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ACCOUNTANTS’ REPORT

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WEIMAI INC., AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED

Introduction

We report on the historical financial information of WeiMai Inc. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-97, which comprises consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-97 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated 20 April 2026 (the “**Document**”) in connection with the initial [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Certified Public Accountants

Hong Kong

20 April 2026

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I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
REVENUE	5	627,564	652,699	863,384
Cost of services		(509,264)	(522,979)	(676,288)
GROSS PROFIT		118,300	129,720	187,096
Other income and gains	6	11,559	12,129	15,848
Selling and distribution expenses		(135,385)	(94,897)	(122,535)
Administrative expenses		(53,209)	(47,137)	(71,566)
Research and development expenses		(39,909)	(29,813)	(38,131)
Impairment losses on financial assets, net . .		605	(4,080)	(5,554)
Other expenses	9	(4,995)	(534)	(5,150)
Finance costs	8	(3,038)	(5,106)	(7,611)
Loss before fair value losses on financial liabilities at fair value through profit or loss		(106,072)	(39,718)	(47,603)
Fair value losses on financial liabilities at fair value through profit or loss (“financial liabilities at FVTPL”)		(43,430)	(152,336)	(237,767)
Loss before tax	7	(149,502)	(192,054)	(285,370)
Income tax expense	12	(62)	(1,055)	(4,762)
LOSS FOR THE YEAR		<u>(149,564)</u>	<u>(193,109)</u>	<u>(290,132)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(149,564)	(193,109)	(290,132)
Attributable to:				
Owners of the parent		(147,414)	(196,372)	(300,304)
Non-controlling interests		<u>(2,150)</u>	<u>3,263</u>	<u>10,172</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY				
Basic and diluted (RMB)		<u>(2.38)</u>	<u>(3.17)</u>	<u>(4.84)</u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	15	2,732	2,353	13,777
Goodwill	16	14,596	14,596	90,591
Other intangible assets	17	39,682	34,511	99,383
Right-of-use assets	18	1,112	3,366	13,997
Investment in a joint venture		500	500	230
Deferred tax assets	21	—	—	320
Financial assets at fair value through profit or loss	23	20,174	21,360	26,304
Prepayments, other receivables and other assets	20	42,317	7,648	11,784
Pledged deposits	24	5,080	5,080	370
Total non-current assets		126,193	89,414	256,756
CURRENT ASSETS				
Inventories	19	8,438	20,709	15,976
Trade and bills receivables	22	28,808	41,853	57,735
Prepayments, other receivables and other assets	20	50,737	93,522	142,018
Financial assets at fair value through profit or loss, current	23	—	24,993	16,748
Pledged deposits	24	2,180	670	3,669
Cash held on behalf of clients	24	5	2	2
Cash and cash equivalents	24	15,759	36,140	159,881
Total current assets		105,927	217,889	396,029
CURRENT LIABILITIES				
Trade payables	25	82,562	104,612	95,367
Other payables and accruals	26	46,949	33,439	107,446
Convertible bonds	28	—	—	63,126
Interest-bearing bank and other borrowings	27	27,040	82,928	169,284
Contract liabilities	5	73,442	54,612	50,993
Lease liabilities	18	579	1,183	5,317
Tax payable		113	197	6,658
Financial liabilities at FVTPL	29	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)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		(1,770,136)	(1,953,575)	(2,144,457)

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		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Other payables and accruals	26	—	—	72,817
Contract liabilities	5	3,622	936	1,949
Lease liabilities	18	505	2,189	9,532
Deferred tax liabilities	21	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				
Equity attributable to owners of the Company				
Share capital	30	40	40	40
Reserves	31	(1,777,400)	(1,962,263)	(2,307,928)
		(1,777,360)	(1,962,223)	(2,307,888)
Non-controlling interests	32	(4)	2,812	59,400
Deficiency in assets		(1,777,364)	(1,959,411)	(2,248,488)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to owners of the Company								
Notes	Share-based						Non-controlling interests	Total
	Share capital	Other reserve*	payment reserve*	Statutory reserve*	Accumulated losses*	Subtotal		
	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000 (note 33)	RMB'000 (note 31)	RMB'000	RMB'000	RMB'000 (note 32)	RMB'000
As at 31 December 2022 and								
1 January 2023	40	10,000	49,684	315	(1,697,011)	(1,636,972)	483	(1,636,489)
Loss for the year	—	—	—	—	(147,414)	(147,414)	(2,150)	(149,564)
Total comprehensive loss for the year	—	—	—	—	(147,414)	(147,414)	(2,150)	(149,564)
Equity-settled share option arrangements 33	—	—	7,026	—	—	7,026	—	7,026
Transfer to statutory reserve**.	—	—	—	239	(239)	—	—	—
Dividends paid to a non-controlling shareholder	—	—	—	—	—	—	(5)	(5)
Disposal of subsidiaries	—	—	—	—	—	—	1,668	1,668
As at 31 December 2023	40	10,000	56,710	554	(1,844,664)	(1,777,360)	(4)	(1,777,364)
Attributable to owners of the Company								
Notes	Share-based						Non-controlling interests	Total
	Share capital	Other reserve*	payment reserve*	Statutory reserve*	Accumulated losses*	Subtotal		
	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000 (note 33)	RMB'000 (note 31)	RMB'000	RMB'000	RMB'000 (note 32)	RMB'000
As at 31 December 2023 and								
1 January 2024	40	10,000	56,710	554	(1,844,664)	(1,777,360)	(4)	(1,777,364)
Loss for the year	—	—	—	—	(196,372)	(196,372)	3,263	(193,109)
Total comprehensive loss for the year	—	—	—	—	(196,372)	(196,372)	3,263	(193,109)
Equity-settled share option arrangements 33	—	—	10,572	—	—	10,572	—	10,572
Transfer to statutory reserve**.	—	—	—	741	(741)	—	—	—
Capital injection into a subsidiary by a non- controlling shareholder	—	937	—	—	—	937	(447)	490
As at 31 December 2024	40	10,937	67,282	1,295	(2,041,777)	(1,962,223)	2,812	(1,959,411)

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Attributable to owners of the Company								
Notes								Total
	Share capital	Other reserve*	Share-based payment reserve*	Statutory reserve*	Accumulated losses*	Subtotal	Non-controlling interests	
	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000 (note 33)	RMB'000 (note 31)	RMB'000	RMB'000	RMB'000 (note 32)	
As at 31 December 2024 and								
1 January 2025	40	10,937	67,282	1,295	(2,041,777)	(1,962,223)	2,812	(1,959,411)
Loss for the year.	—	—	—	—	(300,304)	(300,304)	10,172	(290,132)
Total comprehensive loss for the year. . .	—	—	—	—	(300,304)	(300,304)	10,172	(290,132)
Equity-settled share option arrangements . . 33	—	—	11,522	—	—	11,522	—	11,522
Transfer to statutory reserve**.	—	—	—	2,048	(2,048)	—	—	—
Acquisition of subsidiaries	—	—	—	—	—	—	40,481	40,481
Put option over non-controlling interests .	—	(52,882)	—	—	—	(52,882)	—	(52,882)
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	(188)	(188)
Acquisition of non-controlling interests . .	—	(4,001)	—	—	—	(4,001)	3,511	(490)
Disposal of subsidiaries	—	—	—	—	—	—	2,612	2,612
As at 31 December 2025	40	(45,946)	78,804	3,343	(2,344,129)	(2,307,888)	59,400	(2,248,488)

* These reserve accounts comprise the consolidated reserves of RMB(1,777,400,000), RMB(1,962,263,000) and RMB(2,307,928,000) in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

** In accordance with the articles of association of all subsidiaries established in the People’s Republic of China (the “PRC”), these subsidiaries are required to transfer 10% of the profit after taxation to the statutory reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years’ losses, expand the existing operations or convert into additional registered capital of the subsidiaries.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax.		(149,502)	(192,054)	(285,370)
Adjustments for:				
Depreciation of items of property, plant and equipment.	15	3,169	1,226	1,744
Amortization of intangible assets.	17	5,833	5,171	7,276
Depreciation of right-of-use assets.	18	898	1,228	3,783
Recognition of equity-settled share-based payments	33	7,026	10,572	11,522
Losses on disposal of items of property, plant and equipment	9	1,631	—	—
Losses on disposal of intangible assets	9	1,334	—	—
Gains on lease termination	18	(25)	—	—
Losses/(gain) on disposal of subsidiaries . . .		1,170	—	(676)
Interest income from loans to related parties (Reversal of impairment)/impairment of trade receivables, net.		(2,299)	(1,924)	(1,545)
Impairment of other receivables, net		(1,030)	2,959	4,525
Fair value changes of financial assets at fair value through profit or loss, net.		425	1,121	1,029
Fair value changes of financial liabilities at FVTPL	6	(118)	(2,045)	(5,055)
Share of loss of a joint venture	29	43,430	152,336	237,767
Investment income		—	—	270
Finance costs	6	—	—	(995)
	8	3,038	5,106	7,611
		(85,020)	(16,304)	(18,114)
Increase in trade and bills receivables		(7,252)	(16,004)	(3,343)
Decrease in prepayments, other receivables and other assets.		5,516	7,928	3,757
(Increase)/decrease in inventories		(1,234)	(12,271)	4,894
Decrease in pledged deposits.		2,127	1,513	1,711
Increase/(decrease) in trade payables		7,522	22,050	(16,173)
(Decrease)/increase in other payables and accruals		(5,182)	(3,500)	2,506
Increase/(decrease) in contract liabilities . .		1,396	(21,516)	(7,546)
Cash used in operations		(82,127)	(38,104)	(32,308)
Income tax paid		(1,096)	(1,361)	(1,027)
Net cash flows used in operating activities. .		(83,223)	(39,465)	(33,335)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of items of property, plant and equipment		6	—	—
Purchase of intangible assets.		(208)	—	—
Purchases of items of property, plant and equipment.		(509)	(2,387)	(5,365)
Purchase of a financial product designated at fair value through profit or loss		—	(24,134)	(66,774)
Redemption of a financial product designated at fair value through profit or loss		—	—	80,125
Acquisition of subsidiaries		(4,100)	(10,000)	(33,914)
Deposits for business combination.		—	—	(10,483)

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	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Disposal of subsidiaries		(518)	600	—
Receipt of loans to related parties		323,490	91,025	90,325
Advances of loans to related parties.		(287,547)	(105,325)	(106,404)
Net cash flows from/(used in) investing activities		30,614	(50,221)	(52,490)
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease payments		(740)	(1,308)	(3,417)
(Decrease)/Increase in amounts due to minority shareholders		(250)	(282)	2,622
Decrease in amount due to related party . . .		(14,950)	—	—
Proceeds from interest-bearing bank and other borrowings		27,000	82,777	222,500
Repayment of interest-bearing bank and other borrowings		(20,044)	(27,040)	(144,428)
Interest paid		(2,203)	(4,570)	(5,383)
Issuance of the share purchase option granted by the Company to a subsidiary’s investors		40,000	60,000	20,000
Issuance of convertible redeemable preferred shares of the Company		27,222	—	58,330
Issuance of convertible bonds		—	—	62,173
Dividends paid to non-controlling shareholders		(5)	—	(188)
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Acquisition of non-controlling interests . . .		—	—	(490)
Capital injection into subsidiaries by non-controlling shareholders		—	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
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		15,764	36,142	159,883
Less: Cash held on behalf of clients		5	2	2
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND CONSOLIDATED STATEMENTS OF CASH FLOWS.		15,759	36,140	159,881

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Investments in subsidiaries	1	1,241,911	1,262,267	1,285,987
Total non-current assets		1,241,911	1,262,267	1,285,987
CURRENT ASSETS				
Prepayments, other receivables and other assets	20	26,883	27,326	31,353
Financial assets at fair value through profit or loss, current	23	—	24,993	16,748
Cash and cash equivalents	24	—	94	43,368
Total current assets		26,883	52,413	91,469
CURRENT LIABILITIES				
Other payables and accruals	26	—	—	9,059
Interest-bearing bank and other borrowings .	27	—	36,277	—
Convertible bonds	28	—	—	42,173
Financial liabilities at FVTPL	29	1,730,870	1,881,508	2,162,266
Total current liabilities		1,730,870	1,917,785	2,213,498
NET CURRENT LIABILITIES		(1,703,987)	(1,865,372)	(2,122,029)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		(462,076)	(603,105)	(836,042)
Total non-current liabilities		—	—	—
NET LIABILITIES		(462,076)	(603,105)	(836,042)
EQUITY				
Share capital	30	40	40	40
Reserves	31	(462,116)	(603,145)	(836,082)
DEFICIENCY IN ASSETS		(462,076)	(603,105)	(836,042)

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

WeiMai Inc. (the “**Company**”, formerly known as Choice Technology Inc.) was incorporated in the Cayman Islands as an exempted company with limited liability on 25 September 2015. The registered office address of the Company is the offices of Maricorp Service Ltd. 31 The Strand, PO Box 2075, Grand Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in (i) the provision of delivering healthcare management solutions (the “**Whole-course Healthcare Management Business**”, including patients management services and services for software development), (ii) the provision of pharmaceutical products supplying (the “**Healthcare Products Sales Business**”), (iii) insurance consumer acquisition services (the “**Insurance Brokerage Business**”) and (iv) IP-driven healthcare marketing solutions (the “**IP-driven Healthcare Marketing Solutions Business**”). The Group’s principal operations and geographic markets are in the People’s Republic of China (the “**PRC**”).

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), particulars of the principal subsidiaries are set out below:

Name	Notes	Place and date of incorporation/establishment and place of operations	Nominal value of registered share capital/issued ordinary shares	Percentage of equity interest attributable to the Company		Principal activities
				Direct	Indirect	
Choice Technology Co., Ltd. (“ Choice Technology ”) (note (c))		Hong Kong 7 October 2015	HKD1	100%	—	Investment holding
Deqing Youmai Technology Co., Ltd.* (德清優脈科技有限公司) (“ Deqing Youmai Technology ” or “ Deqing WFOE ”) (note (a)) . . .		PRC/Mainland China 30 January 2024	USD30,000,000	—	100%	WFOE, holding platform
Hangzhou Weimai Health Management Co., Ltd.* (杭州微脈健康管理有限公司) (“ Hangzhou Weimai Health Management ”) (note (a))		PRC/Mainland China 14 December 2020	RMB200,000,000	—	100%	Operation of whole-course healthcare management solutions
Hangzhou Qiu Shi Youmai Technology Co., Ltd.* (杭州求是 優脈科技有限公司) (“ Hangzhou Qiu Shi Youmai Technology ”) (note (b))		PRC/Mainland China 20 April 2016	USD200,000,000	—	100%	Operation of whole-course healthcare management solutions
Hangzhou Lihe Technology Co., Ltd.* (杭州利和科技有限公司) (“ Hangzhou Lihe Technology ”) (note (a))		PRC/Mainland China 20 July 2017	RMB10,000,000	—	100%	No substantive business

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Name	Notes	Place and date of incorporation/establishment and place of operations	Nominal value of registered share capital/issued ordinary shares	Percentage of equity interest attributable to the Company		Principal activities
				Direct	Indirect	
Hangzhou Wei'er Health Technology Co., Ltd.* (杭州微爾健康科技有限公司) (“ Hangzhou Wei'er Health Technology ”) (note (a)) . . .		PRC/Mainland China 14 January 2022	RMB1,000,000	—	55%	Healthcare products sales
Weimai Technology Co., Ltd.* (微脈技術有限公司) (“ Weimai Technology ”) (note (b))		PRC/Mainland China 20 March 2013	RMB51,723,514	—	100%	Operation of whole-course healthcare management solutions
Ximai Health Service (Hangzhou) Co., Ltd.* (喜脈健康服務(杭州)有限公司) (“ Ximai Health Service ”) (note (a))		PRC/Mainland China 1 September 2017	RMB10,000,000	—	100%	No substantive business
Hangzhou Mengya Children's Products Co., Ltd.* (杭州萌芽兒童用品有限公司) (“ Hangzhou Mengya Children's Products ”) (note (a))/(note (e))		PRC/Mainland China 18 July 2018	RMB5,000,000	—	93%	No substantive business
Hainan Weimai Internet Hospital* (海南微脈互聯網醫院) (“ Weimai Internet Hospital ”) (note (a))		PRC/Mainland China 17 October 2019	RMB10,000,000	—	100%	Operation of internet hospital
Beijing Ronghai Insurance Brokerage Co., Ltd.* (北京容海保險經紀有限公司) (“ Beijing Ronghai Insurance Brokerage ”) (note (a)).		PRC/Mainland China 1 March 2005	RMB50,000,000	—	90%	Provision of insurance brokerage services
Ximai Health Management (Jinhua) Co., Ltd.* (喜脈健康管理(金華)有限公司) (“ Ximai Health Management ”) (note (a))/(note (e))		PRC/Mainland China 25 December 2018	RMB5,000,000	—	100%	Investment management
Taizhou Enze Weimai Network Technology Co., Ltd.* (臺州恩澤微脈網絡科技有限公司) (“ Taizhou Enze Weimai Network Technology ”) (note (a))/(note (e))		PRC/Mainland China 11 May 2018	RMB5,000,000	—	81%	Internet and related services

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Name	Notes	Place and date of incorporation/establishment and place of operations	Nominal value of registered share capital/issued ordinary shares	Percentage of equity interest attributable to the Company		Principal activities
				Direct	Indirect	
Hangzhou Weimai Investment Management Co., Ltd.* (杭州微脈投資管理有限公司) (“Weimai Investment”) (note (a))		PRC/Mainland China 10 November 2016	RMB80,000,000	—	100%	Investment management
Hainan Weimai Telemedicine Center Co., Ltd.* (海南微脈遠程醫療中心有限公司) (“Hainan Weimai Telemedicine Center”) (note (a)) .		PRC/Mainland China 18 October 2019	RMB10,000,000	—	100%	Operation of internet hospital
Ningbo Censhi Insurance Agency Co., Ltd.* (寧波岑石保險代理有限公司) (“Censhi Insurance”) (note (d))		PRC/Mainland China 21 June 2011	RMB2,000,000	—	60%	Provision of insurance brokerage services
Hangzhou Yipu Nanfang Health Technology Group Co., Ltd.* (杭州醫普南方健康科技集團有限公司) (“Nanfang Health”) (note (d))		PRC/Mainland China 25 April 2018	RMB1,320,100	—	51%	IP-driven healthcare marketing solutions

The above table lists the subsidiaries of the Company that the directors of the Company believe principally affect the results or assets of the Group. In the opinion of the directors of the Company, to give details of other subsidiaries would result in particulars of excessive length.

* The English names of these companies represent the best effort made by management of the Company to directly translate the Chinese names as they have not registered with any official English names.

Notes:

- As at the date of this report, no audited financial statements have been prepared for these entities, as they had limited level of business operations and no compulsory local regulatory requirement.
- The statutory financial statements of Hangzhou Qiu Shi Youmai Technology and Weimai Technology Co., Ltd. for the year ended 31 December 2023 and 31 December 2024, prepared under PRC Generally Accepted Accounting Principles (“**PRC GAAP**”) were audited by Hangzhou Tianming Certified Public Accountants LLP (杭州天銘會計師事務所(普通合夥)).
- The statutory financial statements of Choice Technology for the years ended 31 December 2023, prepared under the Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA were audited by Tai Wan Sang & CO. Certified Public Accountants (戴運生會計師事務所). No audited statutory financial statements have been prepared for the year ended 31 December 2024 and 2025.
- Nanfang Health and Censhi Insurance were acquired by the Group in 2025. No audited statutory financial statements have been prepared for the year ended 31 December 2025.
- Ximai Health Management was deregistered on 11 May 2023. Taizhou Enze Weimai Network Technology was deregistered on 26 March 2024. Hangzhou Mengya Children’s Products was deregistered on 24 December 2025.

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The carrying amounts of the Company’s investments in subsidiaries are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Investments, at cost	1,185,201	1,194,985	1,207,183
Deemed investments arising from share-based payments and other long-term employee benefits	56,710	67,282	78,804
Total	<u>1,241,911</u>	<u>1,262,267</u>	<u>1,285,987</u>

The Group assessed the impairment for investments in subsidiaries as at the end of each of the Relevant Periods and no impairment was provided for the investment in subsidiaries since no impairment indicator.

2.1 BASIS OF PREPARATION

The 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 IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

The Historical Financial Information has been prepared on a going concern basis notwithstanding that, the Group incurred losses continually during the Relevant Periods and recorded net current liabilities of approximately RMB2,401,213,000 as at 31 December 2025, primarily due to the significant amount of the convertible redeemable preferred shares of the Company amounting to approximately RMB2,299,051,000 arising from the financing with redemption feature from pre-[REDACTED] investors. Pursuant to the currently effective articles of association of our Company, the redemption rights of the pre-[REDACTED] investors had been terminated immediately before the submission of [REDACTED] by the Company with the Hong Kong Stock Exchange on 27 June 2025 (the “First Submission Date”), but shall again become exercisable upon the earliest of (i) the withdrawal of the [REDACTED] by the Company; (ii) the rejection of the [REDACTED] by the Hong Kong Stock Exchange; or (iii) the expiration of 18 months after the First Submission Date, which means the redemption rights may become exercisable again if the Company’s [REDACTED] does not take place by 26 December 2026. Considering the steady progress in advancing the [REDACTED], the directors of the Company have communicated with major pre-[REDACTED] investors regarding the extension of the redemption rights. The directors of the Company are of the opinion that the Company is able to extend the above restoration date of redemption rights when there is a delay in completion of [REDACTED], and the Company is not required to settle the convertible redeemable preferred shares in the next twelve months from 31 December 2025.

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The directors of the Company further assessed whether the Group has sufficient working capital to meet its present obligations, taking into account all the financial resources available to the Group, including but not limited to:

- a. optimizing the operational efficiency and implementing strict cost-control measures to improve the profitability and generate positive cash flows from the core operation for the year ending 31 December 2026;
- b. extending interest bearing bank borrowings draw from bank facilities that due within one year amounted to approximately RMB110,000,000 to year 2027 based on guarantees obtained from respective borrowing banks through the extension of bank facilities in writing subsequent to 31 December 2025;
- c. obtaining additional available unutilized bank facilities of RMB27,000,000 subsequent to 31 December 2025;

Based on the rigorous review of the budget, the directors of the Company are satisfied that the Group would have sufficient working capital to meet its present obligations, taking into account the financial resources available to the Group for next twelve months from 31 December 2025.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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If the Group loses control over a subsidiary, it derecognizes (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognizes (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Contractual arrangements

Weimai Technology (previously known as Hangzhou Qiushi Tongchuang Network Technology Co., Ltd. or Hangzhou Qiushi Wulian Technology Co., Ltd.) and certain of its subsidiaries are engaged in the whole-course healthcare management and insurance brokerage services (collectively, the “**PRC Operating Entities**”). Due to the restrictions imposed by the relevant laws and regulatory regime of the PRC on foreign ownership of companies engaging in the value-added telecommunication services, online hospital and medical services and insurance intermediary services carried out by subsidiaries of the Group, Hangzhou Qiu Shi Youmai Technology (the “**Previous WFOE**” or “**Hangzhou Qiushi Youmai**”), a wholly-owned subsidiary of the Group, entered into a series of contractual arrangements with Weimai Technology and certain PRC registered shareholders on 14 June 2016. Hangzhou Qiushi Youmai also entered into a series of contractual agreements with Hangzhou Lihe Technology and certain PRC registered shareholders on 26 July 2017. On 31 March 2022, due to the equity transfer between certain PRC individuals, Hangzhou Qiushi Youmai entered into a new set of contractual arrangements with Hangzhou Lihe Technology and the PRC individuals on the same date.

To ensure that the contractual arrangements are narrowly tailored in accordance with the requirements of the Stock Exchange and in preparation for the [REDACTED], the Group underwent the onshore reorganization to streamline the corporate structure as detailed in the sub-section headed “Pre-[REDACTED] Reorganization” in the section headed “History, Reorganization and Corporate Structure” in the Document. On 15 December 2024, both of Hangzhou Qiu Shi Youmai, Weimai Technology and certain PRC registered shareholders, and Hangzhou Qiu Shi Youmai, Hangzhou Lihe Technology and certain PRC registered shareholders, terminated the contractual agreements among themselves, respectively. At the same date, Deqing WFOE, a wholly-owned subsidiary of the Group, entered into a series of contractual arrangements with each of Weimai Technology and Hangzhou Lihe Technology and their respective equity holders. The contractual arrangements granted Deqing WFOE control over Weimai Technology and Hangzhou Lihe Technology, which have been accounted as indirect subsidiaries of the Company throughout the Relevant Periods.

During the period from March to June 2025, Deqing WFOE has directly or indirectly acquired the equity interests of several subsidiaries which were originally held by Weimai Technology through contractual arrangements, the business of which is considered not subject to any restriction on foreign investments under applicable PRC laws and regulations.

On 18 June 2025, Deqing WFOE and Hangzhou Lihe Technology, among other parties, terminated the contractual agreements among themselves. On the same date, Deqing WFOE completed the acquisition of 100% shareholdings of Hangzhou Lihe Technology.

The contractual arrangements mentioned in the paragraphs above enable Hangzhou Qiu Shi Youmai and Deqing WFOE to exercise effective control over the relevant entities of the PRC Operating Entities and, accordingly, Hangzhou Qiu Shi Youmai and Deqing WFOE, have rights to variable returns from their involvement with the relevant entities of the PRC Operating Entities and with the ability to affect those returns through their power over the PRC Operating Entities. Accordingly, the Company regards the PRC Operating Entities as indirect subsidiaries for the purpose of the Historical Financial

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Information and the financial information of the PRC Operating Entities for the Relevant Periods have been consolidated in the Historical Financial Information for the Relevant Periods. Details of the contractual arrangements are disclosed in the section headed “Contractual Arrangements” in the Document.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in this Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

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

² Effective for annual reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRSs. The new standard is not expected to have any impact on the Group’s results of operations and financial position but has impact on the presentation and disclosure of the Group’s financial statements.

Other than IFRS 18, so far, the Group considers that IFRS 19 and the revised IFRS Accounting Standards are unlikely to have a significant impact on the Group’s results of operations and financial position.

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2.3 MATERIAL ACCOUNTING POLICIES

Business combinations and goodwill

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

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

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

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

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

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

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

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

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Fair value measurement

The Group measures certain of its financial instruments at fair value at the end of each Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | — | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | — | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | — | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognized in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than deferred tax assets and inventories), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

Or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used and estimated useful life for this purpose are as follows:

Office equipment	19%–31.67%
Electronic equipment	19%–31.67%
Medical equipment	9.5%–31.67%
Motor vehicles	23.75%
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts, and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Licenses

Purchased licenses are stated at cost less any impairment losses and are amortized on the straight-line basis over their estimated useful lives of 10 years. The useful life of 10 years for a license is estimated based on the duration of the license, as well as the useful lives of similar assets in the marketplace.

Software

Purchased software is stated at cost less any impairment losses and is amortized on the straight-line basis over its estimated useful lives of 10 years. The estimated useful life of 10 years for software is determined by considering the period of the economic benefits to the Group as well as by referring to the industry practice.

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Customer relationship

Customer relationship with finite useful lives is stated at cost less any impairment losses and is amortized on the straight-line basis over the estimated useful lives of 5–10 years.

Research and development costs

All research costs are charged to the profit or loss as incurred.

Expenditure incurred on projects to develop new software is capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Software development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises 2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the

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accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group’s lease liabilities are presented in a separate line on the consolidated statements of financial position.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases is recognized as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flow. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset.

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Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit

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exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 3-year past due. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group’s credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- | | | |
|---------|---|--|
| Stage 1 | — | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | — | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | — | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

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All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade payables, other payables and accruals, convertible bonds and convertible redeemable preferred shares, interest-bearing bank and other borrowings.

Financial liabilities at fair value through profit or loss include contingent consideration of an acquirer in a business combination to which IFRS 3 applies.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognized in profit or loss, except for the gains or losses arising from the Group’s own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognized in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortized cost (trade payables, other payables and accruals, and borrowings)

After initial recognition, trade payables, other payables and accruals and interest-bearing borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the profit or loss.

Put option over non-controlling interests

The financial liability for the put option over non-controlling interests is recognized at the present value of the amount payable upon exercise of the put option. On initial recognition, the corresponding debit is made to another component of equity attributable to the parent. All subsequent changes in the carrying amount of the financial liability that result from the remeasurement are recognized in profit or loss attributable to the parent.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the profit or loss.

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Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted to use.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the year, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

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- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group transfers control of goods or services over time and recognizes revenue over time, if one of the following criteria is met:

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

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If control of the goods or services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods or services.

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

When another party is involved in providing goods or services to a customer, the Group assesses the nature of its promise for specified good or service promised to the customer. The specified good or service may be a physical product that is sourced externally or a right to the underlying service that is provided by a third party. The Group offers the patient health management service that includes the right to a variety of services. Goods or services procured from third parties are an essential part of health management. These are interrelated and interdependent with other healthcare promises in the service package. When providing healthcare management services to patients, they may exhibit individual symptoms at any time that require the change of health plan or use of other goods or services committed in the service package. The Group needs to ensure the fulfilment of the entire process of healthcare management commitments through the different promised services provided. The health plan and different promised goods or services are bundled.

Under each particular contract with customers, the Group is acting as a principal or an agent in specific transactions. In determining whether the Group is acting as a principal or as an agent under the contract, management is required to take into account all relevant factors when making the judgement and evaluation, which are (a) whether the Group is primarily responsible for fulfilling the promise to provide the specified services; (b) whether the Group has inventory risk before or after the specified services or control has been transferred to a customer; and (c) whether the Group has discretion in establishing the prices for the specified services. The Group recognizes the corresponding revenue on a gross basis when it acts as a principal and on a net basis when it acts as an agent.

(a) Whole-course healthcare management

The Group provides a wide range of service entitlements to patients under the whole-course healthcare management model, including medical consultation and in-hospital visit service which is provided via the partner hospitals; as well as treatment arrangement and appointment, medication management, rehabilitation guidance, follow-up coordination, nutritional guidance, homecare services and remote monitoring etc.

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. The Group is 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. The Group usually collects full advances from patients for the

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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.

The Group provides 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.

Leveraging the whole-course healthcare management capabilities, the Group also provides in-hospital application software development services for partner hospitals to establish their whole-course healthcare management system. The software developed is customized for each customer, therefore the Group’s performance does not create an asset with an alternative use to the Group. However, an enforceable right to payment does not arise until customized software is installed, tested and accepted by the customers. Therefore, revenue is recognized at a point in time when the application software development services are accepted by the hospitals. The Group recognizes an asset in relation to costs to fulfil its application software development services. The costs relate directly to the contract, generate resources that will be used in satisfying the contract and are expected to be recovered. The contract fulfilment costs are recorded as cost of sales when the customized software is passed to the customer and the revenue is recognized.

(b) Healthcare products sales

The Group generates revenue from the distribution of pharmaceutical products to a range of pharmaceutical companies, distributors and hospitals. Revenue from the healthcare products sales is recognized at the point in time when control of goods is transferred to the customers, generally on delivery of the medicines and pharmaceutical products.

In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the goods before they are transferred to the customers. Control refers to the Group’s ability to direct the use of and obtain substantially all of the remaining benefits from the goods. The Group acts as the principal of these arrangements, correspondingly recognizes revenue on a gross basis.

(c) Insurance brokerage services

The Group provides promotion of insurance products services for insurance companies or their partners. The service fees are determined as a predetermined percentage of premiums paid by the policyholders as specified in the service contract. Revenue generated from insurance brokerage services are commissions paid by insurance companies or their partners. Revenue is recognized when the signed insurance policy becomes effective since the Group have fulfilled the performance obligation.

(d) IP-driven healthcare marketing solutions

The Group provides one-stop marketing solutions by designing, producing, launching, monitoring and optimizing their advertisement campaigns, with strategic focus on top media platforms. The Group charges the customers mainly based on service fee agreed. Revenue is recognized at a point in time when the services provided to customers are completed and accepted by customers.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

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Contract liabilities

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option plan. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes option pricing model, further details of which are given in note 33 to the Historical Financial Information.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

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Other employee benefits

Pension scheme

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Provision

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognized in accordance with the general policy for provisions above and (ii) the amount initially recognized less, when appropriate, the amount of income recognized in accordance with the policy for revenue recognition.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group uses RMB as its functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item

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(i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Historical 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.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Historical Financial Information:

Principal versus agent consideration — revenue from integrated healthcare management services

In determining whether the Group is acting as a principal or as an agent in the provision of integrated healthcare management services requires judgements and considerations of all relevant facts and circumstances. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified service before it is transferred to the customer, the indicators of which include but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The Group considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgement when assessing the indicators.

Contractual arrangements

Weimai Technology and its certain subsidiaries provide whole-course healthcare management and insurance brokerage services to the Group’s customers. Due to the restrictions imposed by the relevant laws and regulatory regime of the PRC on foreign ownership of companies engaging in whole-course healthcare management, healthcare products sales and insurance brokerage services, as disclosed in note 2.1 to the Historical Financial Information, the Group exercises control over Weimai Technology and its subsidiaries and enjoys all economic benefits of Weimai Technology and its subsidiaries through the contractual arrangements.

The Group considers that it controls Weimai Technology and its subsidiaries, notwithstanding the fact that it does not hold a direct equity interest in Weimai Technology. Accordingly, Weimai Technology and its subsidiaries have been accounted for as subsidiaries during the Relevant Periods.

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Estimation uncertainty

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets and inventories), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

As of 31 December 2023, 2024 and 2025, no indicators of the impairment for non-financial assets are identified notwithstanding that the Group recorded a loss for the year end 31 December 2023, 2024 and 2025, since (i) the assets’ value have not declined significantly, (ii) the assets are not obsolete or physically damaged; (iii) the scale of loss of the major cash-generating units using the non-financial assets that is assigned to is narrower, and the profit of the other cash-generating units using non-financial assets remain stable.

Fair value measurements of contingent consideration

The Group’s contingent considerations are measured at fair values with fair values being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Further disclosures are detailed in note 39.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of the impairment testing are set out in note 16 to the Historical Financial Information.

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Fair value of share-based payment transactions

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, the Group uses the Black-Scholes option pricing model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 33 to the Historical Financial Information.

Fair value of convertible bonds and convertible redeemable preferred shares

The fair value of the convertible redeemable preferred shares measured at fair value through profit or loss is determined using valuation techniques, including the discounted cash flow method. Such valuation requires the Group to make estimates of the key assumptions including the risk-free interest rate and volatility, which are subject to uncertainty.

Provision for expected credit losses on receivables

The Group uses a provision matrix to calculate ECLs for receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the customer industry, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customers’ actual default in the future. The information about the ECLs on the Group’s receivables is disclosed in notes 20 and 22 to the Historical Financial Information.

4. SEGMENT INFORMATION

Operating segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in the provision of whole-course healthcare management service, healthcare products sales, insurance brokerage services and IP-driven healthcare marketing solutions in Mainland China. Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment, mainly based on segment revenue and segment gross profit. The segment gross profit is calculated as segment revenue minus segment cost of services. Cost of services for whole-course healthcare

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management service segment primarily comprises of hospital service procurement costs which represent service fees relating to medical treatment and diagnosis as part of the Group’s whole-course healthcare management service and employee benefit expenses. Cost of sales for healthcare products sales service segment primarily comprises of medicines purchase cost. Cost of services for insurance brokerage service segment primarily comprises of commission and channel promotion costs. Cost of services for IP-driven healthcare marketing solutions segment primarily comprises of traffic acquisition costs and corresponding production costs.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the Historical Financial Information. There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

	Whole-course healthcare management	Healthcare products sales	Insurance brokerage services	IP-driven healthcare marketing solutions	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023						
Segment revenue	437,318	98,434	89,988	—	1,824	627,564
Segment results	96,345	18,371	3,293	—	291	118,300
Reconciliation						
Administrative expenses						(53,209)
Selling and distribution expenses						(135,385)
Research and development expenses						(39,909)
Finance costs						(3,038)
Other expenses						(4,995)
Impairment losses on financial assets, net.						605
Other income and gains						11,559
Fair value losses on financial liabilities at FVTPL						(43,430)
Group’s loss before tax						(149,502)
Year ended 31 December 2024						
Segment revenue	470,090	126,349	56,260	—	—	652,699
Segment results	106,985	15,282	7,453	—	—	129,720
Reconciliation						
Administrative expenses						(47,137)
Selling and distribution expenses						(94,897)
Research and development expenses						(29,813)
Finance costs						(5,106)
Other expenses						(534)
Impairment losses on financial assets, net.						(4,080)
Other income and gains						12,129
Fair value losses on financial liabilities at FVTPL						(152,336)
Group’s loss before tax						(192,054)
Year ended 31 December 2025						
Segment revenue	529,772	182,732	109,598	41,282	—	863,384
Segment results	129,442	18,427	25,678	13,549	—	187,096
Reconciliation						
Administrative expenses						(71,566)
Selling and distribution expenses						(122,535)
Research and development expenses						(38,131)
Finance costs						(7,611)
Other expenses						(5,150)

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	Whole-course healthcare management	Healthcare products sales	Insurance brokerage services	IP-driven healthcare marketing solutions	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Impairment losses on financial assets, net.						(5,554)
Other income and gains						15,848
Fair value losses on financial liabilities at FVTPL						(237,767)
Group’s loss before tax						(285,370)

Geographical information

Since almost all of the Group’s non-current assets were located in Mainland China and all of the revenue of the Group was derived from operations in Mainland China during the Relevant Periods, no geographical segment information in accordance with IFRS 8 *Operating Segments* has been presented.

Information about major customers

In 2025, revenue of approximately RMB90,095,000 was derived from a single customer within the Whole-course healthcare management business and there is no revenue generated from customer amounted to 10% or more of the Group’s revenue in 2023 and 2024.

5. REVENUE

An analysis of revenue is as follows:

(a) Disaggregated revenue information

Types of services

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Whole-course healthcare management	437,318	470,090	529,772
Healthcare products sales	98,434	126,349	182,732
Insurance brokerage services	89,988	56,260	109,598
IP-driven healthcare marketing solutions	—	—	41,282
Others	1,824	—	—
	627,564	652,699	863,384

Timing of revenue recognition

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Timing of revenue recognition			
Services transferred over time	406,312	351,133	310,238
Services transferred at a point in time	122,818	175,217	370,414
Goods transferred at a point in time.	98,434	126,349	182,732
	627,564	652,699	863,384

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(b) Performance obligations

Information about the Group’s performance obligations is summarized below:

Whole-course healthcare management

For whole-course healthcare management service, the performance obligation is mainly satisfied over the contractual term starting from the date when the customer has access to the service package. For services provided for pharmaceutical companies to facilitate their ongoing R&D and marketing activities or services providing for corporate companies to provide health management services to their users, revenue is generally recognized at a point in time and the performance obligation is satisfied when the services are rendered and accepted by the customers. The Group applies both credit policy and advance payment policy to the customers.

For customized software development services, the performance obligation is satisfied after the software is delivered and accepted by the customer and payment is generally due within 30 days from the billing date, except that a certain percentage of contract sum is required to be prepaid by the customer.

Healthcare products sales

For healthcare products sales, the performance obligation is satisfied at the point in time when control of goods is transferred to the customer, generally on delivery of the medicines and pharmaceutical products.

Insurance brokerage services

The performance obligation to the insurance carrier is satisfied and revenue is recognized at the point in time when the signed insurance policy becomes effective.

IP-driven healthcare marketing solutions

The performance obligation is satisfied at the point in time when the service is transferred and accepted by customers.

(c) Revenue recognized in relation to contract liabilities

The Group recognized the following revenue-related contract liabilities:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities, current	73,442	54,612	50,993
Contract liabilities, non-current	3,622	936	1,949
Total	77,064	55,548	52,942

The balance of contract liabilities as at 1 January 2023 was RMB77,375,000.

The Group receives a deposit before related services and goods are provided, this will give rise to contract liabilities. The Group receives deposits on acceptance of orders on a case-by-case basis with customers before related service or goods are provided. The decrease in contract liabilities in 2023, 2024 and 2025 were mainly due to the decrease of the deposits received.

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The following table shows the amounts of revenue recognized during the Relevant Periods that were included in the contract liabilities at the beginning of the respective periods.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognized that was included in the contract liability balance at the beginning of the reporting period:			
Whole-course healthcare management	73,598	73,087	52,829
Healthcare products sales	1,223	355	1,783
Total	<u>74,821</u>	<u>73,442</u>	<u>54,612</u>

The following table includes the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the Relevant Periods and the amounts disclosed below do not include variable consideration which is constrained:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expected to be satisfied			
Within one year	73,442	54,612	50,993
One to two years	3,622	936	1,949
Total	<u>77,064</u>	<u>55,548</u>	<u>52,942</u>

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants*	3,473	4,790	4,948
Fair value gains on financial assets at fair value through profit or loss, net**	118	2,045	5,055
Bank interest income	1,560	2,085	1,832
Foreign exchange differences, net	3,538	—	—
Investment income	—	—	995
Others	2,870	3,209	3,018
	<u>11,559</u>	<u>12,129</u>	<u>15,848</u>

* Government grants received during the Relevant Periods primarily comprised the financial subsidies received from various local government authorities in Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

** Fair value gains on financial assets at fair value through profit or loss primarily comprise the gain from investment in an unlisted fund and call option of acquisition of non-controlling interests.

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7. LOSS BEFORE TAX

The Group’s loss before tax is as follows:

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Cost of services rendered (excluding those included in employee benefit expense and depreciation)		403,280	383,081	507,616
Cost of inventories sold		80,063	111,067	164,305
Depreciation of items of property, plant and equipment	15	3,169	1,226	1,744
Depreciation of right-of-use assets	18	898	1,228	3,783
Amortization of intangible assets	17	5,833	5,171	7,276
Research and development expenses (excluding amortization, depreciation and employee benefit expense)		4,397	2,538	2,636
Lease expenses not included in the measurement of lease liabilities	18	4,376	2,253	2,072
Auditor’s remuneration		553	344	423
Fair value losses on financial liabilities at FVTPL	28&29	43,430	152,336	237,767
Fair value gains on financial assets at fair value through profit or loss, net		(118)	(2,045)	(5,055)
Employee benefit expense (including directors’ and chief executive’s remuneration (note 10)):				
— Salaries, allowances and benefits in kind		91,390	65,399	74,795
— Pension scheme contributions (defined contribution scheme)*		3,661	3,223	3,783
— Share-based payment compensation	33	7,026	10,572	11,522
— Termination Benefits		8,459	3,301	418
Labor cost		48,515	48,202	41,997
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Foreign exchange differences, net	6&9	(3,538)	56	3,060
Impairment of financial assets, net		(605)	4,080	5,554
Government grants	6	(3,473)	(4,790)	(4,948)
Bank interest income	6	(1,560)	(2,085)	(1,832)

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

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8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on interest-bearing bank and other borrowings	2,243	4,721	5,667
Interest on loans from minority shareholders	282	253	248
Interest on lease liabilities.	57	114	385
Increase in discounted amounts arising from the passage of time	456	18	1,311
	<u>3,038</u>	<u>5,106</u>	<u>7,611</u>

9. OTHER EXPENSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Losses on disposal of items of property, plant and equipment.	1,631	—	—
Losses on disposal of intangible assets.	1,334	—	—
Losses from disposal of subsidiaries*	1,170	—	—
Foreign exchange differences, net	—	56	3,060
Others	860	478	2,090
	<u>4,995</u>	<u>534</u>	<u>5,150</u>

* The Group disposed of Hangzhou Qiu Shi Cloud Medical Technology Co., Ltd. (杭州求是雲醫科技有限公司) and Hangzhou Jiali Medical Beauty Clinic Co., Ltd. (杭州嘉儷醫療美容門診部有限公司) in 2023.

10. DIRECTORS’ AND CHIEF EXECUTIVE’S REMUNERATION

The remuneration paid or payable to the directors and chief executive of the Company during the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	—	—	—
Other emoluments:			
Share-based payment compensation	998	4,745	4,939
Salaries, allowances and benefits in kind	1,635	2,079	2,879
Pension scheme contributions	32	45	55
Total directors’ remuneration.	<u>2,665</u>	<u>6,869</u>	<u>7,873</u>

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During the Relevant Periods, share options were granted to directors of the Company in respect of their services to the Group, further details of which are set out in note 33 to the Historical Financial Information. The fair value of such share options, which has been recognized in profit or loss immediately upon the date of grant or over the vesting period, was determined as at the date of grant and the amounts included in the Historical Financial Information for the Relevant Periods are set out in the above directors’ remuneration disclosures.

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Share-based payment compensation	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023					
Mr. Qiu Jialin (chief executive) (Note (a)) .	—	280	8	—	288
Mr. Chen Jianqun (Note (b))	—	518	8	31	557
Mr. Chen Piaojian (Note (c))	—	319	8	413	740
Mr. Cao Yingzhe (Note (d))	—	518	8	554	1,080
Ms. Liu Liping (Note (e))	—	—	—	—	—
	—	1,635	32	998	2,665
	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Share-based payment compensation	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024					
Mr. Qiu Jialin (chief executive) (Note (a)) .	—	282	9	2,509	2,800
Mr. Chen Jianqun (Note (b))	—	591	9	208	808
Mr. Chen Piaojian (Note (c))	—	321	9	516	846
Mr. Cao Yingzhe (Note (d))	—	519	9	1,030	1,558
Ms. Liu Liping (Note (e))	—	—	—	—	—
Mr. Ge Sheng (Note (f))	—	366	9	482	857
	—	2,079	45	4,745	6,869
	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Share-based payment compensation	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025					
Mr. Qiu Jialin (chief executive) (Note (a)) .	—	283	10	2,175	2,468
Mr. Chen Jianqun (Note (b))	—	770	10	156	936
Mr. Cao Yingzhe (Note (d))	—	514	10	915	1,439
Mr. Ge Sheng (Note (f))	—	476	10	931	1,417
Ms. Zhou Yangfang (Note (g))	—	331	6	186	523
Mr. Yang Leigang (Note (h))	—	398	6	114	518
Mr. Chen Piaojian (Note (c))	—	107	3	462	572
	—	2,879	55	4,939	7,873

Notes:

- (a) Mr. Qiu Jialin was appointed as a director of the Company with effect from 25 September 2015 and he was re-designated as an executive director in June 2025.

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- (b) Mr. Chen Jianqun was appointed as a director of the Company with effect from 14 June 2016 and he was re-designated as an executive director in June 2025.
- (c) Mr. Chen Piaojian was appointed as a director of the Company with effect from 14 June 2016 and resigned as the director of the Company on 17 April 2025.
- (d) Mr. Cao Yingzhe was appointed as a director of the Company with effect from 24 October 2016 and he was re-designated as an executive director in June 2025.
- (e) Ms. Liu Liping was appointed as a director of the Company with effect from 14 September 2020 and resigned as a director of the Company on 12 June 2024.
- (f) Mr. Ge Sheng was appointed as a director of the Company with effect from 12 June 2024 and he was re-designated as an executive director in June 2025.
- (g) Ms. Zhou Yangfang was appointed as a director of the Company with effect from 18 April 2025 and she was re-designated as an executive director in June 2025.
- (h) Mr. Yang Leigang was appointed as a director of the Company with effect from 18 April 2025 and he was re-designated as an executive director in June 2025.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 31 December 2023, 2024 and 2025 included 3, 4 and 4 directors, respectively, details of whose remuneration are set out in note 10 above. Details of the remuneration for the year ended 31 December 2023, 2024 and 2025 of the remaining 2, 1 and 1 highest paid employees who are not directors nor the chief executive of the Company are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, allowances and benefits in kind	1,287	579	656
Share-based payment compensation	640	283	92
Pension scheme contributions	19	13	10
	<u>1,946</u>	<u>875</u>	<u>758</u>

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The number of the non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
Nil to HKD1,000,000	1	1	1
HKD1,000,001 to HKD1,500,000	1	—	—
	2	1	1

12. INCOME TAX

Cayman Islands

The Company is a limited liability company incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax has been imposed.

Hong Kong

The subsidiaries incorporated in Hong Kong were subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods.

Mainland China

Under the Law of the PRC on Corporate Income Tax (the “CIT Law”) and Implementation Regulation of the CIT Law, the CIT rate as of the PRC subsidiaries was 25% during the Relevant Periods unless they are subject to tax concession set out below:

- (1) Hangzhou Qiu Shi Youmai Technology and Weimai Technology were accredited as high-tech enterprises in 2022, and were entitled to a preferential CIT rate of 15% for the period from January 2022 to December 2024.
- (2) Weimai Technology was accredited as high-tech enterprises in 2025, and was entitled to a preferential CIT rate of 15% for the period from January 2025 to December 2027.
- (3) Ximai Health Service, Deqing Youmai Technology, Hangzhou Weimai Health Management, Hainan Weimai Internet Hospital and Beijing Ronghai Insurance Brokerage have been qualified as small scaled minimal profit enterprises from January 2023 to December 2025. Additionally, in 2025, Hangzhou Lihe Technology and Hangzhou Wei’er Health Technology have been qualified as small scaled minimal profit enterprises.

Pursuant to Caishui 2023 circular No.6 and Caishui 2024 circular No.6, the first RMB1,000,000 of assessable profits of these subsidiaries were calculated as 25% and taxed at the preferential CIT rate of 20%. The assessable profits between RMB1,000,000 and RMB3,000,000 were calculated as 25% and taxed at the preferential CIT rate of 20%. The policy was available from 2023 to 2025.

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The major components of income tax expense of the Group are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax	492	1,445	5,978
Deferred income tax (<i>note 21</i>)	(430)	(390)	(1,216)
Total tax charge for the year	62	1,055	4,762

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax.	(149,502)	(192,054)	(285,370)
Tax at the statutory tax rate of 25%	(37,375)	(48,014)	(71,343)
Lower tax rates for specific provinces or enacted by local authorities	9,859	36,769	55,059
Additional deductible allowance for research and development expenses	(4,179)	(5,983)	(5,003)
Adjustments in respect of current income tax of previous years.	108	49	247
Income not subject to tax	(7,460)	—	—
Expenses not deductible for tax	1,449	3,602	1,710
Tax losses and deductible temporary differences not recognized or utilized	39,879	41,550	24,609
Utilization of previously unrecognized tax losses	(2,219)	(26,918)	(517)
Tax at the effective tax rates	62	1,055	4,762

13. DIVIDENDS

During the Relevant Periods, no dividends have been declared or paid by the Company.

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during each of the Relevant Periods.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2023, 2024 and 2025 in respect of a dilution as the impact of the convertible redeemable preferred shares and convertible bonds of the Company and share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

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The calculations of basic and diluted loss per share are based on:

	Year ended 31 December		
	2023	2024	2025
Loss			
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation (<i>RMB’000</i>)	(147,414)	(196,372)	(300,304)
Shares			
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculation.	62,000,000	62,000,000	62,000,000
Loss per share (basic and diluted) (<i>RMB</i>). . . .	(2.38)	(3.17)	(4.84)

15. PROPERTY, PLANT AND EQUIPMENT

31 December 2023

	Office equipment	Electronic equipment	Medical equipment	Motor vehicles	Leasehold improvements	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2023:						
Cost	2,951	10,519	4,421	1,559	15,574	35,024
Accumulated depreciation	(2,121)	(8,892)	(1,342)	(1,290)	(12,504)	(26,149)
Net carrying amount	830	1,627	3,079	269	3,070	8,875
At 1 January 2023, net of accumulated depreciation	830	1,627	3,079	269	3,070	8,875
Additions	95	73	43	—	311	522
Disposals	(452)	(354)	(831)	—	—	(1,637)
Disposal of subsidiaries	(74)	(38)	(1,325)	—	(422)	(1,859)
Depreciation provided during the year	(238)	(806)	(910)	(84)	(1,131)	(3,169)
At 31 December 2023, net of accumulated depreciation	161	502	56	185	1,828	2,732
At 31 December 2023:						
Cost	1,796	6,335	161	1,559	15,883	25,734
Accumulated depreciation	(1,635)	(5,833)	(105)	(1,374)	(14,055)	(23,002)
Net carrying amount	161	502	56	185	1,828	2,732

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31 December 2024

	Office equipment	Electronic equipment	Medical equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024:						
Cost	1,796	6,335	161	1,559	15,883	25,734
Accumulated depreciation	(1,635)	(5,833)	(105)	(1,374)	(14,055)	(23,002)
Net carrying amount	161	502	56	185	1,828	2,732
At 1 January 2024, net of						
accumulated depreciation	161	502	56	185	1,828	2,732
Additions	185	62	—	311	289	847
Depreciation provided during the year	(64)	(170)	(21)	(143)	(828)	(1,226)
At 31 December 2024, net of						
accumulated depreciation	282	394	35	353	1,289	2,353
At 31 December 2024:						
Cost	1,958	6,303	161	1,869	16,173	26,464
Accumulated depreciation	(1,676)	(5,909)	(126)	(1,516)	(14,884)	(24,111)
Net carrying amount	282	394	35	353	1,289	2,353

31 December 2025

	Office equipment	Electronic equipment	Medical equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025:						
Cost	1,958	6,303	161	1,869	16,173	26,464
Accumulated depreciation	(1,676)	(5,909)	(126)	(1,516)	(14,884)	(24,111)
Net carrying amount	282	394	35	353	1,289	2,353
At 1 January 2025, net of						
accumulated depreciation	282	394	35	353	1,289	2,353
Additions	99	107	—	—	11,364	11,570
Additions from acquisition of subsidiaries	270	224	44	297	776	1,611
Disposal of subsidiaries	(2)	(11)	—	—	—	(13)
Depreciation provided during the year	(127)	(84)	(41)	(177)	(1,315)	(1,744)
At 31 December 2025, net of						
accumulated depreciation	522	630	38	473	12,114	13,777
At 31 December 2025:						
Cost	2,801	7,018	203	2,395	19,319	31,736
Accumulated depreciation	(2,279)	(6,388)	(165)	(1,922)	(7,205)	(17,959)
Net carrying amount	522	630	38	473	12,114	13,777

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16. GOODWILL

At 1 January 2023:

Cost.	14,596
Additions.	—
Impairment during the year.	—
At 31 December 2023	14,596
Cost.	14,596
Additions.	—
Impairment during the year.	—
At 31 December 2024.	14,596
Cost.	14,596
Additions.	75,995
Impairment during the year.	—
At 31 December 2025.	90,591

Impairment testing of goodwill

The goodwill comprises the fair value of expected business synergies arising from the acquisitions, which are not separately recognized.

Goodwill acquired through business combinations is allocated to each of the Group’s 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 Relevant Periods are set out in note 34 to the Historical Financial Information) for expanding the business is allocated to the group of CGUs of the respective business based on their operating segments.

The Group acquired Hangzhou Wei’er Health Technology in 2022 in order to enhance the Group’s healthcare products sales business. The goodwill arising from the acquisitions is allocated to the Hangzhou Wei’er Health Technology CGU.

The Group acquired Censhi Insurance in 2025 in order to enhance the Group’s insurance brokerage services business. The goodwill arising from the acquisitions is allocated to the Censhi Insurance CGU.

The Group acquired Nanfang Health in 2025 in order to enhance the Group’s IP-driven healthcare marketing solutions business. The goodwill arising from the acquisitions is allocated to the Nanfang Health CGU.

The Group acquired Yongkang Care Home Co., Ltd. (永康頤樂護理院有限公司) (“**Yongkang Care Home**”), Ruiwankang (Hangzhou) Health Management Co., Ltd. (瑞萬康(杭州)健康管理有限公司) (“**Hangzhou Ruiwankang**”), Shanxi Ruiwankang Nursing Services Co., Ltd. (山西瑞万康护理服务有限公司) (“**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 in order to enhance the Group’s Whole-course healthcare management business. The goodwill arising from the acquisitions of Hangzhou Ruiwankang and Shanxi Ruiwankang is allocated to the Ruiwankang CGU and the goodwill arising from the acquisition of Yilai Shuo is allocated to the Yilai Shuo CGU.

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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 Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Hangzhou Wei’er Health Technology	14,596	14,596	14,596
Censhi Insurance	—	—	38,364
Nanfang Health	—	—	28,093
Ruiwankang	—	—	8,006
Yilai Shuo	—	—	1,532
	<u>14,596</u>	<u>14,596</u>	<u>90,591</u>

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 at 31 December 2023, 2024 and 2025.

Revenue — The basis used to determine the budgeted revenue is based on the management’s expectations 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 each CGU exceeded the carrying amount by the following amounts:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Hangzhou Wei’er Health Technology	8,051	7,563	7,054
Censhi Insurance	—	—	49,378
Nanfang Health	—	—	101,575
Ruiwankang	—	—	46,983
Yilai Shuo	—	—	7,416

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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%

	Hangzhou Wei'er Health Technology	Censhi Insurance	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:

The management of the Company has 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	Censhi Insurance	Nanfang Health	Ruiwankang	Yilai Shuo
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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)	—	—	—	—
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)	—	—	—	—
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)

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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17. OTHER INTANGIBLE ASSETS

31 December 2023

	Software	License	Customer relationship	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023				
Cost.	5,657	33,006	15,310	53,973
Accumulated amortization.	(3,016)	(2,750)	(1,403)	(7,169)
Net carrying amount.	<u>2,641</u>	<u>30,256</u>	<u>13,907</u>	<u>46,804</u>
Cost at 1 January 2023, net of accumulated amortization.	2,641	30,256	13,907	46,804
Additions.	208	—	—	208
Disposals.	(1,334)	—	—	(1,334)
Disposal of subsidiaries.	(163)	—	—	(163)
Amortization provided during the year.	(1,001)	(3,301)	(1,531)	(5,833)
At 31 December 2023.	<u>351</u>	<u>26,955</u>	<u>12,376</u>	<u>39,682</u>
At 31 December 2023				
Cost.	2,889	33,006	15,310	51,205
Accumulated amortization.	(2,538)	(6,051)	(2,934)	(11,523)
Net carrying amount.	<u>351</u>	<u>26,955</u>	<u>12,376</u>	<u>39,682</u>

31 December 2024

	Software	License	Customer relationship	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024				
Cost.	2,889	33,006	15,310	51,205
Accumulated amortization.	(2,538)	(6,051)	(2,934)	(11,523)
Net carrying amount.	<u>351</u>	<u>26,955</u>	<u>12,376</u>	<u>39,682</u>
Cost at 1 January 2024, net of accumulated amortization.	351	26,955	12,376	39,682
Amortization provided during the year.	(339)	(3,301)	(1,531)	(5,171)
At 31 December 2024.	<u>12</u>	<u>23,654</u>	<u>10,845</u>	<u>34,511</u>
At 31 December 2024				
Cost.	2,889	33,006	15,310	51,205
Accumulated amortization.	(2,877)	(9,352)	(4,465)	(16,694)
Net carrying amount.	<u>12</u>	<u>23,654</u>	<u>10,845</u>	<u>34,511</u>

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31 December 2025

	Software	License	Customer relationship	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025				
Cost.	2,889	33,006	15,310	51,205
Accumulated amortization.	(2,877)	(9,352)	(4,465)	(16,694)
Net carrying amount	12	23,654	10,845	34,511
Cost at 1 January 2025, net of accumulated amortization.	12	23,654	10,845	34,511
Acquisition of subsidiaries	138	—	72,010	72,148
Amortization provided during the year.	(51)	(3,301)	(3,924)	(7,276)
At 31 December 2025.	99	20,353	78,931	99,383
At 31 December 2025				
Cost.	3,390	33,006	87,320	123,716
Accumulated amortization.	(3,291)	(12,653)	(8,389)	(24,333)
Net carrying amount	99	20,353	78,931	99,383

18. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the Relevant Periods, the Group entered certain lease contracts for office premises which generally have lease terms between two and five years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount at the beginning of the year	1,662	1,112	3,366
Additions	734	3,482	11,852
Additions from acquisition of a subsidiary (note 34).	—	—	2,562
Lease termination	(386)	—	—
Depreciation provided during the year	(898)	(1,228)	(3,783)
Carrying amount at the end of the year	1,112	3,366	13,997

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(b) Lease Liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning			
of the year	1,444	1,084	3,372
New leases	734	3,482	11,852
Additions from acquisition of a subsidiary (note 34).	—	—	2,657
Accretion of interest during the year	57	114	385
Lease termination	(411)	—	—
Payments during the year	(740)	(1,308)	(3,417)
Carrying amount at the end of the year	1,084	3,372	14,849
Analyzed into:			
Current portion	579	1,183	5,317
Non-current portion	505	2,189	9,532

At the end of each of the Relevant Periods, the lease liabilities were repayable as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	579	1,183	5,317
After 1 year but within 2 years	409	983	4,606
After 2 years but within 5 years	96	1,206	4,926
Total	1,084	3,372	14,849

The maturity analysis of lease liabilities is disclosed in note 40 to the Historical Financial Information.

(c) The amounts recognized in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	57	114	385
Gains on lease termination	(25)	—	—
Depreciation charge of right-of-use assets . . .	898	1,228	3,783
Expense relating to short-term leases	4,376	2,253	2,072
Total amount recognized in profit or loss . . .	5,306	3,595	6,240

(d) The total cash outflow for leases is disclosed in note 35 to the Historical Financial Information.

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19. INVENTORIES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finished goods	8,438	20,709	15,976

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
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)
Subtotal	42,317	7,648	11,784
Current:			
Prepayments	31,637	29,531	43,599
Loans 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
Contract fulfilment cost	3,434	—	—
Receivables for disposal of a subsidiary****	600	—	—
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loans to related parties***	—	55,794	73,289
Amount due from minority shareholders	—	—	1,840
Others	2,782	2,656	5,019
Impairment allowance*	(1,864)	(4,992)	(5,136)
Subtotal	50,737	93,522	142,018

* An impairment analysis is performed at the end of each of the relevant periods by estimating the expected credit losses by applying a loss rate approach with reference to the historical loss record of the Group.

** Deposits represent the deposits paid to business partners as performance security and deposits paid for business combination.

*** Loans to related parties include unsecured borrowings provided to Hangzhou Shenmei Information Technology Co., Ltd. and Qiu Shi Tong Chuang (Hangzhou) Holdings Co., Ltd. carrying an effective interest rate at 3–4.5% which will be settled prior to the Listing. Details are set out in note 37.

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**** Receivable for disposal of a subsidiary represents the consideration for disposal of Hangzhou Yuanyi Clinic Co., Ltd. in 2021.

The movements in loss allowance for impairment of other receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Balance at beginning of year	4,648	5,073	5,948
Net impairment loss	425	1,121	1,029
Amount written off as uncollectible	—	(246)	—
Balance at end of year	5,073	5,948	6,977

Set out below is the expected credit loss rate applied for the financial assets included in prepayments, other receivables and other assets:

As at 31 December 2023

	Stage 1	Stage 2	Total
Expected credit loss rate	5.93%	100.00%	8.69%
Gross carrying amount (RMB’000).	56,640	1,715	58,355
Expected credit losses (RMB’000)	3,358	1,715	5,073

As at 31 December 2024

	Stage 1	Stage 2	Total
Expected credit loss rate	7.40%	100.00%	8.05%
Gross carrying amount (RMB’000).	73,326	522	73,848
Expected credit losses (RMB’000)	5,426	522	5,948

As at 31 December 2025

	Stage 1	Stage 3	Total
Expected credit loss rate	5.53%	100.00%	6.36%
Gross carrying amount (RMB’000).	108,755	967	109,722
Expected credit losses (RMB’000)	6,010	967	6,977

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current:			
Amount due from a subsidiary	26,883	27,326	26,946
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	—	—	354
Total	26,883	27,326	31,353

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Amount due from a subsidiary represents an interest-free loan provided to the subsidiary and it is repayable on demand.

21. DEFERRED TAX

The movements in deferred tax during the Relevant Periods are as follows:

Deferred tax assets

	Impairment of assets	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023			
At 1 January 2023	—	361	361
Deferred tax charged to profit or loss during the year	—	(90)	(90)
At 31 December 2023	—	271	271
31 December 2024			
At 1 January 2024	—	271	271
Deferred tax credited to profit or loss during the year	—	572	572
At 31 December 2024	—	843	843
31 December 2025			
At 1 January 2025	—	843	843
Business combination	85	—	85
Deferred tax credited to profit or loss during the year	22	2,869	2,891
At 31 December 2025	107	3,712	3,819

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Deferred tax liabilities

	Fair value adjustments arising from business combination	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
At 1 January 2023	3,477	415	3,892
Deferred tax credited to profit or loss during the year	(383)	(137)	(520)
At 31 December 2023	<u>3,094</u>	<u>278</u>	<u>3,372</u>
31 December 2024			
At 1 January 2024	3,094	278	3,372
Deferred tax (credited)/charged to profit or loss during the year	(383)	565	182
At 31 December 2024	<u>2,711</u>	<u>843</u>	<u>3,554</u>
31 December 2025			
At 1 January 2025	2,711	843	3,554
Business combination	18,003	—	18,003
Deferred tax (credited)/charged to profit or loss during the year	(981)	2,656	1,675
At 31 December 2025	<u>19,733</u>	<u>3,499</u>	<u>23,232</u>

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

	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognized in the consolidated statement of financial position	—	—	320
Net deferred tax liabilities recognized in the consolidated statement of financial position	<u>3,101</u>	<u>2,711</u>	<u>19,733</u>

Deferred tax assets not recognized

The Group has accumulated tax losses in Mainland China of RMB1,338,147,000, RMB1,386,787,000, RMB1,288,226,000 as at the end of each of the Relevant Periods that would expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

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The Group has unrecognized deductible temporary differences of RMB14,466,000, RMB52,063,000 and RMB55,810,000 as at the end of each of the Relevant Periods. The unrecognized deductible temporary differences are mainly related to accrued expenses.

Deferred tax assets have not been recognized in respect of these losses and deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses and the deductible temporary differences can be utilized.

Deferred tax liabilities not recognized

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable rate is 10% for the Group. Accumulated temporary differences relating to the undistributed profits of the Group’s certain subsidiaries in Mainland China amounted to RMB4,761,000, RMB11,435,000, and RMB59,348,000 as at the end of each of the Relevant Periods. Deferred tax liabilities were not recognized in respect of the withholding tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries in Mainland China and the directors have determined that these profits are not likely to be distributed in the foreseeable future.

22. TRADE AND BILLS RECEIVABLES

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	29,590	44,161	61,407
Bills receivables	—	126	1,487
	29,590	44,287	62,894
Impairment losses	(782)	(2,434)	(5,159)
Total	28,808	41,853	57,735

The Group’s trading terms with its customers are mainly on credit. The credit period is generally one month, extending to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

An ageing analysis of the bills receivables and trade receivables as at the end of each of the Relevant Periods, based on the date of recognition and net of allowance, is as follows:

(a) Bills receivables

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	—	126	1,487
Total	—	126	1,487

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(b) Trade receivables

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	26,377	34,346	44,533
3 months to 1 year	2,102	6,001	10,676
1 to 2 years	186	1,364	1,010
2 to 3 years	143	16	29
Total	28,808	41,727	56,248

The movements in loss allowance for impairment of trade receivables are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Balance at beginning of year	1,812	782	2,434
(Reversal of impairment)/Impairment	(1,030)	2,959	4,525
Receivables written off during the year as uncollectable	—	(1,307)	(1,800)
Balance at end of year	782	2,434	5,159

Impairment under IFRS 9 for the Relevant Periods

An impairment analysis was made based on expected credit loss model on the recoverability of trade and bills receivables. The identification of impairment requires management’s judgements and estimates by considering the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Group’s trade receivables using a provision matrix:

As at 31 December 2023

	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
Measured by provision matrix:			
Within 3 months	26,529	0.57	152
3 months to 1 year	2,156	2.50	54
1 to 2 years	229	18.78	43
2 to 3 years	353	59.49	210
Over 3 years	323	100.00	323
	29,590		782

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As at 31 December 2024

	Amount	Expected loss rate	Impairment
	<i>RMB’000</i>	%	<i>RMB’000</i>
Measured by provision matrix:			
Within 3 months	35,070	2.06	724
3 months to 1 year	6,397	6.19	396
1 to 2 years	2,165	37.00	801
2 to 3 years	154	89.61	138
Over 3 years	375	100.00	375
	<u>44,161</u>		<u>2,434</u>

As at 31 December 2025

	Amount	Expected loss rate	Impairment
	<i>RMB’000</i>	%	<i>RMB’000</i>
Measured by provision matrix:			
Within 3 months	45,698	2.55	1,165
3 months to 1 year	11,706	8.80	1,030
1 to 2 years	3,322	69.60	2,312
2 to 3 years	312	90.71	283
Over 3 years	369	100.00	369
	<u>61,407</u>		<u>5,159</u>

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current:			
Investment in an unlisted fund	20,174	21,360	23,961
Call option of acquisition of non-controlling interests	—	—	2,343
Total	<u>20,174</u>	<u>21,360</u>	<u>26,304</u>
Current:			
Financial product*	—	24,993	16,748

* The Group 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 consisting of money market funds.

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Financial product	—	24,993	16,748

24. PLEDGED DEPOSITS, CASH HELD ON BEHALF OF CLIENTS AND CASH AND CASH EQUIVALENTS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	15,764	36,142	159,883
Pledged deposits	7,260	5,750	4,039
Subtotal	23,024	41,892	163,922
Less:			
Cash held on behalf of clients	(5)	(2)	(2)
Pledged for letter of guarantees, current	(2,180)	(670)	(3,669)
Pledged for letter of guarantees, non-current .	(5,080)	(5,080)	(370)
Cash and cash equivalents	15,759	36,140	159,881
Denominated in:			
RMB	15,761	35,914	158,991
USD	3	228	892
Total cash and bank balances	15,764	36,142	159,883

The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash held on behalf of clients represents the premiums collected by the Group on behalf of insurance companies from the insurance consumers in a fiduciary capacity until it is disbursed to the insurance carriers.

Cash and cash equivalents include cash at banks that earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

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The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash at banks	—	94	43,368
Denominated in:			
RMB	—	18	42,602
USD	—	76	766
Total cash and bank balances	—	94	43,368

The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit or short-term bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

25. TRADE PAYABLES

An ageing analysis of trade payables as at the end of each of the Relevant Periods, based on the date of recognition, is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</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
	82,562	104,612	95,367

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

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26. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
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 shareholder**	8,449	8,420	9,655
Tax payables	778	1,211	2,902
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	46,949	33,439	107,446

* Consideration payables include the consideration for acquiring Beijing Ronghai Insurance Brokerage in 2022 by annual instalments from 2022 to 2023, the consideration for acquiring Hangzhou Wei'er Health Technology in 2022 by annual instalments from 2022 to 2024, the consideration for acquiring Censhi Insurance in 2025 by annual instalments from 2025 to 2027, the consideration for acquiring Nanfang Health in 2025 by annual instalments from 2025 to 2028, the consideration for acquiring Hangzhou Ruiwankang in 2025 by annual instalments from 2025 to 2028 and the consideration for acquiring Shanxi Ruiwankang in 2025. The details of the acquisition are set out in notes 34 to the Historical Financial Information.

** Amount due to a minority shareholder represents the one-year term borrowings provided by a non-controlling shareholder of Hangzhou Wei'er Health Technology carrying an effective interest rate at LPR.

The Company

	As at 31 December		
	2023	2024	2025
Amount due to subsidiaries	—	—	6,941
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	—	—	9,059

Amount due to subsidiaries are non-interest-bearing.

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27. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

As at 31 December 2023

	Effective interest rate	Maturity	RMB’000
Bank loans — secured**	4.50%	2024	17,025
Bank loans — guaranteed	4.50%	2024	10,015
			<u>27,040</u>

As at 31 December 2024

	Effective interest rate	Maturity	RMB’000
Bank loans — secured**	4.30%	2025	16,663
Bank loans — unsecured and guaranteed	3.20%–4.50%	2025	29,988
Other loans — guaranteed*	7.80%	2025	36,277
			<u>82,928</u>

As at 31 December 2025

	Effective interest rate	Maturity	RMB’000
Bank loans — secured***	3.00%–3.85%	2026	31,639
Bank loans — unsecured and guaranteed	2.50%–3.85%	2026	137,645
			<u>169,284</u>

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Analyzed into:			
Bank and other loans repayable:			
Within one year or on demand	27,040	82,928	169,284
	<u>27,040</u>	<u>82,928</u>	<u>169,284</u>

* The loan was provided by CNCB (Hong Kong) Investment Limited and was secured by the shares of Hangzhou Qiu Shi Youmai Technology Co., Ltd. and Choice Technology Co., Ltd., subsidiaries of the Company and it was guaranteed by the Company’s shareholder Mr. Qiu Jialin. In May 2025, the Company made repayment of the loan.

** The loan was secured by Mr. Qiu Jialin’s properties situated in Hangzhou.

*** The loan was secured by properties owned by executive director Mr. Cao Yingzhe or intellectual property owned by the Group.

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The secured and guaranteed amounts provided by Mr. Qiu Jialin and Mr. Cao Yingzhe, as at 31 December 2023, 2024 and 2025 are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Guaranteed by Mr. Qiu Jialin	10,015	56,353	20,046
Secured by Mr. Qiu Jialin’s properties	17,025	16,663	—
Secured by Mr. Cao Yingzhe’s properties	—	—	11,639
	27,040	73,016	31,685

The Company

As at 31 December 2024

	Effective interest rate	Maturity	RMB’000
Bank and other loans — secured	7.80%	2025	36,277

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Analyzed into:			
Bank and other loans repayable:			
Within one year or on demand	—	36,277	—
	—	36,277	—

28. CONVERTIBLE BONDS

In September 2025, Weimai Technology, Deqing County Shuzhi Lvwen Nongtongfu Equity Investment Partnership Enterprise (Limited Partnership) (德清縣數智旅文農通富股權投資合夥企業(有限合夥)) (the “**Deqing Shuzhi**”) and Mr. Qiu Jialin entered into a loan agreement (“**Deqing Onshore Loan Agreement**”) with a total amount of RMB20,000,000 at an annual interest rate of 6%. The loan is due and payable 364 days after the drawdown date. On the same date, the Company, Deqing Shuzhi and Mr. Qiu Jialin entered into a convertible promissory note purchase agreement which authorized Deqing Shuzhi a right to convert the total amounts up to RMB20,000,000 into ordinary shares of the Company after six months from the [REDACTED] and before the maturity date of the loan, subject to the Listing Rules, and other applicable laws and regulations. The loan is pledged by the share capital of Hangzhou Shenmei Information Technology Co., Ltd., a joint venture of the Group.

In December 2025, WeiMai Inc. entered into a convertible bonds investment agreement with CNCB (Hong Kong) Investment Limited (信銀(香港)投資有限公司) (“**CNCB**”). Pursuant to CNCB convertible bonds agreement, WeiMai Inc. issued one-year 4.5% convertible bonds in an aggregable principal amount not exceeding an amount equivalent to USD6,000,000. CNCB is able to execute the conversion after six months from the date of [REDACTED] and the conversion price is equivalent to HKD6,000,000,000 divided by the number of the issued shares of the Company immediately before the conversion.

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The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Convertible bonds	—	—	63,126

The movements in convertible bonds during the year ended 31 December 2025 are set out below:

	Convertible bonds
	RMB'000
As at 31 December 2022, 31 December 2023 and 31 December 2024	—
Issuance of convertible bonds	62,173
Changes in fair value	953
Interest paid	—
As at 31 December 2025	63,126

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Convertible bonds	—	—	42,173

The movements in convertible bonds during the year ended 31 December 2025 are set out below:

	Convertible bonds
	RMB'000
As at 31 December 2022, 31 December 2023 and 31 December 2024	—
Issuance of convertible bonds	42,173
Changes in fair value	—
Interest paid	—
As at 31 December 2025	42,173

29. FINANCIAL LIABILITIES AT FVTPL

Convertible redeemable preferred shares of the Company

From June 2016 to September 2025, the Company received several rounds of investments as follows:

In June 2016, the Company issued 27,000,000 series A convertible redeemable preferred shares with a par value of USD0.0001 per share (“**Series A Shares**”) to investors for a cash consideration of USD6,750,000 or USD0.25 per share.

In December 2016, the Company issued 31,000,000 series B convertible redeemable preferred shares with a par value of USD0.0001 per share (“**Series B Shares**”) to investors for a cash consideration of USD17,050,000 or USD0.55 per share.

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From September 2018 to December 2018, the Company issued 35,521,972 series B+ convertible redeemable preferred shares with a par value of USD0.0001 per share (“**Series B+ Shares**”) to investors for a cash consideration of USD27,300,002 or USD0.77 per share.

From June 2019 to November 2020, the Company issued 62,676,446 series C convertible redeemable preferred shares with a par value of USD0.0001 per share (“**Series C Shares**”) to investors for a cash consideration of USD57,132,310 or USD0.91 per share.

From November 2020 to August 2021, the Company issued 41,528,882 series D convertible redeemable preferred shares with a par value of USD0.0001 per share (“**Series D Shares**”) to investors for a cash consideration of USD75,000,000 or USD1.81 per share.

In January 2023, the Company issued certain convertible promissory note in the aggregate principal amount of USD4,500,000 and interest payable at the rate of 15% per annum (the “**Series D+ Convertible Notes**”). Unless converted into equity securities of the Company on or prior to 6 January 2024, the principal amount and all unpaid accrued interest shall become fully due and payable on 6 January 2024. In December 2023, the Company entered into a share purchase agreement with the investors of the Series D+ Convertible Notes, and the Series D+ Convertible Notes were fully converted into 2,865,492 series D+ convertible redeemable preferred shares with a par value of USD0.0001 per share (“**Series D+1 Offshore Shares**”) on the same date, for a total consideration of the aggregate outstanding balance and unpaid accrued interest of USD5,175,000 at a conversion price of USD1.81 per share.

In September 2025, the Company issued 3,537,616 series E convertible redeemable preferred shares with a par value of USD0.0001 per share (“**Series E Shares**”) to investors for a cash consideration of USD8,000,000 or USD2.26 per share.

Series A Shares, Series B Shares, Series B+ Shares, Series C Shares, Series D Shares, Series D+1 Offshore Shares and Series E Shares are collectively referred to as Preferred Shares. Series D+1 Preferred Shares, Series D+2 Preferred Share, Series D+3 Preferred Shares and Series D+4 Preferred Shares are collectively referred to as Series D+ Preferred Shares.

The key terms of the Preferred Shares are summarized as follows:

(a) Redemption features

Upon occurrence of the following events, the Preferred Shares shall be redeemable at the option of the investors: (i) any material breach or violation of, or inaccuracy or misrepresentation in any representation or warranty made by any entity within the Group or the existing shareholders of the Group in the preferred equity purchase agreement (e.g., the research and development materials and experimental data provided are false or major omissions); (ii) [REDACTED] failure or expected [REDACTED] failure on or before the third anniversary of the date of 7 July 2023; (iii) any criminal investigation of the Group or the actual controller, or administrative penalties or other major violations of laws and regulations affecting the Group or the goodwill of the Group; (iv) the resignation of the actual controller and one third (1/3) or more than of the Company’s core personnel; (v) the SLA business of the Group violates the applicable laws or the Group fails to obtain or maintain the requisite consents, licenses, permits or filings (the “**Consents**”) to conduct the SLA business, or any of such Consents is not in full force or effect, or is suspended or revoked, and such situation is not curable; and (vi) any material breach of the Control Documents or any material adverse change in the regulatory environment, under which circumstance the Control Documents have become or will become invalid, illegal or unenforceable as reasonably anticipated based on Laws, regulations or facts, and the then Shareholders of the Company fail to reach an agreement regarding the restructuring of the Group Companies to the satisfaction of the Preferred Majority and the Ordinary Majority.

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The redemption amount is calculated as the higher of (i) P+I; (ii) the fair market value of the net assets of the Company determined by an independent appraiser that is selected by the Company and approved by the investors at the time of transfer held by the investors, plus any accrued but unpaid dividends.

(b) Liquidation preferences

In the event of any liquidation, dissolution, winding up of the Company or deemed liquidation event, holders of the Shares shall be entitled to be paid out of the funds and assets available for distribution to the members of the Company, an amount per share equal to one hundred and twenty percent (120%) of the original issue price for each series equity share, plus any dividends declared but unpaid thereon in the sequence as follows:

- (1) Series E Shares
- (2) Series D+ Shares
- (3) Series D Shares
- (4) Series C Shares
- (5) Series B+ Shares
- (6) Series B Shares
- (7) Series A Shares

(c) Anti-dilution right

If the Company increases its share capital at a price lower than the price paid by the investors on a per share capital basis, the investors have a right to require the Company to issue additional share capital for nil consideration to the investors, so that the total amount paid by the investors divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

Share purchase option granted by the Company to a subsidiary’s investors

In June 2023, Weimai Technology, a subsidiary of the Company, issued 3,427,934 equity shares of Weimai Technology to certain onshore investors for a cash consideration of RMB40,000,000. Upon the equity investment in Weimai Technology, the Company also granted these onshore investors a share purchase option (“**Series D+1 Investment**”) pursuant to which these onshore investors are entitled to subscribe 3,427,934 Series D+1 convertible redeemable preferred shares of the Company (“**Series D+1 Preferred Shares**”) at the original onshore investment amount in Weimai Technology or USD1.81 per share. When these onshore investors choose to exercise Series D+1 Investment, Weimai Technology is obligated to repurchase equity shares from these onshore investors at the original onshore investment amount in Weimai Technology. Upon these onshore investors’ full receipt of the onshore investment amount, these onshore investors shall pay the Company in cash by wire transfer of immediately available funds in USD to the Company to subscribe 3,427,934 Series D+1 Preferred Shares with a par value of USD0.0001 per share.

In February 2024, Weimai Technology, a subsidiary of the Company, issued 2,570,950 equity shares of Weimai Technology to certain onshore investors for a cash consideration of RMB30,000,000. Upon the equity investment in Weimai Technology, the Company also granted these onshore investors a share purchase option (“**Series D+2 Investment**”) pursuant to which these onshore investors are entitled to subscribe 2,570,950 Series D+2 convertible redeemable preferred shares of the Company

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(“**Series D+2 Preferred Shares**”) at the original onshore investment amount in Weimai Technology or USD1.81 per share. When these onshore investors choose to exercise Series D+2 Investment, Weimai Technology is obligated to repurchase equity shares from these onshore investors at the original onshore investment amount in Weimai Technology. Upon these onshore investors’ full receipt of the onshore investment amount, these onshore investors shall pay the Company in cash by wire transfer of immediately available funds in USD to the Company to subscribe 2,570,950 Series D+2 Shares with a par value of USD0.0001 per share.

In October 2024, Weimai Technology, a domestic subsidiary of the Company, issued 2,570,950 equity shares of Weimai Technology to certain onshore investors for a cash consideration of RMB30,000,000. Upon the equity investment in Weimai Technology, the Company also granted these onshore investors a share purchase option (“**Series D+3 Investment**”) pursuant to which these onshore investors are entitled to subscribe 2,570,950 Series D+3 convertible redeemable preferred shares of the Company (“**Series D+3 Preferred Shares**”) at the original onshore investment amount in Weimai Technology or USD1.81 per share. When these onshore investors choose to exercise Series D+3 Investment, Weimai Technology is obligated to repurchase equity shares from these onshore investors at the original onshore investment amount in Weimai Technology. Upon these onshore investors’ full receipt of the onshore investment amount, these onshore investors shall pay the Company in cash by wire transfer of immediately available funds in USD to the Company to subscribe 2,570,950 Series D+3 Shares with a par value of USD0.0001 per share.

In January 2025, Weimai Technology, a domestic subsidiary of the Company, issued 1,713,967 equity shares of Weimai Technology to certain onshore investors for a cash consideration of RMB20,000,000. Upon the equity investment in Weimai Technology, the Company also granted these onshore investors a share purchase option (“**Series D+4 Investment**”) pursuant to which these onshore investors are entitled to subscribe 1,713,967 Series D+4 convertible redeemable preferred shares of the Company (“**Series D+4 Preferred Shares**”) at the original onshore investment amount in Weimai Technology or USD1.81 per share. When these onshore investors choose to exercise Series D+4 Investment, Weimai Technology is obligated to repurchase equity shares from these onshore investors at the original onshore investment amount in Weimai Technology. Upon these onshore investors’ full receipt of the onshore investment amount, these onshore investors shall pay the Company in cash by wire transfer of immediately available funds in USD to the Company to subscribe 1,713,967 Series D+4 Shares with a par value of USD0.0001 per share.

As of 31 December 2025, these onshore investors hadn’t exercised their Series D+1 Investment, Series D+2 Investment, Series D+3 Investment and Series D+4 Investment (collectively referred to as “**Series D+ Investments**”) and therefore hadn’t subscribed corresponding Series D+ Preferred Shares.

Pursuant to the subsidiary investment agreement, the Series D+ Investments holders shall be treated as if they have exercised their share repurchase option and converted their equity investments in Weimai Technology into the Preferred Shares and shall be subject at least to the same rights and obligations of, and shall rank pari passu with, the holders that invested the convertible redeemable preferred shares of the Company before them.

In February 2026, the Series D+ Investments holders exercised their share repurchase option and converted their equity investments in Weimai Technology into the Series D+ Preferred Shares of the Company.

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Presentation and classification

The Group has designated the Preferred Shares, the Series D+ Investments and the Convertible Notes as financial liabilities carried at FVTPL. The change in fair value of the Preferred Shares, the Series D+ Investments and the Convertible Notes is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. The net gain or loss recognized in profit or loss includes any interest paid on the financial liabilities and is included in the loss on changes in fair value of financial liabilities at FVTPL line item. Management considered that there is no credit risk of the financial liability that drives the change of the fair value of the financial liability.

The share purchase option granted by the Company to the subsidiary’s investors should be accounted as derivatives and were recognized at fair value upon initial recognition. Any changes of their fair value in subsequent reporting dates are recognized in profit or loss. Management considered that the fair value of the share purchase option is minimal.

The movements of Preferred Shares and Series D+ Investments of the Group were as follows:

	Series A Shares	Series B Shares	Series B+ Shares	Series C Shares	Series D Shares	Series D+ Convertible Notes	Series D+ Shares	Series D+ Investments	Series E Shares	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
1 January 2023	176,912	216,780	264,363	508,115	494,749	—	—	—	—	1,660,919
Change in fair value	2,822	3,881	5,161	10,425	11,777	4,741	3,922	701	—	43,430
Issuance of Series D+ Convertible Notes	—	—	—	—	—	27,222	—	—	—	27,222
Conversion of Series D+ Convertible Notes	—	—	—	—	—	(31,963)	31,963	—	—	—
Issuance of Series D+ Investments	—	—	—	—	—	—	—	40,000	—	40,000
31 December 2023	179,734	220,661	269,524	518,540	506,526	—	35,885	40,701	—	1,771,571
Change in fair value	11,252	17,152	24,413	51,133	44,976	—	1,712	1,698	—	152,336
Issuance of Series D+ Investments	—	—	—	—	—	—	—	60,000	—	60,000
31 December 2024	190,986	237,813	293,937	569,673	551,502	—	37,597	102,399	—	1,983,907
Change in fair value	25,891	35,283	42,848	73,813	42,100	—	3,929	14,386	(1,436)	236,814
Issuance of Series E Shares	—	—	—	—	—	—	—	—	58,330	58,330
Issuance of Series D+ Investments	—	—	—	—	—	—	—	20,000	—	20,000
31 December 2025	216,877	273,096	336,785	643,486	593,602	—	41,526	136,785	56,894	2,299,051

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The movements of Preferred Shares of the Company were as follows:

	Series A Shares	Series B Shares	Series B+ Shares	Series C Shares	Series D Shares	Series D+ Convertible Notes	Series D+ Shares	Series E Shares	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
1 January 2023	176,912	216,780	264,363	508,115	494,749	—	—	—	1,660,919
Change in fair value	2,822	3,881	5,161	10,425	11,777	4,741	3,922	—	42,729
Issuance of Series D+ Convertible Notes	—	—	—	—	—	27,222	—	—	27,222
Conversion of Series D+ Convertible Notes	—	—	—	—	—	(31,963)	31,963	—	—
31 December 2023	179,734	220,661	269,524	518,540	506,526	—	35,885	—	1,730,870
Change in fair value	11,252	17,152	24,413	51,133	44,976	—	1,712	—	150,638
31 December 2024	190,986	237,813	293,937	569,673	551,502	—	37,597	—	1,881,508
Change in fair value	25,891	35,283	42,848	73,813	42,100	—	3,929	(1,436)	222,428
Issuance of Series E Shares	—	—	—	—	—	—	—	58,330	58,330
31 December 2025	216,877	273,096	336,785	643,486	593,602	—	41,526	56,894	2,162,266

30. SHARE CAPITAL

The Company was incorporated on 25 September 2015 as a limited company in the Cayman Islands under the Companies Law.

Authorized:

	31 December 2023	31 December 2024	31 December 2025
	<i>Number of shares authorized</i>	<i>Number of shares authorized</i>	<i>Number of shares authorized</i>
Ordinary shares of USD0.0001 each	295,979,274	290,837,374	285,585,791

Issued and fully paid:

	Number of ordinary shares in issue	Share capital <i>RMB'000</i>
As at 1 January 2023, 31 December 2023, 2024 and 2025	62,000,000	40

31. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

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(a) *Other reserve*

The other reserve of the Group mainly represents: i) the difference between the aggregate amount of net assets attributable to owners of the Company before and after the capital injection from a non-controlling shareholder; ii) the reserve resulted from the initial reorganization upon establishment of the offshore structure.

(b) *Share-based payment reserve*

The share-based payment reserve represents the equity-settled share awards as set out in note 33 to the Historical Financial Information.

(c) *Statutory reserve*

In accordance with the Company Law of the People’s Republic of China (the “PRC”), a subsidiary of the Group which is a domestic enterprise is required to allocate 10% of its profit after tax, as determined in accordance with the relevant PRC Generally Accepted Accounting Principles, to its statutory reserve until the reserves reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory reserve may be converted to share capital, provided that the remaining balance after the capitalization is not less than 25% of the registered capital.

The Company

	Share-based payment reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	49,684	(479,390)	(429,706)
Loss for the year.	—	(39,436)	(39,436)
Total comprehensive loss for the year	—	(39,436)	(39,436)
Equity-settled share option arrangements	7,026	—	7,026
As at 31 December 2023 and 1 January 2024	56,710	(518,826)	(462,116)
Loss for the year.	—	(151,601)	(151,601)
Total comprehensive loss for the year	—	(151,601)	(151,601)
Equity-settled share option arrangements	10,572	—	10,572
As at 31 December 2024	67,282	(670,427)	(603,145)
Loss for the year.	—	(244,459)	(244,459)
Total comprehensive loss for the year	—	(244,459)	(244,459)
Equity-settled share option arrangements	11,522	—	11,522
At 31 December 2025	78,804	(914,886)	(836,082)

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32. PARTIALLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group’s subsidiaries that have material non-controlling interests are set out below:

	As at 31 December		
	2023	2024	2025
Percentage of equity interest held by non-controlling interests:			
Hangzhou Wei’er Health Technology	45%	45%	45%
Nanfang Health	—	—	49%
Censhi Insurance	—	—	40%
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Profit for the year allocated to non-controlling interests:			
Hangzhou Wei’er Health Technology	557	2,820	593
Nanfang Health	—	—	3,449
Censhi Insurance	—	—	4,617
Accumulated balances of non-controlling interests at the reporting date:			
Hangzhou Wei’er Health Technology	7,007	9,827	10,420
Nanfang Health	—	—	25,709
Censhi Insurance	—	—	14,121

The following tables illustrate the summarized financial information (including other intangible assets and deferred tax liabilities newly recognized through business combination) of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Hangzhou Wei’er Health Technology
	<i>RMB’000</i>
Year ended 31 December 2023	
Revenue	102,732
Cost of sales	(80,396)
Total expenses	(20,994)
Profit for the year	1,238
Total comprehensive income for the year	1,238
As at 31 December 2023	
Current assets	41,321
Non-current assets	12,699
Current liabilities	31,500
Non-current liabilities	6,948
Year ended 31 December 2023	
Net cash flows from operating activities	1,066
Net cash flows used in financing activities	(301)
Net increase in cash and cash equivalents	765

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	Hangzhou Wei’er Health Technology
	<i>RMB’000</i>
Year ended 31 December 2024	
Revenue	133,074
Cost of sales	(111,792)
Total expenses	(14,431)
Profit for the year	6,267
Total comprehensive income for the year	6,267
As at 31 December 2024	
Current assets	59,967
Non-current assets	12,687
Current liabilities	(42,334)
Non-current liabilities	(8,482)
Year ended 31 December 2024	
Net cash flows from operating activities	2,257
Net cash flows used in investing activities	(304)
Net increase in cash and cash equivalents	1,953

	Hangzhou Wei’er Health Technology	Nanfang Health	Censhi Insurance
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Year ended 31 December 2025			
Revenue	181,169	41,282	60,719
Cost of sales	(161,528)	(26,461)	(41,167)
Total expenses	(18,737)	(5,479)	(6,844)
Profit for the year	1,317	7,038	11,543
Total comprehensive income for the year	1,317	7,038	11,543
As at 31 December 2025			
Current assets	40,290	77,397	15,675
Non-current assets	10,689	26,537	30,330
Current liabilities	20,062	(44,877)	(2,773)
Non-current liabilities	7,760	(6,588)	(7,931)
Year ended 31 December 2025			
Net cash flows (used in)/from operating activities	(1,681)	(10,980)	11,635
Net cash flows from investing activities	—	4,022	—
Net cash flows from/(used in) financing activities	2,097	10,000	(3,100)
Net increase in cash and cash equivalents	416	3,042	8,535

33. SHARE-BASED PAYMENTS

2016 Share Option Plan

In June 2016, September 2018, June 2019 and December 2023, the shareholders’ meeting of the Company had adopted an employee incentive scheme (the “**2016 Share Option Plan**”) and had approved to issue up to 36,788,922 shares of the Company reserved for the 2016 Share Option Plan. In most occasions, 25% of shares shall become exercisable upon the vesting commencement date or the

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first anniversary date of vesting commencement date and the remaining 75% of shares shall become exercisable in three equal instalments when the participant of the 2016 Share Option Plan completes each year of continuous service thereafter. In some occasions, the share options shall become 100% exercisable upon grant.

In June 2025, the board of directors of the Company passed a resolution to replace the 2016 Share Option Plan with a restricted share units Scheme (the “**RSU Scheme**”). Under the RSU Scheme, the number of granted options, the exercise price and the service condition for those employees and key management under the 2016 Share Option Plan remained unchanged. Additionally, the Company granted a total number of 350,000 options to employees and key managements with an exercise price of RMB8 per option to the participants under the RSU Scheme in 2025. 50% of those newly granted options shall become exercisable upon the vesting commencement date and the remaining 50% of shares shall become exercisable in the following one year.

Set out below are details of the movements of the share options of the Company granted under the 2016 Share Option Plan and the RSU Scheme during the Relevant Periods:

	2016 Share Plan	RSU Scheme
	<i>Number of options</i>	<i>Number of options</i>
At 1 January 2023	31,360,782	—
Granted during the year	2,691,850	—
Forfeited during the year.	(3,283,980)	—
At 31 December 2023.	30,768,652	—
Granted during the year	4,971,683	—
Forfeited during the year.	(762,927)	—
At 31 December 2024.	34,977,408	—
Granted during the year	4,155,401	—
Forfeited during the year.	(2,343,887)	—
As at the replacement date	36,788,922	—
Replaced during the year.	(36,788,922)	36,788,922
Forfeited during the year.	—	(350,000)
Granted during the year	—	350,000
At 31 December 2025.	—	36,788,922

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The fair value of each share options on each of the grant date is determined by reference to the fair value of the underlying ordinary shares of the Company on grant date. The fair value of the ordinary shares was principally developed through the application of the option pricing method (“OPM”). The OPM treats the ordinary shares as call options on the enterprise’s equity value. The OPM frequently relies on the Black-Scholes option pricing model to price the call option. Key assumptions for grants during the Relevant Periods are set out as below:

Grant date	01/04/2023	01/04/2024	01/04/2025&01/08/2025
Method	Black-Scholes Method	Black-Scholes Method	Black-Scholes Method
Volatility	66.63%	61.68%	69.01%–70.00%
Risk-free interest rate	3.70%	4.45%	4.36%–4.46%
Number of options	2,691,850	4,971,683	4,505,401
Expiry date	01/04/2033	01/04/2034	01/04/2035&01/08/2035
Exercise price per share ’USD . . .	1.31	1.27	1.12–1.25

Under the 2016 Share Option Plan and the RSU Scheme, the Group recognized share-based payment expenses of RMB7,026,000, RMB10,572,000 and RMB11,522,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

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34. BUSINESS COMBINATION

The fair values of the identifiable assets and liabilities of the entities acquired by the Group as at the respective date of acquisition during 2025 were as follows:

	Censhi Insurance	Nanfeng Health	Ruiwankang	Yilai Shuo	Yongkang Care Home
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Property plant and equipment.	1,379	133	—	21	78
Other intangible assets.	29,229	26,800	16,010	—	109
Right-of-use assets.	2,562	—	—	—	—
Deferred tax assets.	36	49	—	—	—
Cash and cash equivalents	3,825	14,037	5,141	1,845	103
Inventories	—	—	—	163	—
Financial assets at fair value through profit or loss, current.	—	4,000	—	—	—
Trade and bill receivables.	938	13,777	167	34	2,148
Prepayments, deposits and other receivables	11,989	14,021	1,716	846	—
Trade payables	(2,601)	(4,096)	(72)	(68)	(132)
Interest-bearing bank borrowings, current. .	—	(8,000)	—	—	—
Contract liabilities	—	(4,924)	(16)	—	—
Lease liabilities.	(2,657)	—	—	—	—
Deferred tax liabilities.	(7,300)	(6,700)	(4,003)	—	—
Other payables and accruals	(13,628)	(3,667)	(4,313)	(941)	(1,057)
Total identifiable net assets at fair value . .	23,772	45,430	14,630	1,900	1,249
Non-controlling interests	9,508	22,261	7,168	932	612
Goodwill	38,364	28,093	8,006	1,532	—
Total consideration.	52,628	51,262	15,468	2,500	637
Satisfied by:					
Cash consideration paid before					
31 December 2025	5,000	44,200	6,528	2,500	637
Cash consideration to be paid after					
31 December 2025	43,241	6,800	8,938	—	—
Contingent consideration	4,387	262	2	—	—

* The consideration transferred by the Group for acquiring subsidiaries included contingent consideration arrangement. The group was obligated to pay additional consideration in cash which was dependent on the annual net profit to be achieved in years following the acquisition. The contingent consideration was initially measured at fair value and was remeasured to fair value at subsequent reporting dates, if any, with the corresponding gains or loss being recognized in profit or loss.

Insurance brokerage services business

In April 2025, the Group entered into a share purchase agreement with the shareholders of Censhi Insurance to acquire 60% equity interests from the third party shareholders. Censhi Insurance mainly engaged in providing insurance brokerage services.

Pursuant to the agreement, the Group shall have an option to acquire the remaining 40% equity interest of Censhi Insurance from the non-controlling shareholder upon its fulfilment of certain financial targets with a consideration determined based upon estimated financial performance of Censhi Insurance in the subsequent years.

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The acquisition was completed in May 2025 when the Company obtained control of the operating and financial activities of Censhi Insurance.

IP-driven healthcare marketing solutions

In October 2025, the Group entered into a share purchase agreement with the shareholders of Nanfang Health to acquire 51% equity interests from a third party shareholder to enhance Group’s IP-driven healthcare marketing solutions business.

Pursuant to the agreement, the non-controlling shareholders shall have an option to sell the remaining 49% equity interests of Nanfang Health to the Group upon its fulfilment of certain financial targets with a consideration determined based upon estimated financial performance of Nanfang Health in the subsequent years.

The acquisition was completed in October 2025 when the Company obtained control of the operating and financial activities of Nanfang Health.

Whole-course healthcare management

In April 2025, the Group entered into a share purchase agreement with the shareholders of Yongkang Care Home to acquire 51% equity interests from the third party shareholder. Yongkang Care Home mainly engaged in providing Whole-course healthcare management services.

The acquisition was completed in April 2025 when the Company obtained control of the operating and financial activities of Yongkang Care Home.

In December 2025, the Group entered into a share purchase agreement with the shareholders of Ruiwankang (Hangzhou) Health Management Co., Ltd. (瑞萬康(杭州)健康管理有限公司) (“**Hangzhou Ruiwankang**”) to acquire 51% equity interests from the third party shareholders. Hangzhou Ruiwankang mainly engaged in providing Whole-course healthcare management services.

Pursuant to the agreement, the non-controlling shareholders shall have an option to sell the remaining 49% equity interests of Hangzhou Ruiwankang upon its fulfilment of certain financial targets with a consideration determined based upon estimated financial performance of Hangzhou Ruiwankang in the subsequent years.

The acquisition was completed in December 2025 when the Company obtained control of the operating and financial activities of Hangzhou Ruiwankang.

In December 2025, the Group entered into a share purchase agreement with the shareholders of Shanxi Ruiwankang to acquire 51% equity interests from the third party shareholder. Shanxi Ruiwankang mainly engaged in providing Whole-course healthcare management services.

The acquisition was completed in December 2025 when the Company obtained control of the operating and financial activities of Shanxi Ruiwankang.

In December 2025, the Group entered into a share purchase agreement with the shareholders of Yilai Shuo to acquire 51% equity interests from the third party shareholders. Yilai Shuo mainly engaged in providing Whole-course healthcare management services.

The acquisition was completed in December 2025 when the Company obtained control of the operating and financial activities of Yilai Shuo.

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An analysis of cash flows in respect of acquisitions is as follows:

	2025
	<i>RMB'000</i>
Cash consideration paid during the year ended 31 December.	58,865
Cash and cash equivalents acquired	24,951
Net outflow of cash and cash equivalents included in cash flows from investing activities.	<u>(33,914)</u>

The fair values of the trade and bills receivables and other receivables as at the date of acquisition amounted to RMB17,064,000 and RMB27,388,000, respectively. The gross contractual amounts of trade and bills receivables and other receivables were RMB17,746,000 and RMB27,401,000, respectively, of which RMB682,000 of trade receivables and RMB13,000 of other receivables are expected to be uncollectible.

Since the acquisition, the acquired companies contributed RMB106,117,000 to the Group’s revenue and contributed profit of RMB20,811,000 to the consolidated loss for the year ended 31 December 2025.

Had the combination taken place at the beginning of 2025, the revenue from continuing operations of the Group and the loss of the Group for the year ended 31 December 2025 would have been RMB1,018,867,000 and RMB281,625,000, respectively.

35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

In 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets of RMB734,000, RMB3,482,000 and RMB11,852,000, and non-cash additions to lease liabilities of RMB734,000, RMB3,482,000 and RMB11,852,000, respectively, in respect of lease arrangements for properties.

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(b) Changes in liabilities arising from financing activities

	Interest- bearing bank and other borrowings	Lease liabilities	Financial liabilities at FVTPL	Convertible Bonds	Amount due to a minority shareholder	Amounts due to related parties	[REDACTED]	Total liabilities from financing activities
	RMB'000	RMB'000	RMB'000	RMB'000				RMB'000
As at 1 January 2023	20,044	1,444	1,660,919	—	8,417	14,950	—	1,705,774
Cash flows from/(used in) financing activities . .	4,753	(740)	67,222	—	(250)	(14,950)	—	56,035
Non-cash changes:								
New leases	—	734	—	—	—	—	—	734
Accrual of interest	2,243	57	—	—	282	—	—	2,582
Lease termination	—	(411)	—	—	—	—	—	(411)
Fair value changes of financial liabilities at FVTPL	—	—	43,430	—	—	—	—	43,430
As at 31 December 2023 and 1 January 2024	27,040	1,084	1,771,571	—	8,449	—	—	1,808,144
Cash flows from/(used in) financing activities . .	51,167	(1,308)	60,000	—	(282)	—	—	109,577
Non-cash changes:								
New leases	—	3,482	—	—	—	—	—	3,482
Accrual of interest	4,721	114	—	—	253	—	—	5,088
Fair value changes of financial liabilities at FVTPL	—	—	152,336	—	—	—	—	152,336
As at 31 December 2024 and 1 January 2025	82,928	3,372	1,983,907	—	8,420	—	—	2,078,627
Cash flows from/(used in) financing activities . .	72,689	(3,417)	78,330	62,173	2,622	—	(2,153)	210,244
Cash flows used in operating activities.	—	—	—	—	—	—	(20,237)	(20,237)
Non-cash changes:								
New leases	—	11,852	—	—	—	—	—	11,852
Additions as a result of acquisition of subsidiaries	8,000	2,657	—	—	(1,635)	—	—	9,022
Accrual of interest	5,667	385	—	—	248	—	—	6,300
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fair value changes of financial liabilities at FVTPL	—	—	236,814	953	—	—	—	237,767
As at 31 December 2025	169,284	14,849	2,299,051	63,126	9,655	—	2,118	2,558,083

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(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities.	4,376	2,253	2,072
Within financing activities.	740	1,308	3,417
	<u>5,116</u>	<u>3,561</u>	<u>5,489</u>

36. COMMITMENTS

At the end of each of the Relevant Periods, the Group and the Company did not have any significant commitment.

37. RELATED PARTY TRANSACTIONS AND BALANCES

The directors of the Company are of the view that the following parties/companies are related parties that had transactions or balances with the Group during the Relevant Periods.

(a) Name and relationship

Name of related parties	Relationship with the Group and the Company
Mr. Qiu Jialin	Chairman, CEO and shareholder
Mr. Cao Yingzhe	Executive Director and general manager of business center
Qiu Shi Tong Chuang (Hangzhou) Holdings Co., Ltd. (求是同創(杭州)控股有限公司)	An entity controlled by Mr. Qiu Jialin
Hangzhou Qiushi Health Cloud Technology Co., Ltd. (杭州求是健康雲科技有限公司)	An entity controlled by Mr. Qiu Jialin
Hangzhou Shenmei Information Technology Co., Ltd. (杭州深美信息科技有限公司)	A joint venture of the Group

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(b) Transactions with related parties

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Entities controlled by Mr. Qiu Jialin or entities of which a director of the Company is Mr. Qiu Jialin:			
Loans to related parties	126,895	77,325	3,900
Repayment of loans to related parties	115,990	62,355	29,775
Repayment of loans from related parties	14,950	—	—
Interest income accrued from related parties	193	965	96
Office rental expense	377	377	—
A joint venture of the Group:			
Loans to related parties	160,652	28,000	102,504
Repayment of loans to related party	207,500	28,670	60,550
Interest income accrued from related party	2,107	959	1,449

(c) Other transactions with related parties

- (i) Mr. Qiu Jialin has guaranteed certain bank loans made to the Group with carrying amount of RMB20,046,000 as at 31 December 2025 (2024: RMB56,353,000, 2023: RMB10,015,000), as disclosed in note 27 to the Historical Financial Information.
- (ii) Mr. Qiu Jialin has provided mortgage with the properties situated in Hangzhou for certain bank loans made to the Group with carrying amount of RMB16,663,000 as at 31 December 2024 (2023: RMB17,025,000), as disclosed in note 27 to the financial statements.
- (iii) Mr. Cao Yingzhe has provided mortgage with the properties situated in Hangzhou for certain bank loans made to the Group with carrying amount of RMB11,639,000 as at 31 December 2025.
- (iv) Mr. Qiu Jialin has secured the convertible bonds from Deqing Shuzhi with the pledge of 50% equity interest of Hangzhou Shenmei Information Technology Co., Ltd held by himself.
- (v) The properties mortgage mentioned in (ii) and (iii) and the guarantee mentioned in (i) provided by related parties will be released on or before [REDACTED].

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(d) Outstanding balances with related parties

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments, other receivables and other assets — Trade			
— Hangzhou Qiushi Health Cloud Technology Co., Ltd.	94	94	—
Amounts due from related parties — Non-trade			
— Qiu Shi Tong Chuang (Hangzhou) Holdings Co., Ltd.	11,099	27,032	1,254
— Hangzhou Shenmei Information Technology Co., Ltd.	28,342	28,632	72,035
— Hangzhou Weimai General Health Management Co., Ltd.	130	130	—

(e) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, bonuses, allowances and benefits in kind	2,401	2,626	2,844
Equity-settled share award expense	1,640	2,137	4,747
Pension scheme contributions	38	44	57
	<u>4,079</u>	<u>4,807</u>	<u>7,648</u>

Further details of directors’ and the chief executive’s emoluments are included in note 10 to the Historical Financial Information.

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38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods were as follows:

As at 31 December 2023

Financial assets

	Financial assets at amortized cost	Financial assets at fair value through profit or loss Mandatorily designated as such	Total
	RMB'000	RMB'000	RMB'000
Financial assets included in prepayments, other receivables and other assets	53,282	—	53,282
Trade and bills receivables	28,808	—	28,808
Pledged deposits	7,260	—	7,260
Cash held on behalf of clients	5	—	5
Cash and cash equivalents	15,759	—	15,759
Financial assets at fair value through profit or loss	—	20,174	20,174
	<u>105,114</u>	<u>20,174</u>	<u>125,288</u>

Financial liabilities

	Financial liabilities at amortized cost	Financial liabilities at FVTPL Designated as such upon initial recognition	Total
	RMB'000	RMB'000	RMB'000
Trade payables	82,562	—	82,562
Financial liabilities included in other payables and accruals	39,620	—	39,620
Interest-bearing bank and other borrowings . .	27,040	—	27,040
Financial liabilities at FVTPL	—	1,771,571	1,771,571
	<u>149,222</u>	<u>1,771,571</u>	<u>1,920,793</u>

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As at 31 December 2024

Financial assets

	Financial assets at amortized cost	Financial assets at fair value through profit or loss Mandatorily designated as such	Total
	RMB'000	RMB'000	RMB'000
Financial assets included in prepayments, other receivables and other assets	67,900	—	67,900
Trade and bills receivables	41,853	—	41,853
Pledged deposits	5,750	—	5,750
Cash held on behalf of clients	2	—	2
Cash and cash equivalents	36,140	—	36,140
Financial assets at fair value through profit or loss	—	21,360	21,360
Financial assets at fair value through profit or loss, current	—	24,993	24,993
	<u>151,645</u>	<u>46,353</u>	<u>197,998</u>

Financial liabilities

	Financial liabilities at amortized cost	Financial liabilities at FVTPL Designated as such upon initial recognition	Total
	RMB'000	RMB'000	RMB'000
Trade payables	104,612	—	104,612
Financial liabilities included in other payables and accruals	25,139	—	25,139
Interest-bearing bank and other borrowings . .	82,928	—	82,928
Financial liabilities at FVTPL	—	1,983,907	1,983,907
	<u>212,679</u>	<u>1,983,907</u>	<u>2,196,586</u>

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As at 31 December 2025

Financial assets

	Financial assets at amortized cost	Financial assets at fair value through profit or loss Mandatorily designated as such	Total
	RMB'000	RMB'000	RMB'000
Financial assets included in prepayments, other receivables and other assets	102,745	—	102,745
Trade and bills receivables	57,735	—	57,735
Pledged deposits	4,039	—	4,039
Cash held on behalf of clients	2	—	2
Cash and cash equivalents	159,881	—	159,881
Investment in an unlisted fund	—	23,961	23,961
Financial assets at fair value through profit or loss, current	—	16,748	16,748
Call option of acquisition of non-controlling interests	—	2,343	2,343
	<u>324,402</u>	<u>43,052</u>	<u>367,454</u>

Financial liabilities

	Financial liabilities at amortized cost	Financial liabilities at FVTPL Designated as such upon initial recognition	Total
	RMB'000	RMB'000	RMB'000
Trade payables	95,367	—	95,367
Financial liabilities included in other payables and accruals	161,551	4,752	166,303
Interest-bearing bank and other borrowings . .	169,284	—	169,284
Convertible bonds	—	63,126	63,126
Financial liabilities at FVTPL	—	2,299,051	2,299,051
	<u>426,202</u>	<u>2,366,929</u>	<u>2,793,131</u>

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, the current portion of financial liabilities included in other payables and accruals excluding contingent consideration, and interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets, the non-current portion of financial liabilities included in other payables and accruals excluding contingent consideration, have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, which approximates to the carrying amount.

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The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of investment in an unlisted fund is determined by the most recent transaction price as at 31 December 2023, and fair values as at 31 December 2024 and 31 December 2025 are determined using the market approach.

The fair value of call option of acquisition of non-controlling interests is determined using the Black-Scholes-Merton Option Pricing Model.

The fair value of financial product is determined with reference to the regulatory published net assets value report.

The fair values of the financial liabilities at FVTPL are determined using the back-solve method.

The fair values of convertible bonds are determined using the Binomial Option Pricing Model.

The fair values of contingent consideration are determined using the discounted cash flow method.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments.

Assets measured at fair value

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB’000	(Level 2) RMB’000	(Level 3) RMB’000	RMB’000
Non-current:				
Financial assets at fair value through profit or loss.	—	—	20,174	20,174

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As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB’000	(Level 2) RMB’000	(Level 3) RMB’000	
Non-current:				
Financial assets at fair value through profit or loss	—	—	21,360	21,360
Current:				
Financial assets at fair value through profit or loss	—	24,993	—	24,993
Total	—	24,993	21,360	46,353

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB’000	(Level 2) RMB’000	(Level 3) RMB’000	
Non-current:				
Financial assets at fair value through profit or loss	—	—	26,304	26,304
Current:				
Financial assets at fair value through profit or loss	—	16,748	—	16,748
Total	—	16,748	26,304	43,052

Liabilities measured at fair value

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB’000	(Level 2) RMB’000	(Level 3) RMB’000	
Financial liabilities at FVTPL	—	—	1,771,571	1,771,571

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As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB’000	(Level 2) RMB’000	(Level 3) RMB’000	
Financial liabilities at FVTPL	—	—	1,983,907	1,983,907

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB’000	(Level 2) RMB’000	(Level 3) RMB’000	
Contingent consideration for acquisition.	—	—	4,752	4,752
Convertible bonds.	—	—	63,126	63,126
Financial liabilities at FVTPL	—	—	2,299,051	2,299,051
Total	—	—	2,366,929	2,366,929

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024 and 2025:

	Valuation technique	Significant unobservable input	Year	Sensitivity of fair value to the input
Investment in an unlisted fund . . .	Market approach	Multiple	2023	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB56,000/RMB56,000
		DLOM	2023	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB14,000/RMB14,000
		Multiple	2024	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB56,000/RMB56,000
		DLOM	2024	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB14,000/RMB14,000
		Multiple	2025	5% increase/decrease in Multiple would result in increase/decrease in fair value by RMB165,000/RMB165,000
		DLOM	2025	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB42,000/RMB42,000

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	Valuation technique	Significant unobservable input	Year	Sensitivity of fair value to the input
Financial liabilities at FVTPL	Back-solve method	Risk-free interest rate	2023	5% increase/decrease in risk-free interest rate would result in decrease/increase in fair value by RMB85,000/RMB85,000
		Volatility	2023	5% increase/decrease in volatility would result in decrease/increase in fair value by RMB663,000/RMB672,000
		Risk-free interest rate	2024	5% increase/decrease in risk-free interest rate would result in decrease/increase in fair value by RMB32,000/RMB32,000
		Volatility	2024	5% increase/decrease in volatility would result in decrease/increase in fair value by RMB325,000/RMB324,000
		Risk-free interest rate	2025	5% increase/decrease in risk-free interest rate would result in decrease/increase in fair value by RMB64,000/RMB64,000
		Volatility	2025	5% increase/decrease in volatility would result in decrease/increase in fair value by RMB703,000/RMB701,000
Contingent consideration . . .	Discounted cash flow method	Probability-adjusted revenue	2025	5% increase/decrease in probability-adjusted revenue would result in an increase/decrease in fair value by RMB4,164,000/RMB3,115,000
		Discount rate	2025	5% increase/decrease in discount rate would result in a decrease/increase in fair value by RMB348,000/RMB355,000
Convertible bonds . . .	Binomial Option Pricing Model	Volatility	2025	5% increase/decrease in Volatility would result in increase/decrease in fair value by RMB57/RMB48
Call option of acquisition of non-controlling interests	Black-Scholes-Merton Option Pricing Model	Risk-free interest rate	2025	5% increase/decrease in Risk-free interest rate would result in increase/decrease in fair value by RMB5,000/RMB5,000
		Volatility	2025	5% increase/decrease in Volatility would result in increase/decrease in fair value by RMB51,000/RMB50,000

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents, interest-bearing bank and other borrowings, convertible bonds and convertible redeemable preferred shares. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group’s financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarized below.

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Foreign currency risk

The Group mainly operates in Mainland China with most of the Group’s monetary assets, liabilities and transactions principally denominated in Renminbi. The Group has not used any derivative to hedge its exposure to foreign currency risk.

The following table indicates the approximate change in the Group’s loss before tax and the Group’s equity (excluding retained profits/accumulated losses) in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of each of the Relevant Periods with all other variables held constant:

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in loss before tax	Increase/ (decrease) in equity
	%	RMB’000	RMB’000
Year ended 31 December 2023			
If RMB weakens against US\$	5	—	—
If RMB strengthens against US\$	(5)	—	—
Year ended 31 December 2024			
If RMB weakens against US\$	5	11	11
If RMB strengthens against US\$	(5)	(11)	(11)
Year ended 31 December 2025			
If RMB weakens against US\$	5	45	45
If RMB strengthens against US\$	(5)	(45)	(45)

Credit risk

The Group trades only with recognized and creditworthy third parties. It is the Group’s 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 the Group’s exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the head of credit control.

The credit risk of the Group’s financial assets, which comprise cash and cash equivalents, pledged deposits, 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.

(i) Credit risk of trade receivables

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 90 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables, management believes that the credit risk inherent in the Group’s outstanding trade receivable balances is not significant.

In calculating the expected credit loss rate, the Group considers the historical loss rates for its customers and adjusts for forward-looking macroeconomic data. Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 22 to the

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Historical Financial Information. As at 31 December 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 21.19%, 23.29% and 10.15% of the Group’s trade receivables were due from the Group’s largest debtor and 60.18%, 52.47% and 27.15% of the Group’s trade receivables were due from the Group’s five largest debtors, respectively.

(ii) Credit risk of bills receivable and other receivables

For bills receivable and financial assets included in prepayment, other receivables and other assets, management makes periodic collective assessments as well as individual assessment on the recoverability of these instruments based on historical settlement records and past experiences. At 31 December 2023, 2024 and 2025, the credit ratings of other receivables and bill receivables were assessed. The Group assessed that the expected credit losses for these financial assets were not material under the 12-month expected credit loss model. In view of the history of cooperation with debtors and the sound collection history of receivables, management believes that the credit risk inherent in the Group’s outstanding bills receivable and other receivable balances is not significant.

(iii) Credit risk of cash and cash equivalents and pledged deposits

To manage this risk arising from cash and cash equivalents and pledged deposits, they are mainly placed with banks with high credit ratings. There has been no recent history of default in relation to these financial institutions. Based on historical data and management’s analysis, loss on collection is not material and hence no provision is considered.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	29,590	29,590
Bills receivable	—	—	—	—	—
Financial assets included in prepayments, other receivables and other assets**					
— Normal**	56,640	—	—	—	56,640
— Doubtful**	—	1,715	—	—	1,715
Cash and cash equivalents .	15,759	—	—	—	15,759
Cash held on behalf of clients.	5	—	—	—	5
Pledged deposits	7,260	—	—	—	7,260
	<u>79,664</u>	<u>1,715</u>	<u>—</u>	<u>29,590</u>	<u>110,969</u>

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31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	44,161	44,161
Bills receivable	126	—	—	—	126
Financial assets included in prepayments, other receivables and other assets**					
— Normal**	73,326	—	—	—	73,326
— Doubtful**	—	522	—	—	522
Cash and cash equivalents .	36,140	—	—	—	36,140
Cash held on behalf of clients.	2	—	—	—	2
Pledged deposits	5,750	—	—	—	5,750
	<u>115,344</u>	<u>522</u>	<u>—</u>	<u>44,161</u>	<u>160,027</u>

31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	61,407	61,407
Bills receivable	1,487	—	—	—	1,487
Financial assets included in prepayments, other receivables and other assets**					
— Normal**	108,755	—	—	—	108,755
— Doubtful**	—	—	967	—	967
Cash and cash equivalents .	159,881	—	—	—	159,881
Cash held on behalf of clients.	2	—	—	—	2
Pledged deposits	4,039	—	—	—	4,039
	<u>274,164</u>	<u>—</u>	<u>967</u>	<u>61,407</u>	<u>336,538</u>

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

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Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group monitors its risk to a shortage of funds by considering the maturities of both its financial liabilities and financial assets.

The Group’s objective is to maintain a balance between continuity of funding and flexibility. The Group aims to maintain sufficient cash and cash equivalents to meet its liquidity requirements.

The maturity profile of the Group’s financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

31 December 2023

	Within 1 year or on demand	1 to 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	82,562	—	82,562
Lease liabilities	608	517	1,125
Interest-bearing bank and other borrowings . .	27,040	—	27,040
Financial liabilities at FVTPL	—	2,272,270	2,272,270
Financial liabilities included in other payables and accruals	40,412	—	40,412
	<u>150,622</u>	<u>2,272,787</u>	<u>2,423,409</u>

31 December 2024

	Within 1 year or on demand	1 to 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	104,612	—	104,612
Lease liabilities	1,305	2,299	3,604
Interest-bearing bank and other borrowings . .	82,928	—	82,928
Financial liabilities at FVTPL	—	2,375,731	2,375,731
Financial liabilities included in other payables and accruals	25,139	—	25,139
	<u>213,984</u>	<u>2,378,030</u>	<u>2,592,014</u>

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31 December 2025

	Within 1 year or on demand	1 to 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	95,367	—	95,367
Lease liabilities	5,770	9,832	15,602
Convertible bonds	64,896	—	64,896
Interest-bearing bank and other borrowings . .	172,202	—	172,202
Financial liabilities at FVTPL	—	3,329,794	3,329,794
Financial liabilities included in other payables and accruals	93,486	102,953	196,439
	<u>431,721</u>	<u>3,442,579</u>	<u>3,874,300</u>

Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximize shareholders’ value.

The Group regards net assets as capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the Relevant Periods.

The Group monitors capital using a debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total liabilities	2,009,484	2,266,714	2,901,273
Total assets	232,120	307,303	652,785
Debt-to-asset ratios	<u>865.71%</u>	<u>737.62%</u>	<u>444.45%</u>

41. EVENTS AFTER THE RELEVANT PERIODS

The Group entered into a supplemental agreement to the convertible bonds as disclosed in note 28 with Deqing Shuzhi in March 2026, if certain conditions precedent cannot be fulfilled before the company’s submission of a [REDACTED] (including any renewed [REDACTED]) to the Stock Exchange, all rights and obligations of the parties under the Deqing Convertible Notes Agreement (including the Conversion Rights) have been terminated immediately upon the Company’s [REDACTED].

In February 2026, the Series D+ Investments holders exercised their share repurchase option and converted their equity investments in Weimai Technology into the Series D+ Preferred Shares of the Company.

On 12 March 2026, the shareholders’ meeting of the Company had approved to grant 14,955,458 share options to eligible participants who contribute to the success of the Group.

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Except for the aforementioned, there are no material subsequent events undertaken by the Company or by the Group after 31 December 2025.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the Group’s subsidiaries in respect of any period subsequent to 31 December 2025.