some lower-value service packages for individual patients. For details, please see “Business — Our Whole-Course Healthcare Management Service — Overview.”

Our revenue generated from healthcare products sales increased by 28.4% from RMB98.4 million for the year ended December 31, 2023 to RMB126.3 million for the year ended December 31, 2024. This growth was primarily driven by (i) an expansion of our customer base, growing from 279 in 2023 to 361 in 2024; and (ii) our strategic selection of healthcare products that are suitable for distribution to a wider network of hospitals.

Our revenue from insurance brokerage services decreased from RMB90.0 million for the year ended December 31, 2023 to RMB56.3 million for the year ended December 31, 2024. This was driven by the issuance of the “Notice on Improving the Pricing Mechanism of Life Insurance Products” (《關於

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健全人身保險產品定價機制的通知》) (the “**Life Insurance Notice**”) in 2024, which set a cap on the prescribed interest rate for insurance products. This reform compressed insurance product attractiveness and premiums and halted sales of higher-rate insurance products, prompting us to strategically adjust the portfolio of insurance products we distribute in 2024. As the Life Insurance Notice primarily impact life and health insurance products, which accounted for 31.5% of our insurance brokerage revenue in 2023.

To mitigate the Life Insurance Notice effects, we swiftly diversified our insurance product portfolio by prioritizing compliant participating (dividend-paying) and universal life products, which feature lower fixed rates but flexible returns linked to investment performance. We also ramped up training for sales channels on new offerings, enhanced digital distribution to offset volume dips, and forged deeper partnerships with insurers for innovative, market-aligned designs—reducing reliance on phased-out high-rate savings products. These steps minimized revenue disruption while aligning with regulatory shifts toward sustainable pricing. Our Directors consider the Life Insurance Notice to have no material adverse impact on the our business operations or financial performance, as (i) we also offer property and casualty insurance products which account for a substantial portion of our revenue from insurance brokerage services; (ii) the Life Insurance Notice affect industry-wide adaptation; and (iii) our operational maturity and cost savings, such as reduced commissions, deliver continuous resilience.

Cost of Services

Our cost of services increased by 2.7% from RMB509.3 million for the year ended December 31, 2023 to RMB523.0 million for the year ended December 31, 2024, primarily due to (i) an increase of RMB54.1 million in cost of medical staff, which aligned with our expanded whole-course healthcare management services; and (ii) an increase of RMB31.7 million in cost of goods, along with an increase of healthcare products sales.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 9.6% from RMB118.3 million for the year ended December 31, 2023 to RMB129.7 million for the year ended December 31, 2024, primarily attributable to an increase in gross profit for provision of whole-course healthcare management services.

Our overall gross profit margin increased from 18.9% for the year ended December 31, 2023 to 19.9% for the year ended December 31, 2024. This increase was primarily attributable to increased gross profit margin in whole-course healthcare management service and insurance brokerage services, and partially offset by a decrease of gross profit margin in healthcare product sales. In particular:

- Our gross profit margin for whole-course healthcare management service increased from 22.0% in 2023 to 22.8% in 2024. This was primarily due to our successful discontinuation of certain lower-margin service packages for individual patients. In addition, our institutional whole-course healthcare management services was still in its ramp-up stage, which required higher upfront costs to acquire and onboard institutional customers. For details, please see “Business — Our Whole-Course Healthcare Management Service — Overview.”
- Our gross profit margin for healthcare products sales decreased from 18.7% in 2023 to 12.1% in 2024, primarily because we strategically expanded our selection of healthcare products, including those with more competitive pricing, to provide compelling offers that secure and grow our customer base.

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- Our gross profit margin for insurance brokerage services increased from 3.7% in 2023 to 13.2% in 2024, mainly because we generated renewal commissions from insurance products in 2024, which typically have higher gross profit margin. This showcases our effective user retention strategies and optimized premium portfolio that boosted profitability while minimizing acquisition costs.

Other Income and Gains

Our other income and gains increased slightly from RMB11.6 million for the year ended December 31, 2023 to RMB12.1 million for the years ended December 31, 2024, primarily due to (i) an increase of RMB1.3 million in government grants as we received additional incentives from local government for local economic development; (ii) an increase of RMB1.9 million in fair value gains on financial assets at FVTPL associated with our increased amount of invested funds; and (iii) an increase of RMB0.3 million in others, mainly related to the loans to our related parties. This was partially offset by a decrease of RMB3.5 million in the net foreign exchange differences.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 29.9% from RMB135.4 million for the year ended December 31, 2023 to RMB94.9 million for the year ended December 31, 2024, primarily due to a reduction in our sales and marketing staff, reflecting our improved operational efficiency achieved through our enhanced brand awareness and established sales channels. Specifically, this decrease was also apparent in (i) a decrease of RMB20.7 million employee benefits and labor expenses, as our sales and marketing personnels decreased from 415 in 2023 to 380 in 2024, this reflects our enhanced operational efficiency, with stronger brand recognition and mature sales channels driving higher productivity per team member; (ii) a decreased of RMB10.2 million in commission for sale channels as our whole-course healthcare management service steadily matured and our marketing activities were slightly sealed down accordingly, while stronger brand loyalty and established partnerships further minimized reliance on external incentives; and (iii) a decrease of RMB5.7 million in travel and business related expenses reflects the maturity of our operations, whereby strengthened brand recognition has diminished the necessity for extensive in-person client engagements and fieldwork, facilitating greater reliance on efficient virtual interactions and established relationships.

Administrative Expenses

Our administrative expenses decreased by 11.4% from RMB53.2 million for the year ended December 31, 2023 to RMB47.1 million for the year ended December 31, 2024, primarily due to a reduction in our administrative staff, reflecting our improved operational efficiency achieved through our streamlined and standardized process. Specifically, this decrease was also apparent in (i) a decrease of RMB2.6 million in employees benefits and labor expenses; (ii) a decrease of RMB0.6 million in rental fees; and (iii) a decrease of RMB2.8 million in others, primarily related to our office expenses.

Research and Development Expenses

Our research and development expenses decreased by 25.3% from RMB39.9 million for the year ended December 31, 2023 to RMB29.8 million for the year ended December 31, 2024, primarily due to a reduction in our R&D staff, reflecting our improved development efficiency achieved through the adoption of our proprietary AI platform — CareAI. Specifically, this decrease was also apparent in (i) a decrease of RMB8.1 million in employees benefits and labor expenses; and (ii) a decrease of RMB2.0 million in other miscellaneous R&D expenses, primarily related to our office expenses.

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Impairment (Losses)/Gains on Financial Assets, Net

We recorded net impairment gains on financial assets of RMB0.6 million for the year ended December 31, 2023. We incurred net impairment losses on financial assets of RMB4.1 million the year ended December 31, 2024. This was primarily attributable to the increase in our trade receivables in line with the expansion of our healthcare product sales business, healthcare products sales and corresponding increase in trade receivables.

Other Expenses

Our other expenses decreased by 89.3% from RMB5.0 million for the year ended December 31, 2023 to RMB0.5 million for the year ended December 31, 2024, primarily due to a decrease of RMB1.6 million in our losses on disposal of items of property, plant and equipment.

Finance Costs

Our finance costs increased by 68.1% from RMB3.0 million for the year ended December 31, 2023 to RMB5.1 million for the year ended December 31, 2024, which was mainly attributable to an increase of interest on interest-bearing bank and other borrowings.

Fair Value Losses on Financial Liabilities at FVTPL

Our fair value losses on financial liabilities at FVTPL increased significantly from RMB43.4 million for the year ended December 31, 2023 to RMB152.3 million for the year ended December 31, 2024, which was mainly attributable to fair value changes relating to the preferred shares issued to our pre-[REDACTED] investors. For details, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments — Series D+ Financing.”

Income Tax Expenses

We recorded income tax expenses of RMB0.1 million and RMB1.1 million for the year ended December 31, 2023 and 2024, respectively.

Loss for the Year

For the foregoing reasons, we recorded total losses of RMB149.6 million and RMB193.1 million for the year ended December 31, 2023 and 2024, respectively.

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DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a breakdown of our consolidated statements 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	2,732	2,353	13,777
Goodwill	14,596	14,596	90,591
Other intangible assets	39,682	34,511	99,383
Right-of-use assets	1,112	3,366	13,997
Investment in a joint venture	500	500	230
Deferred tax assets	—	—	320
Financial assets at FVTPL	20,174	21,360	26,304
Prepayments, other receivables and other assets	42,317	7,648	11,784
Pledged deposits	5,080	5,080	370
Total non-current assets	126,193	89,414	256,756
Current Assets			
Inventories	8,438	20,709	15,976
Trade and bills receivables	28,808	41,853	57,735
Prepayments, other receivables and other assets	50,737	93,522	142,018
Financial assets at FVTPL, current	—	24,993	16,748
Pledged deposits	2,180	670	3,669
Cash held on behalf of clients	5	2	2
Cash and cash equivalents	15,759	36,140	159,881
Total current assets	105,927	217,889	396,029
Current Liabilities			
Trade payables	82,562	104,612	95,367
Other payables and accruals	46,949	33,439	107,446
Interest-bearing bank and other borrowings	27,040	82,928	169,284
Contract liabilities	73,442	54,612	50,993
Convertible bonds	—	—	63,126
Lease liabilities	579	1,183	5,317
Tax payable	113	197	6,658
Financial liabilities at FVTPL	1,771,571	1,983,907	2,299,051
Total current liabilities	2,002,256	2,260,878	2,797,242
Net current liabilities	(1,896,329)	(2,042,989)	(2,401,213)
Non-current liabilities			
Other payables and accruals, non-current	—	—	72,817
Contract liabilities, non-current	3,622	936	1,949
Lease liabilities	505	2,189	9,532
Deferred tax liabilities	3,101	2,711	19,733
Total non-current liabilities	7,228	5,836	104,031
Net Liabilities	(1,777,364)	(1,959,411)	(2,248,488)
Equity attributable to owners of the Company	(1,777,360)	(1,962,223)	(2,307,888)
Non-controlling interests	(4)	2,812	59,400
Total equity	(1,777,364)	(1,959,411)	(2,248,488)

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Property, Plant and Equipment

Our property, plant and equipment consisted of leasehold improvements, electronic equipment, office equipment, motor vehicles, and medical equipment.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Leasehold improvements	1,828	1,289	12,114
Electronic equipment	502	394	630
Office equipment	161	282	522
Motor vehicles	185	353	473
Medical equipment	56	35	38
Total	2,732	2,353	13,777

Our property, plant and equipment decreased from RMB2.7 million as of December 31, 2023 to RMB2.4 million as of December 31, 2024, pertaining to the disposal of certain equipment to pursue a more focused business strategy. It then increased significantly to RMB13.8 million as of December 31, 2025, primarily due to the completion of our leasehold improvements for our new office building in Hangzhou.

Other Intangible Assets

Our other intangible assets primarily included licenses, customer relationship and software. The following table sets forth details of our other intangible assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Licenses	26,955	23,654	20,353
Customer relationship	12,376	10,845	78,931
Software	351	12	99
Total	39,682	34,511	99,383

Our other intangible assets decreased from RMB39.7 million as of December 31, 2023 to RMB34.5 million as of December 31, 2024, primarily associated with the amortization of our licenses for insurance brokerage services and customer relationship stemming from our strategic acquisition Beijing Ronghai. It increased to RMB99.4 million as of December 31, 2025, primarily attributable to the increased licenses and customer relationship mainly stemming from our strategic acquisition of Censhi Insurance and Nanfang Health in 2025.

Trade and Bills Receivables

Our trade and bills receivables primarily represent outstanding amounts due from pharmaceutical vendors for sales of healthcare products and institutional whole-course healthcare management services. We typically operate under a prepayment model with our individual whole-course healthcare management service users, which enables us to maintain steady cash flow and reduce credit risk. During the Track Record Period, the credit period for our customers were typically within one month. The following table sets forth details of our trade and bills receivables as of the dates indicated.

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	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Trade receivables	29,590	44,161	61,407
Bills receivable	—	126	1,487
	29,590	44,287	62,894
Impairment allowance	(782)	(2,434)	(5,159)
Total	28,808	41,853	57,735

Our trade and bills receivables increased from RMB28.8 million as of December 31, 2023 to RMB41.9 million as of December 31, 2024, and further increased to RMB57.7 million as of December 31, 2025, primarily attributable to our overall business growth, in particular in line with the increase of sales of our healthcare products.

The following is an aging analysis of our trade and bills receivables based on the invoice date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Within 1 year	28,479	40,473	56,696
1 to 2 years	186	1,364	1,010
2 to 3 years	143	16	29
Total	28,808	41,853	57,735

During the Track Record Period, substantially all of our trade and bills receivables were outstanding for less than one year. Our impairment losses for trade and bills receivables were RMB0.8 million, RMB2.4 million and RMB5.2 million in 2023, 2024 and 2025, respectively.

The following table sets forth our trade and bills receivables turnover days for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Trade and bills receivables turnover days ⁽¹⁾ . .	15.6	20.7	22.7

Note:

- (1) Calculated as the average of the beginning and ending balance of trade and bills receivables for the year divided by revenue for that year and multiplied by 365 days.

Our trade and bills receivables turnover days increased from 15.6 days in 2023 to 20.7 days in 2024, and further increased to 22.7 days for the year ended December 31, 2025. This continuous increase was primarily due to an increased sales of institutional whole-course healthcare management services, while sales of patient-end whole-course healthcare management services are typically prepaid.

As of February 28, 2026, RMB28.3 million, or 49.0% of our trade and bills receivables as of December 31, 2025 had been settled.

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Inventories

Our inventories consisted of healthcare products. Our inventories increased from RMB8.4 million as of December 31, 2023 to RMB20.7 million as of December 31, 2024, mainly in line with the expansion of healthcare products sales. It decreased to RMB16.0 million as of December 31, 2025, mainly attributable to our inventory optimization measures for our healthcare products implemented in 2025 to align with changing market conditions.

The following table sets forth our inventory turnover days for healthcare products for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Inventory turnover days for healthcare products ⁽¹⁾	35.9	47.9	40.7

Note:

- (1) Calculated as the average of the beginning and ending balance of inventories for the year divided by the cost of services for that year and multiplied by 365 days.

Our inventory turnover days for healthcare products increased from 35.9 days in 2023 to 47.9 days in 2024, primarily due to the expansion of our product offerings, which required us to maintain a wider variety of safety stock to ensure prompt delivery to our customers. Our inventory turnover days for healthcare products decreased from 47.9 days in 2024 to 40.7 days in 2025 mainly as a result of our strategic optimization of healthcare product inventories through improved demand forecasting and tighter inventory control, allowing us to maintain lower overall inventory levels while effectively meeting customer demand.

As of February 28, 2026, we have utilized approximately RMB8.6 million or 53.7% of our inventories as of December 31, 2025.

Prepayments, Other Receivables and Other Assets

During the Track Record Period, our prepayments, other receivables and other assets primarily consisted of deposits and other receivables, prepayment for purchase of items of property, plant and equipment and loans to related parties. The following table sets forth the breakdown of our prepayments, other receivables and other assets as of the dates indicated.

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	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-Current			
Loans to related parties	39,571	—	—
Deposits	5,169	6,096	13,293
Prepayments for purchase of items of property, plant and equipment	679	2,219	57
Rental deposit	107	289	275
Impairment allowance	(3,209)	(956)	(1,841)
Total	42,317	7,648	11,784
Current			
Prepayments	31,637	29,531	43,599
Loan to individuals	7,855	7,939	1,946
Other tax recoverable	4,022	1,520	2,290
Deposits	1,687	683	13,692
Rental deposit	584	391	368
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Contract fulfilment cost	3,434	—	—
Amount due from minority shareholder	—	—	1,840
Receivables for disposal of subsidiary	600	—	—
Loans to related parties	—	55,794	73,289
Others	2,782	2,656	5,019
Impairment allowance	(1,864)	(4,992)	(5,136)
Total	50,737	93,522	142,018

Our non-current portion of prepayments, other receivables and other assets decreased from RMB42.3 million as of December 31, 2023 to RMB7.6 million as of December 31, 2024, primarily due to the reclassification of RMB39.6 million in non-current portion of loans to related parties to current portion, as such loans became repayable within one year as of December 31, 2024. Our non-current portion of prepayments, other receivables and other assets increased to RMB11.8 million as of December 31, 2025, primarily due to an increase in our deposits, primarily from payments made to business partners for select long-term collaborations, which are non-refundable. During the Track Record Period, we provided unsecured loans to a subsidiary that Mr. Qiu has 50% equity interests and certain subsidiaries controlled by Mr. Qiu to provide working capital support. For details, please see “— Related Party Transactions.”

Our current portion of prepayments, other receivables and other assets increased from RMB50.7 million as of December 31, 2023 to RMB93.5 million as of December 31, 2024, primarily due to the reclassification of RMB55.8 million in current portion of loans to related parties to current portion as discussed above. Our current portion of prepayments, other receivables and other assets increased to RMB142.0 million as of December 31, 2025, primarily due to an increase in prepayments, mainly related to deposits paid for new healthcare products. In addition, we provided loans to Hangzhou Shenmei and Qiu Shi to support their business expansion. For details, please see note 20 in the Accountants’ Report to this document.

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Financial Assets at FVTPL

Our financial assets at FVTPL represented our investments in wealth management products and an unlisted fund. Our financial assets at FVTPL amounted to RMB20.2 million, RMB46.4 million and RMB43.1 million as of December 31, 2023, 2024 and 2025, respectively. The unlisted fund we invested in is a low-risk, highly liquid money market fund managed by a reputable financial institution, with its underlying assets predominantly consisting of fixed-income instruments and bank deposits. We entered into a contract in respect of a financial product from other financial institution with a return rate based on actual performance of the underlying investments, mainly consisted of money market funds. While we maintained an investment in the unlisted fund in 2023, we commenced our investments in bank-issued wealth management products in 2024. This was primarily for our continuous business growth and enhanced operating cash flows during the year. This combination approach allowed us to generate a reasonable and higher yield compared to standard demand bank deposits, while strictly adhering to our internal treasury policies that prioritize capital preservation and ensure sufficient liquidity to support our daily operational and capital expenditure requirements.

Our investment policies and strategies with respect to financial products mainly include: (i) we minimize financial risks by matching the maturities of the portfolio with anticipated operating cash needs, while aiming to generate reasonable investment returns for the benefits of our shareholders; (ii) investment in high-risk products is not allowed; (iii) the proposed investment must not interfere with our business operations or capital expenditures; and (iv) the financial products we invest in should guarantee returns and should be issued by a reputable bank. We primarily invest in financial products issued by major commercial banks in mainland China with low risk and a short-to-mid-term. We make investment decisions related to financial products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to the macro-economic environment, general market conditions, the risk control and credit levels of the issuing banks, our working capital needs, and the expected profit or potential loss of the investment.

To monitor and control the investment risks associated with our financial product portfolio, we have adopted a comprehensive set of internal procedures to manage our investment in financial products. With the authorization of the Board and the supervision by our chief financial officer, our investment panel, which is comprised of certain members of our finance department with financial and cash management capabilities as well as prior work experience in investment funds and financial institutions, is responsible for analyzing, evaluating and determining the investment plans with respect to financial products in accordance with our cash management policies and internal approval process. Prior to modifying our existing investment portfolio, the proposal must be approved by our chief financial officer or designated senior members of the finance department. For details of our chief financial officer’s expertise in this regard, see “Directors and Senior Management.”

Upon the completion of the [REDACTED], our investments in financial products will be subject to compliance with Chapter 14 of the Listing Rules.

Cash and Cash Equivalents

Our cash and cash equivalents increased from RMB15.8 million as of December 31, 2023 to RMB36.1 million as of December 31, 2024 and further increased to RMB159.9 million as of December 31, 2025, primarily attributable to our business expansion. Most of our cash and cash equivalents were denominated in Renminbi during the Track Record Period.

Trade Payables

Our trade payables primarily represented amounts due to suppliers primarily for our whole-course healthcare management service and sales of healthcare products.

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Our trade payables increased from RMB82.6 million as of December 31, 2023 to RMB104.6 million as of December 31, 2024, primarily due to the expansion of our whole-course healthcare management business and the increased sales of healthcare products along with our business expansion. It decreased to RMB95.4 million as of December 31, 2025, primarily due to our strategic change of payment methods for our healthcare product sales.

The following is an aging analysis of our trade payables based on the date of recognition as of dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 1 year	70,857	84,676	85,522
1 to 2 years	6,769	9,003	3,596
2 to 3 years	1,753	6,509	2,278
Over 3 years	3,183	4,424	3,971
Total	82,562	104,612	95,367

The following table sets forth our trade payable turnover days for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	56.8	65.3	54.0

Note:

- (1) Calculated as the average of the beginning and ending balance of trade payables for the year divided by the cost of services for that year and multiplied by 365 days.

Our trade payables turnover days increased from 56.8 days in 2023 to 65.3 days in 2024, primarily because we have been able to negotiating longer credit term with our suppliers as our business continue to expand. It then decreased to 54.0 days in 2025, mainly due to our change of payment methods for our healthcare product sales along with more efficient payment process.

As of February 28, 2026, RMB35.1 million, or 36.8% of our trade payables as of December 31, 2025 had been settled.

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Other Payables and Accruals

Our other payables and accruals mainly represented consideration payables for acquisition accrued other expenses, and payroll and welfare 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
	<i>(RMB in thousands)</i>		
Non-current:			
Consideration payables for acquisition	—	—	18,612
Contingent consideration for acquisition.	—	—	1,323
Put option over non-controlling interests	—	—	52,882
	—	—	72,817
Current:			
Payroll and welfare payables	6,551	7,089	11,058
Accrued other expenses	13,119	8,649	28,637
Consideration payables for acquisition	18,052	8,070	49,647
Contingent consideration for acquisition.	—	—	3,429
Amount due to a minority shareholders	8,449	8,420	9,655
Tax payables	778	1,211	2,902
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	46,949	33,439	107,446

Our other payables and accruals decreased from RMB46.9 million as of December 31, 2023 to RMB33.4 million as of December 31, 2024, primarily due to a decrease of RMB10.0 million in consideration payables for acquisition. It increased to approximately RMB180.3 million as of December 31, 2025, primarily because (i) we recorded non-current other payables and accruals of RMB72.8 million, mainly consisting of (a) approximately RMB52.9 million of put option over non-controlling interests, representing the present value of the amount payable upon the exercise of the put option granted to the non-controlling shareholders of Nanfang Health to sell their remaining 49% equity interests in Nanfang Health to us upon fulfilment of certain financial targets; (b) approximately RMB18.6 million of consideration payable by instalments for our acquisitions of Censhi Insurance, Nanfang Health and Hangzhou Ruiwankang completed in 2025; and (c) approximately RMB1.3 million of contingent consideration for acquisition, representing additional cash consideration payable dependent on the annual net profit to be achieved by the acquired companies in the years following the respective acquisitions; (ii) an increase of approximately RMB41.6 million in current consideration payables for acquisition attributable to the scheduled instalment payments for our acquisitions completed in 2025; (iii) an increase of approximately RMB20.0 million in accrued other expenses; and (iv) an increase of approximately RMB4.0 million in payroll and welfare payables, as a result of our increased headcount, in particular following our acquisitions of Censhi Insurance and Nanfang Health.

Financial Liabilities at FVTPL

Our financial liabilities at FVTPL represented convertible redeemable preferred shares issued to our pre-[REDACTED] investors. As of December 31, 2023, 2024 and 2025, our financial liabilities at FVTPL amounted to RMB1,771.6 million, RMB1,983.9 million and RMB2,299.1 million, respectively. Our financial liabilities at FVTPL was primarily in line with fluctuations of the valuation of our convertible redeemable preferred shares as set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.” Upon [REDACTED], all of our convertible redeemable preferred shares will automatically convert into ordinary shares.

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Contract Liabilities

Our contract liabilities comprise the transaction prices allocated to unfulfilled or partially fulfilled performance obligations under our customer contracts.

The current portion of our contract liabilities decreased from RMB77.1 million as of December 31, 2023 to RMB55.5 million as of December 31, 2024, and further to RMB52.9 million as of December 31, 2025. Such decreases were primarily driven by a strategic shift toward whole-course healthcare management service packages with shorter service periods, leading to faster fulfillment of performance obligations and quicker revenue recognition. The non-current portion of our contract liabilities, which represents obligations expected to be satisfied beyond one year, was RMB3.6 million, RMB0.9 million, and RMB1.9 million as of December 31, 2023, 2024, and 2025, respectively. The increase in 2025 was primarily attributable to new, longer-term service contracts entered into following our acquisitions during the year.

As of February 28, 2026, RMB21.2 million, or 40.1%, of our contract liabilities as of December 31, 2025 had been recognized as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were to fund working capital and other recurring expenses and capital expenditure. Historically, we have financed our operations and other capital requirements primarily through cash generated from our business operations, proceeds from our equity financings, as well as bank and other borrowings, and we plan to continue to do so.

Our anticipated cash needs primarily include costs associated with the selling and distribution activities, and research and development activities. We expect to fund our future working capital and other cash requirements with cash generated from our operations, the [REDACTED] from [REDACTED] and, when necessary, bank and other borrowings, as well as debt financings.

As of February 28, 2026, the latest practicable date for determining our indebtedness, we had cash and cash equivalents of RMB80.1 million. Taking into account the Group’s financial resources available to us, including (i) future operating cash flows; (ii) cash and cash equivalents; (iii) available bank facilities; and (iv) estimated [REDACTED] from the [REDACTED], the Directors are of the opinion, and as concurred by the Sole Sponsor, that we have sufficient working capital for our requirements at present and for at least the next 12 months from the date of this document.

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Net Current Liabilities

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

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current Assets				
Inventories	8,438	20,709	15,976	14,768
Trade and bill receivables	28,808	41,853	57,735	61,208
Prepayments, other receivables and other assets	50,737	93,522	142,018	145,629
Financial assets at FVTPL, current	—	24,993	16,748	51,225
Cash held on behalf of clients	5	2	2	2
Pledged deposits	2,180	670	3,669	3,639
Cash and cash equivalents	15,759	36,140	159,881	80,064
Total current assets	105,927	217,889	396,029	356,535
Current Liabilities				
Trade payables	82,562	104,612	95,367	96,828
Other payables and accruals	46,949	33,439	107,446	85,061
Convertible bonds	—	—	63,126	63,126
Interest-bearing bank and other borrowings	27,040	82,928	169,284	149,222
Contract liabilities	73,442	54,612	50,993	62,272
Lease liabilities	579	1,183	5,317	5,575
Tax payable	113	197	6,658	615
Financial liabilities at FVTPL	1,771,571	1,983,907	2,299,051	2,299,051
Total current liabilities	2,002,256	2,260,878	2,797,242	2,761,750
Net current liabilities	(1,896,329)	(2,042,989)	(2,401,213)	(2,405,215)

Our net current liabilities increased from RMB1,896.3 million as of December 31, 2023 to RMB2,043.0 million as of December 31, 2024, primarily attributable to the growth in our current liabilities mainly related to (i) an increase of RMB212.3 million in financial liabilities at FVTPL, in line with the fluctuation of our equity value, and (ii) an increase of RMB55.9 million in interest-bearing bank and other borrowings, primarily associated with our business expansion; partially offset by an increase in total current assets, primarily driven by (i) an increase of RMB42.8 million in prepayments, other receivables and other assets, primarily due to the reclassification of non-current loans to related parties to current portion, (ii) an increase of RMB20.4 million in cash and cash equivalents, (iii) an increase of RMB13.0 million in trade and bills receivables, primarily attributable to our overall business growth, and (iv) an increase of RMB12.3 million in inventories, mainly in line with the expansion of healthcare products sales.

Our net current liabilities increased from RMB2,043.0 million as of December 31, 2024 to RMB2,401.2 million as of December 31, 2025, primarily attributable to the growth in our current liabilities mainly related to (i) an increase of RMB315.1 million in financial liabilities at FVTPL, (ii) an increase of RMB86.4 million in interest-bearing bank and other borrowings, and (iii) an increase of RMB 74.0 million in other payables and accruals, primarily related to the acquisition of Censhi Insurance; partially offset by an increase in total current assets, primarily driven by (i) an increase of

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RMB48.5 million in prepayments, other receivables and other assets, (ii) an increase of RMB123.7 million in cash and cash equivalents, (iii) an increase of RMB15.9 million in trade and bills receivables, and (iv) a decrease of RMB4.7 million in inventories.

Our net current liabilities slightly increased from RMB2,401.2 million as of December 31, 2025 to RMB2,405.2 million as of February 28, 2026, remaining relatively stable.

We had net current liabilities of RMB1,896.3 million, RMB2,043.0 million, RMB2,401.2 million and RMB2,405.2 million as of December 31, 2023, 2024 and 2025, and February 28, 2026, respectively. Our net current liabilities during the Track Record Period were primarily because we recorded financial liabilities at FVTPL of RMB1,771.6 million, RMB1,983.9 million, RMB2,299.1 million and RMB2,299.1 million as of December 31, 2023, 2024 and 2025, and February 28, 2026, respectively. Upon [REDACTED], all of our redeemable preferred shares will be re-designated from financial liabilities to equity as a result of the automatic conversion into ordinary Share. As such, we believe our net current liabilities will significantly decrease following the completion of the [REDACTED].

Plans to Improve Our Net Current Liabilities and Net Liabilities Position

As of December 31, 2023, 2024, and 2025, we recorded net current liabilities of RMB1,896.3 million, RMB2,043.0 million, and RMB2,401.2 million, respectively, and net liabilities of RMB1,777.4 million, RMB1,959.4 million, and RMB2,248.5 million, respectively. To improve our net current liabilities and net liabilities position, we plan to implement the following measures:

- ***Automatic Conversion of Preferred Shares upon [REDACTED]***. Our net current liabilities and net liabilities position are largely attributable to the significant balance of financial liabilities at FVTPL, which amounted to RMB1,771.6 million, RMB1,983.9 million, and RMB2,299.1 million as of December 31, 2023, 2024 and 2025, which are resulted from the issuance of our convertible redeemable preferred shares. Upon [REDACTED], all of our convertible redeemable preferred shares will automatically convert into ordinary shares. At that time, the carrying amount of these financial liabilities at FVTPL will be reclassified from liabilities to equity. We expect this automatic conversion to reverse our net liabilities position and significantly improve our net current assets position.
- ***Enhancing Profitability and Operating Cash Flow***. We intend to improve our financial position by driving sustainable revenue growth and achieving economies of scale. As our existing partnerships with public hospitals and clinical departments mature and move past their initial ramp-up periods, we expect a steady increase in revenue generation. Furthermore, we will continue to optimize our operational efficiency and implement strict cost-control measures to improve our profit margins and generate positive cash flows from our core operations.
- ***Utilizing [REDACTED] from the [REDACTED]*** Assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this document and that the [REDACTED] is not exercised, we estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], [REDACTED]% of which, or approximately HK\$[REDACTED], is expected to be allocated to working capital and general corporate purposes, thereby directly improving our net liabilities and net current liabilities position.

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Although we recorded net current liabilities during the Track Record Period, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this document, taking into account the financial resources available to us, including our cash and cash equivalents on hand, internally generated funds and the estimated [REDACTED] from the [REDACTED].

Summary of Consolidated Statements of Cash Flow

The following table sets forth a summary of our consolidated cash flow statements for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash flows used in operating activities . . .	(83,223)	(39,465)	(33,335)
Net cash flows from/(used in) investing activities	30,614	(50,221)	(52,490)
Net cash flows from financing activities	56,030	110,067	209,566
Net increase in cash and cash equivalents . . .	3,421	20,381	123,741
Cash and cash equivalents at beginning of year	12,338	15,759	36,140
Cash and cash equivalents at end of year . . .	15,759	36,140	159,881

Operating Activities

For the year ended December 31, 2025, our net cash flows used in operating activities of RMB33.3 million, primarily attributable our loss before tax of RMB285.4 million, as adjusted by (i) certain non-cash and non-operating items, primarily including fair value changes of financial liabilities at FVTPL of RMB237.8 million and recognition of equity-settled share-based payments of RMB11.5 million; and (ii) changes in working capital, primarily including decrease in trade payables of RMB16.2 million; partially offset by a decrease in contract liabilities of RMB7.5 million and a decrease in trade and bills receivables of RMB3.3 million.

For the year ended December 31, 2024, our net cash flows used in operating activities of RMB39.5 million, primarily attributable our loss before tax of RMB192.1 million, as adjusted by (i) certain non-cash and non-operating items, primarily including fair value changes of financial liabilities at FVTPL of RMB152.3 million and recognition of equity-settle share-based payments of RMB10.6 million; and (ii) changes in working capital, primarily including increase in trade payables of RMB22.1 million; partially offset by a decrease in contract liabilities of RMB21.5 million and a decrease in trade and bills receivables of RMB16.0 million.

For the year ended December 31, 2023, our net cash flows used in operating activities of RMB83.2 million, primarily attributable to our loss before tax of RMB149.5 million, as adjusted by (i) certain non-cash and non-operating items, primarily including fair value changes of financial liabilities at FVTPL of RMB43.4 million and recognition of equity-settled share-based payments of RMB7.0 million; and (ii) changes in working capital, primarily including an increase in trade payables of RMB7.5 million; and (iii) a decrease in prepayments, other receivables and other assets of RMB5.5 million; partially offset by an increase in trade and bills receivables of RMB7.3 million.

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Investing Activities

For the year ended December 31, 2025, our cash flows used in investing activities of RMB52.5 million, primarily attributable to advances of loans to related parties of RMB106.4 million, purchase of a financial product designated at FVTPL of RMB66.8 million and acquisition of subsidiaries of RMB33.9 million.

For the year ended December 31, 2024, our cash flows used in investing activities of RMB50.2 million, primarily attributable to advances of loans to related parties of RMB105.3 million, purchase of a financial product designated at FVTPL of RMB24.1 million and acquisition of subsidiaries of RMB10.0 million.

For the year ended December 31, 2023, our cash flows generated from investing activities of RMB30.6 million, primarily attributable to receipt of loans to related parties of RMB323.5 million, partially offset by advances of loans to related parties of RMB287.5 million.

Financing Activities

For the year ended December 31, 2025, our cash flows generated from financing activities of RMB209.6 million, primarily attributable to proceeds from interest-bearing bank and other borrowings of RMB222.5 million and issuance of the share purchase option granted by the Company to a subsidiary’s investors of RMB20.0 million, partially offset by repayment of interest-bearing and other borrowings of RMB144.4 million.

For the year ended December 31, 2024, our cash flows generated from financing activities of RMB110.1 million, primarily attributable proceeds from interest-bearing bank and other borrowings of RMB82.8 million and issuance of the share purchase option granted by the Company to a subsidiary’s investors of RMB60.0 million, partially offset by repayment of interest-bearing and other borrowings of RMB27.0 million.

For the year ended December 31, 2023, our net cash flows generated from financing activities of RMB56.0 million, primarily attributable to issuance of the share purchase option granted by the Company to a subsidiary’s investors of RMB40.0 million and issuance of convertible redeemable preferred shares of the Company of RMB27.2 million, partially offset by repayment of interest-bearing and other borrowings of RMB20.0 million.

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INDEBTEDNESS

As of December 31, 2023, 2024 and 2025 and February 28, 2026, the most recent practicable date for determining our indebtedness, except as disclosed in the table below, we did not have any material indebtedness.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current				
Financial liabilities at FVTPL	1,771,571	1,983,907	2,299,051	2,299,051
Interest-bearing bank and other borrowings	27,040	82,928	169,284	149,222
Lease liabilities	579	1,183	5,317	5,575
	1,799,190	2,068,018	2,473,652	2,453,848
Non-current				
Lease liabilities	505	2,189	9,532	8,634
	505	2,189	9,532	8,634
Total	1,799,695	2,070,207	2,483,184	2,462,482

Our Directors are of the view that there has not been any material change in our indebtedness since February 28, 2026 up to the date of this document.

Financial Liabilities at FVTPL

During the Track Record Period, our financial liabilities at FVTPL were mainly related to the issue of convertible redeemable preferred shares to pre-[REDACTED] investors as the consideration for their investments. As of December 31, 2023, 2024 and 2025, our financial liabilities at FVTPL amounted to RMB1,771.6 million, RMB1,983.9 million and RMB2,299.1 million, respectively. For further details of such convertible redeemable preferred shares issued, please refer to the section headed “History, Reorganization and Corporate Structure” in this document.

Interest-Bearing Bank and Other Borrowings

As of December 31, 2023, 2024 and 2025, we had total interest-bearing bank borrowings of RMB27.0 million, RMB82.9 million and RMB169.3 million, respectively. During the Track Record Period, our interest-bearing bank borrowings came from commercial banks and financial institutions bearing effective interest rates in the range of 2.5% to 7.8% per annum and all of our bank and other borrowings are unsecured. As of December 31, 2023, 2024 and 2025, the secured and guaranteed amounts of interest bearing bank and other borrowings provided by Mr. Qiu were RMB27.0 million, RMB73.0 million and RMB20.0 million, which will be fully released before [REDACTED]. Additionally, we maintain facilities with a number of commercial banks in support of our operations. As of the Latest Practicable Date, all of our interest-bearing bank borrowings were extended, allowing us to access more flexible funding resources. Our Directors are of the view that, even if such extensions had not been granted, we would have possessed sufficient liquid assets, primarily consisting of cash and cash equivalents and unutilized banking facilities, to repay these borrowings on their respective due dates without materially affecting our business operations or financial condition.

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As of February 28, 2026, we had total interest-bearing bank borrowings of RMB149.2 million, which had an effective interest rate ranging from 2.5% to 3.85%. As of the same date, we had RMB54.0 million of unutilized banking facilities.

Our loan agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. We also undertake financial covenants that require us to meet certain financial ratio requirements in our loan agreements. Our Directors confirm that there has not been any material default on our part in the payment of borrowings, or breaches of covenants during the Track Record Period and up to the date of this document.

Lease Liabilities

During the Track Record Period, our lease liabilities were primarily in relation to our lease of offices, plants, equipment and motor vehicles. Under IFRS 16, we recognize lease liabilities with respect to all leases, except for short term leases and leases of low value assets. As of December 31, 2023, 2024 and December 31, 2025 and February 28, 2026, our total lease liabilities amounted to RMB1.1 million, RMB3.4 million, RMB14.8 million and RMB14.2 million, respectively.

CAPITAL EXPENDITURE

Our capital expenditure during the Track Record Period primarily related to additions to our property, plant and equipment, including (i) leasehold improvements; (ii) electronic equipment; (iii) office equipment; (iv) motor vehicles; and (v) medical equipment. The details of our capital expenditures during the Track Record Period are summarized as follows.

	For the year ended December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Leasehold improvements	311	289	11,364
Electronic equipment	73	62	107
Office equipment	95	185	99
Motor vehicles	—	311	—
Medical equipment	43	—	—
Total	522	847	11,570

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any outstanding loan issued or agreed to be issued, debt securities, debentures, bank overdrafts, liabilities under acceptances or acceptance credits or hire purchase commitments. As of the same date, we had not guaranteed the indebtedness of any Independent Third Parties. Our Directors confirm that there has been no material change in our contingent liabilities up to the date of this document.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. It is the view of our Directors that each of the related party transactions set out in note 37 to the Accountants’ Report in Appendix I to this document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

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The following table sets forth a breakdown of our transactions with related parties for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Loans to related parties	287,547	105,325	106,404
Repayment of loans to related parties	323,490	91,025	90,325
Repayment of loans from related parties	14,950	—	—
Interest income accrued from related parties	2,300	1,924	1,545
Office rental expense	377	377	—

For details about our related party transactions during the Track Record Period, see note 37 to the Accountants’ Report in Appendix I to this document.

Loans to Related Parties

During the Track Record Period, we provided unsecured loans to a subsidiary that Mr. Qiu has 50% equity interests and certain subsidiaries controlled by Mr. Qiu to provide financial support for its business expansion. The amount of the loans was RMB287.5 million, RMB105.3 million and RMB106.4 million as of December 31, 2023, 2024 and 2025, respectively. Such loans provided to our related parties were non-trade in nature. All outstanding non-trade balances with our related parties (including the aforementioned amounts due from related parties) will be fully settled before [REDACTED]. For details, see “Relationship with Our Single Largest Shareholders — Independence from Our Single Largest Shareholders — Financial Independence.”

In addition to the abovementioned loans to related parties, we also had loans to individuals during the Track Record Period, which are primarily petty cash advances to our employees. According to the General Lending Provisions (《貸款通則》) promulgated by the PBOC in June 1996, any financing arrangements or lending transactions between non-financial institutions are prohibited. Furthermore, pursuant to Article 73 of the General Lending Provisions, the PBOC may impose a fine on the non-compliant lender of up to one to five times the income received by the lender from such loans. Notwithstanding the General Lending Provisions, the Supreme People’s Court has issued new interpretations concerning financing arrangements and lending transactions between non-financial institutions under the Provisions of the Supreme People’s Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) (the “**Judicial Interpretations on Private Lending Cases**”), which came into effect on September 1, 2015 and was amended on August 19, 2020 and December 29, 2020. According to Article 10 of the Judicial Interpretations on Private Lending Cases, the Supreme People’s Court recognizes the validity and legality of financing arrangements and lending transactions between non-financial institutions so long as certain requirements (such as the interest rates charged) are satisfied and there is no violation of the mandatory provisions of applicable laws and regulations. Our PRC Legal Advisor advised us that, under the Judicial Interpretations on Private Lending Cases, PRC courts will support a non-financial institution’s claim for interest on loans as long as the annual interest rate does not exceed four times the loan prime rate for one-year loans published by the National Interbank Funding Center applicable on the date of the loan agreement. Based on the above, our PRC Legal Advisor advised us that the risk of us being subject to any penalties in respect of our fund assistance to related parties and loans to individuals pursuant to the General Lending Provisions is low, and our fund advances to related parties and loans to individuals do not constitute material non-compliance with any applicable laws and regulations. Based on the due diligence conducted by the Sole Sponsor, taking into account the views and basis of the PRC Legal Advisor as above, nothing came to the attention of the Sole Sponsor that would reasonably to cause them cast doubt on the reasonableness of the PRC Legal Advisor’s above view in any material respect.

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Repayment of Loans to Related Parties

As we provided certain loans to our related parties during the Track Record Period, we received the repayments of such loans from them, amounting to RMB323.5 million, RMB91.0 million and RMB90.3 million, respectively.

Repayment of Loans from Related Parties

We fully repaid the repayment of loans from related parties amounting to RMB15.0 million as of December 31, 2023.

Interest Income Accrued from Related Parties

Due to the loans provided to our related parties during the Track Record Period, we gained the corresponding the interest income amounting to RMB2.3 million, RMB1.9 million and RMB1.5 million as of December 31, 2023, 2024, and 2025, respectively.

Office Rental Expense

During the Track Record Period, we leased certain office premises from our related parties, with the office rental expense amounting to RMB0.4 million and RMB0.4 million as of December 31, 2023 and 2024, respectively. Such prepayments were made pursuant to lease agreements that require annual rent to be settled in advance and were on terms no less favorable to us than those available from independent third-party landlords. As of December 31, 2025, we recorded nil office rental income from related parties.

The following table sets forth outstanding balances with related parties as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade balance			
Prepayments, other receivables and other assets	94	94	—
Non-trade balance			
Amount due from related parties	39,571	55,794	73,289

Save for the security provided by Mr. Qiu and/or his close associates for the Deqing Onshore Loan in a principal amount of RMB20.0 million that will remain in effect until the full repayment by our Company, our Directors confirm that all outstanding non-trade balances with our related parties will be fully settled prior to the [REDACTED] and all financial assistance and guarantees provided by us to our related parties, or provided by our related parties to us, will be fully released prior to the [REDACTED].

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Key Financial Ratios

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

	As of/For the year ended December 31,		
	2023	2024	2025
Adjusted net loss margin (non-IFRS measure) ⁽¹⁾	15.8%	4.6%	2.8%
Gross profit margin ⁽²⁾	18.9%	19.9%	21.7%
Current ratio ⁽³⁾	0.05	0.10	0.14
Trade and bills receivables turnover days ⁽⁴⁾ . .	15.6	20.7	22.7
Inventory turnover days for healthcare products ⁽⁵⁾	35.9	47.9	40.7

Notes:

- (1) Adjusted net loss margin (non-IFRS measure) represents the adjusted loss (non-IFRS measure) for the year divided by our total revenue for the same year. For details of adjusted net loss (non-IFRS measure), see “— Description of Certain Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Non-IFRS Measures.”
- (2) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (3) Current ratio is calculated based on total current assets divided by total current liabilities.
- (4) Trade and bills receivables turnover days is calculated as the average of the beginning and ending balance of trade and bills receivables for the year divided by revenue for that year and multiplied by 365 days.
- (5) Inventory turnover days for healthcare products is calculated as the average of the beginning and ending balance of inventories for the year divided by the cost of services for that year and multiplied by 365 days.

Our current ratio was 0.05, 0.10 and 0.14 as of December 31, 2023, 2024 and 2025, respectively. As of December 31, 2023, our current ratio was relatively low, mainly due to higher financial liabilities measured at FVTPL, stemming from the issuance of preferred shares to our pre-[REDACTED] investors.

Our trade and bills receivables and inventories were primarily associated with healthcare product sales. During the Track Record Period, we maintained relatively low trade and bills receivables turnover days as well as inventory turnover days for our healthcare product sales. This was mainly because we typically operate under a prepayment model with our individual whole-course healthcare management service users, who contribute the majority of our revenue.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to a variety of market risks, including foreign currency risk, credit risk and liquidity risk as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For further details, including relevant sensitivity analysis, see note 40 in the Accountants’ Report set out in Appendix I of this document.

Foreign Currency Risk

We mainly operate in Mainland China and Hong Kong with most of our monetary assets, liabilities and transactions principally denominated in Renminbi and United States dollars. We have not used any derivative to hedge its exposure to foreign currency risk. For further details of our foreign currency risk, please refer to note 40 in the Accountants’ Report set out in Appendix I of this document.

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Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, we do not offer credit terms without the specific approval of the head of credit control.

The credit risk of our financial assets, which comprise cash and cash equivalents, short-term bank deposits, restricted cash, trade and bills receivables and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments, see note 40 in the Accountants’ Report set out in Appendix I of this document for details.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. Our exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. We monitor our risk to a shortage of funds by considering the maturities of both its financial liabilities and financial assets.

Our objective is to maintain a balance between continuity of funding and flexibility. We aim to maintain sufficient cash and cash equivalents to meet its liquidity requirements. The maturity profile of our financial liabilities and lease liabilities are set forth in note 40 in the Accountants’ Report set out in Appendix I of this document.

DIVIDENDS

No dividends have been paid by our Group during the Track Record Period. We do not have a formal dividend policy or a fixed dividend payout ratio. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Cayman Companies Act. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board. In addition, our Directors may from time to time pay such interim dividends as our Board considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board. As advised by our Cayman legal advisor, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of accumulated losses does not necessarily prohibit us from declaring and paying dividends to our Shareholders, as dividends may be declared and paid out of our share premium account notwithstanding our profitability, provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

Future dividend payments will also depend upon the availability of dividends received from our Consolidated Affiliated Entities. PRC laws require that dividends be paid only out of net profits calculated according to PRC accounting principles. PRC laws also require enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our Consolidated Affiliated Entities may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our Consolidated Affiliated Entities may enter into in the future.

DISTRIBUTABLE RESERVES

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

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[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share), representing approximately [REDACTED]% of the estimated [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] consist of (i) [REDACTED]-related expenses, primarily including [REDACTED], of approximately HK\$[REDACTED], and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. Among the total [REDACTED], HK\$[REDACTED] was charged to our consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2025, and approximately HK\$[REDACTED] will be charged to our profit or loss after the Track Record Period. and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE LIABILITIES

The unaudited [REDACTED] statement of our adjusted net tangible liabilities prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the [REDACTED] on our consolidated net tangible liabilities attributable to equity Shareholders of our Company as of December 31, 2025 as if the [REDACTED] had taken place on that date.

The unaudited [REDACTED] statement of our adjusted net tangible liabilities has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not provide a true picture of our financial position had the [REDACTED] been completed as of December 31, 2025 or at any future date.

For details, see Appendix II to this document.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, except as disclosed in “Summary — Recent Developments and No Material Adverse Change”, 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 and up to the date of this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules upon [REDACTED].