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羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 160 HEALTH INTERNATIONAL LIMITED AND SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED AND ZERO2IPO CAPITAL LIMITED

Introduction

We report on the historical financial information of 160 Health International Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-95, which comprises the consolidated statements of financial position as at December 31, 2022, 2023 and 2024 and March 31, 2025, the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and March 31, 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-95 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated September 9, 2025 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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Reporting accountant's 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* 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 accountant's 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 accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 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.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2022, 2023 and 2024 and March 31, 2025 and the consolidated financial position of the Group as at December 31, 2022, 2023 and 2024 and March 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended March 31, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the

Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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-4 have been made.

Dividends

We refer to note 17 to the Historical Financial Information which states that no dividends have been paid by 160 Health International Limited in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

PricewaterhouseCoopers.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
September 9, 2025

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the IAASB (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand of RMB (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,			Three months ended March 31,	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Continuing operations						
Revenue	*6*	525,646	628,606	620,682	94,165	100,475
Cost of sales and services	*7*	(407,359)	(491,279)	(460,495)	(69,668)	(72,608)
Gross profit		118,287	137,327	160,187	24,497	27,867
Selling and marketing expenses	*7*	(97,424)	(101,824)	(117,269)	(27,372)	(19,675)
Research and development expenses	*7*	(54,057)	(41,697)	(50,513)	(11,932)	(8,986)
Administrative expenses	*7*	(39,826)	(89,659)	(92,986)	(26,061)	(14,402)
Net (provision)/reversal of impairment losses on financial assets	*8*	(1,022)	(7,333)	(8,284)	600	(288)
Other income	*9*	7,181	4,427	3,828	1,166	244
Other (losses)/gain, net	*10*	(12,323)	(761)	411	9	(481)
Operating loss		(79,184)	(99,520)	(104,626)	(39,093)	(15,721)
Finance income	*12*	371	210	1,326	20	421
Finance costs	*12*	(40,144)	(11,366)	(3,656)	(765)	(1,393)
Finance costs, net		(39,773)	(11,156)	(2,330)	(745)	(972)

	Note	Year ended December 31,			Three months ended March 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
Loss before income tax from continuing operations		(118,957)	(110,676)	(106,956)	(39,838)	(16,693)
Income tax expenses	*14*	–	(547)	(1,290)	(725)	(435)
Loss from continuing operations		(118,957)	(111,223)	(108,246)	(40,563)	(17,128)
Discontinued operation						
(Loss)/profit from discontinued operation	*15*	(1,108)	5,024	–	–	–
Loss for the year/period		(120,065)	(106,199)	(108,246)	(40,563)	(17,128)
Other comprehensive income:						
Items that may subsequently reclassified to profit or loss						
Currency translation differences		–	–	317	317	–
Total comprehensive loss		(120,065)	(106,199)	(107,929)	(40,246)	(17,128)
(Loss)/profit for the year/period attributable to:						
Owners of the Company						
– Continuing operations		(110,740)	(113,840)	(107,687)	(38,487)	(15,496)
– Discontinued operation	*15*	(565)	5,024	–	–	–
		(111,305)	(108,816)	(107,687)	(38,487)	(15,496)
Non-controlling interests						
– Continuing operations		(8,217)	2,617	(559)	(2,076)	(1,632)
– Discontinued operation	*15*	(543)	–	–	–	–
		(8,760)	2,617	(559)	(2,076)	(1,632)
Total comprehensive (loss)/income attributable to:						
Owners of the Company						
– Continuing operations		(110,740)	(113,840)	(107,370)	(38,170)	(15,496)
– Discontinued operation		(565)	5,024	–	–	–
		(111,305)	(108,816)	(107,370)	(38,170)	(15,496)

	Note	Year ended December 31,			Three months ended March 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
Non-controlling interests						
– Continuing operations		(8,217)	2,617	(559)	(2,076)	(1,632)
– Discontinued operation		(543)	–	–	–	–
		(8,760)	2,617	(559)	(2,076)	(1,632)
(Losses)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB Yuan)	*16*					
– Continuing operations						
Basic and diluted		(1.938)	(1.959)	(1.832)	(0.655)	(0.264)
– Discontinued operation						
Basic		(0.010)	0.086	NA	NA	NA
Diluted		(0.010)	0.084	NA	NA	NA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,			As at March 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Property and equipment	*18*	5,899	5,237	3,265	3,497
Right-of-use assets	*19*	13,505	21,875	17,660	10,551
Intangible assets	*20*	2,795	2,324	1,838	1,717
Restricted cash	*25*	582	122	222	154
Deferred income tax assets	*33*	–	826	1,206	1,406
		22,781	30,384	24,191	17,325
Current assets					
Inventories	*22*	10,312	4,451	2,030	1,216
Trade receivables	*23*	63,592	117,824	170,669	167,837
Prepayments, deposits and other receivables	*24*	25,049	25,460	34,836	44,111
Restricted cash	*25*	4,025	494	7,781	7,176
Cash and cash equivalents	*25*	37,748	57,555	58,266	68,447
		140,726	205,784	273,582	288,787
Assets classified as held for sale	*15*	15,416	–	–	–
		156,142	205,784	273,582	288,787
Total assets		178,923	236,168	297,773	306,112
EQUITY					
Equity attributable to owners of the Company					
Combined/share capital	*26*	58,188	4	4	4
Share premium	*27*	374,813	595,466	595,466	595,466
Other reserves	*27*	(69,110)	223,513	283,813	291,622
Accumulated losses		(747,915)	(856,731)	(964,418)	(979,914)
		(384,024)	(37,748)	(85,135)	(92,822)
Non-controlling interests		(8,410)	(2,808)	(3,367)	(4,999)
Total deficit		(392,434)	(40,556)	(88,502)	(97,821)

		As at December 31,			As at March 31,
	Note	**2022**	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
LIABILITIES					
Non-current liabilities					
Lease liabilities	*19*	6,021	17,013	11,879	6,979
Borrowings	*29*	1,500	486	1,277	1,552
Contract liabilities	*6*	19,733	5,974	1,863	1,425
		27,254	23,473	15,019	9,956
Current liabilities					
Lease liabilities	*19*	8,249	5,649	7,123	7,106
Trade and bill payables	*30*	56,159	96,375	102,627	90,809
Borrowings	*29*	19,558	9,514	89,393	114,506
Contract liabilities	*6*	36,395	39,728	41,446	54,601
Accruals and other payables	*31*	106,433	101,869	130,262	126,457
Current income tax liabilities		–	116	405	498
Redemption liabilities	*32*	294,183	–	–	–
		520,977	253,251	371,256	393,977
Liabilities directly associated with assets classified as held for sale	*15*	23,126	–	–	–
		544,103	253,251	371,256	393,977
Net current liabilities		387,961	47,467	97,674	105,190
Total liabilities		571,357	276,724	386,275	403,933
Total deficit and liabilities		178,923	236,168	297,773	306,112

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Note	As at December 31,			As at March 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Investment in the subsidiaries	*41(a)*	–*	3,099,450	3,209,433	3,217,242
		–	3,099,450	3,209,433	3,217,242
Current assets					
Prepayment and other receivables	*41(b)*	2	53,177	3,761	4,006
Cash and cash equivalents		–	4	18	12
		2	53,181	3,779	4,018
Total assets		2	3,152,631	3,213,212	3,221,260
EQUITY					
Share capital		2	4	4	4
Share premium	*41(c)*	–	3,148,561	3,148,561	3,148,561
Other reserve	*41(e)*	–	–	59,983	67,792
Accumulated losses		–	(20,645)	(19,573)	(39,728)
Total equity		2	3,127,920	3,188,975	3,176,629
LIABILITIES					
Current liabilities					
Accruals and other payables	*41(d)*	–	24,711	24,237	44,631
Total liabilities		–	24,711	24,237	44,631
Total equity and liabilities		2	3,152,631	3,213,212	3,221,260

* The balance represents an amount less than RMB1,000.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company/Shenzhen Ningyuan					
		Combined/ Share capital	Share premium	Other reserves	Accumulated losses	Non-controlling interests	Total (deficit)/ equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2022		57,430	343,561	(94,392)	(636,610)	(1,492)	(331,503)
Comprehensive loss							
Loss for the year		–	–	–	(111,305)	(8,760)	(120,065)
Transaction with owners in their capacity as owners							
Capital injection from shareholders	*27*	758	32,242	–	–	–	33,000
Buy-back of vested shares		–	–	(313)	–	–	(313)
Derecognition of redemption liabilities	*32(e)*	–	–	25,595	–	1,842	27,437
Share issuance cost	*27*	–	(990)	–	–	–	(990)
Balances at December 31, 2022 and January 1, 2023		58,188	374,813	(69,110)	(747,915)	(8,410)	(392,434)
Comprehensive (loss)/income							
(Loss)/profit for the year		–	–	–	(108,816)	2,617	(106,199)
Transaction with owners in their capacity as owners							
Transactions with non-controlling interests		–	–	1,842	–	(1,842)	–
Capital injection from shareholders	*27*	1,247	108,753	–	–	–	110,000
Recognition of redemption liabilities	*32(c)*	–	–	(106,362)	–	–	(106,362)
Share-based payments	*28*	–	–	46,424	–	–	46,424
Buy-back of vested shares		–	–	(64)	–	–	(64)
Derecognition of redemption liabilities	*32(f)*	–	58,831	350,783	–	–	409,614
Disposal of Jiangsu Huiyi	*15*	–	–	–	–	4,827	4,827
Share issuance cost	*27*	–	(6,366)	–	–	–	(6,366)
Issuance of ordinary shares by the Company	*26*	4	–	–	–	–	4
Reclassification of combined capital to share premium upon the completion of the Reorganization		(59,435)	59,435	–	–	–	–
Balances at December 31, 2023 and January 1, 2024		4	595,466	223,513	(856,731)	(2,808)	(40,556)

	Note	Attributable to owners of the Company/Shenzhen Ningyuan				Non-controlling interests	Total (deficit)/ equity
		Combined/ Share capital	**Share premium**	**Other reserves**	**Accumulated losses**		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Comprehensive income/(loss)							
Loss for the year		–	–	–	(107,687)	(559)	(108,246)
Other comprehensive income		–	–	317	–	–	317
Total comprehensive income/(loss)		–	–	317	(107,687)	(559)	(107,929)
Transaction with owners in their capacity as owners							
Share-based payments	28	–	–	59,983	–	–	59,983
Balance at December 31, 2024		4	595,466	283,813	(964,418)	(3,367)	(88,502)
(Unaudited)							
Balances at January 1, 2024		4	595,466	223,513	(856,731)	(2,808)	(40,556)
Comprehensive income/(loss)							
Loss for the period		–	–	–	(38,487)	(2,076)	(40,563)
Other comprehensive income		–	–	317	–	–	317
Total comprehensive income/(loss)		–	–	317	(38,487)	(2,076)	(40,246)
Transaction with owners in their capacity as owners							
Share-based payments	28	–	–	18,506	–	–	18,506
Balances at March 31, 2024		4	595,466	242,336	(895,218)	(4,884)	(62,296)
Balances at January 1, 2025		4	595,466	283,813	(964,418)	(3,367)	(88,502)
Comprehensive loss							
Loss for the period		–	–	–	(15,496)	(1,632)	(17,128)
Other comprehensive income		–	–	–	–	–	–
Total comprehensive loss		–	–	–	(15,496)	(1,632)	(17,128)
Transaction with owners in their capacity as owners							
Share-based payments	28	–	–	7,809	–	–	7,809
Balances at March 31, 2025		4	595,466	291,622	(979,914)	(4,999)	(97,821)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31,			Three months ended March 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cash flows from operating activities						
Cash used in operations	*34(a)*	(42,767)	(64,464)	(54,708)	(30,523)	(12,742)
Interest received		376	210	42	20	2
Income tax paid		–	(272)	(1,381)	(133)	(542)
Net cash used in operating activities		(42,391)	(64,526)	(56,047)	(30,636)	(13,282)
Cash flows from investing activities						
Purchase of property and equipment		(2,491)	(2,706)	(942)	(419)	(796)
Proceeds from disposal of property and equipment		29	–	3	–	–
Purchase of intangible assets		–	(73)	–	–	–
Purchase of financial assets at fair value through profit or loss		–	–	(30)	–	–
Net cash acquired for business combination	*38*	63	–	–	–	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	–	30	–	–
Increase in restricted cash		(8,044)	(423)	(7,588)	(1,476)	(637)
Decrease in restricted cash		6,050	4,414	201	–	1,310
Loans advanced to an employee		–	(700)	–	–	–
Loans advanced to related parties	*39(c)*	(35,751)	(81,738)	(442,185)	(94,571)	(107,062)
Settlement of loans from related parties	*39(c)*	43,415	83,920	437,685	90,071	107,062
Net cash generated from/(used in) investing activities		3,271	2,694	(12,826)	(6,395)	(123)

	Note	Year ended December 31,			Three months ended March 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cash flows from financing activities						
Proceeds of capital injection from shareholders	*26*	27,500	110,000	–	–	–
Payment of lease liabilities		(8,794)	(8,559)	(8,341)	(3,124)	(502)
Settlement of redemption liabilities		(4,671)	–	–	–	–
Proceeds from borrowings		15,000	17,652	107,230	37,500	51,500
Repayment of borrowings		(34,527)	(28,710)	(26,560)	(5,961)	(26,112)
Interest paid		(4,749)	(1,463)	(2,200)	(374)	(1,060)
Payment of share issuance cost		(990)	(5,116)	–	–	–
Payment of listing expenses		–	(3,175)	(545)	(566)	(240)
Net cash (used in)/generated from financing activities		(11,231)	80,629	69,584	27,475	23,586
Net (decrease)/increase in cash and cash equivalents		(50,351)	18,797	711	(9,556)	10,181
Cash and cash equivalents at beginning of the year/period		89,439	39,088	57,555	57,555	58,266
Effects of foreign exchange rate on cash and cash equivalents		–	(330)	–	–	–
Cash and cash equivalents at end of the year/period		39,088	57,555	58,266	47,999	68,447
Cash and cash equivalents as at end of the year/period, represented by:						
Cash and cash equivalents	*25*	37,748	57,555	58,266	47,999	68,447
Cash and cash equivalents included in assets classified as held for sale	*15*	1,340	–	–	–	–
		39,088	57,555	58,266	47,999	68,447

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION, REORGANIZATION AND BASIS OF PRESENTATION

1.1. General information

160 Health International Limited (the "Company") was incorporated in the Cayman Islands on January 31, 2022 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company and its subsidiaries now comprising the Group (collectively, the "Group") are principally engaged in the provision of the following goods and services: (i) sales of pharmaceutical and healthcare products; (ii) provision of digital healthcare and wellness solutions in the People's Republic of China (the "PRC") (the "Listing Business").

Mr. Luo Ningzheng ("Mr. Luo"), the founder of the Group, registered the domain name of "healthcare 160 website" in 2004. On February 22, 2005, Shenzhen Ningyuan Technology Co., Ltd. ("Shenzhen Ningyuan") was established in the PRC as a company with limited liability with an initial registered capital of RMB500,000 by Mr. Luo. Shenzhen Ningyuan is the onshore holding company of the Group before the reorganization as detailed in Note 1.2.

The ultimate holding company of the Company is LNZ Management Limited, a company incorporated in the British Virgin Islands, which is controlled by Mr. Luo, the founder and the ultimate controlling shareholder (the "Controlling Shareholder") of the Group.

These Historical Financial Information are presented in RMB and all amounts are rounded to the nearest thousand of Renminbi (RMB'000), unless otherwise stated.

1.2. Reorganization

Prior to the incorporation of the Company and the completion of the reorganization (the "Reorganization") as described below, the Listing Business was carried out by Shenzhen Ningyuan and its subsidiaries (collectively, the "Operating Entities").

In preparing for the listing of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited, the Group underwent a Reorganization, pursuant to which the Listing Business was transferred to the Company.

The Reorganization involved the following principal steps:

(i) Offshore Reorganization

(a) Incorporation of the Company and its oversea subsidiaries

On January 31, 2022, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. The initial authorized share capital of the Company was US$50,000 divided into 5,000,000,000 shares of US$0.00001 par value each.

Upon incorporation, one share of the Company was allotted and issued at par value to the initial subscriber. On the same day, the initial subscriber transferred its one share of the Company to Ming Holdings Limited ("Ming Holdings") and the Company further allotted and issued 32,047,692 shares of the Company to shareholders of Shenzhen Ningyuan.

On February 8, 2022, 160 Health Management Limited ("160 Health Management") was incorporated in the BVI with the Company being its sole shareholder.

On February 22, 2022, 160 Health (HK) Holdings Group Limited ("160 Health (HK)") was incorporated in Hong Kong with 160 Health Management being its sole shareholder.

On June 21, 2022, Blue Dragonfly Management Limited ("Blue Dragonfly Management") was incorporated in the BVI with the Company being its sole shareholder.

On July 14, 2022, Blue Dragonfly International (HK) Limited ("Blue Dragonfly (HK)") was incorporated in Hong Kong with Blue Dragonfly Management being its sole shareholder.

(b) On August 31, 2023, along with the completion of the Reorganization of the Group, the Company swapped the vested and exercisable share options issued by Shenzhen Ningyuan with the Company's share options, pursuant to which, the holders of these share options were granted with the right to acquire 643,697 shares (before subdivision) of the Company.

(c) *Further allotment and issuance of shares*

On October 20, 2023 and November 21, 2023, the Company allotted and issued an aggregate of 29,279,498 shares to the shareholders of Shenzhen Ningyuan.

After this allotment and issuance of shares, except for two shareholders who collectively hold 2.28% equity interest of Shenzhen Ningyuan, the Company has issued shares of the Company to all other shareholders of Shenzhen Ningyuan based on their shareholding in Shenzhen Ningyuan. As of the date of this Historical Financial Information, the Group has not yet agreed any share swap or settlement plan with the aforesaid two shareholders who hold 2.28% equity interest in Shenzhen Ningyuan.

(ii) ***Onshore Reorganization***

(a) *Incorporation of onshore subsidiaries*

On April 27, 2022, Zhejiang Renren'ai Information Technology Co., Ltd. (formerly known as Renren'ai Health Information Technology (Shenzhen) Co., Ltd.) ("Zhejiang Renren'ai") was incorporated as a wholly foreign owned enterprise, which was wholly owned by 160 Health (HK).

On June 30, 2022, Shenzhen Weikang Zhiyuan Technology Co., Ltd. ("Weikang Zhiyuan") was incorporated by Zhejiang Renren'ai and Shenzhen Jianchen Technology Corporation ("Jianchen Technology"), as to 50% and 50%, respectively.

On April 18, 2023, Weikang Lanyuan (Shenzhen) Information Technology Co., Ltd. ("Weikang Lanyuan") was incorporated as a wholly foreign owned enterprise, which was wholly owned by Blue Dragonfly (HK).

(b) *Business transfer of onshore subsidiaries*

Business transfer of Shenzhen Ningyuan

Shenzhen Ningyuan was principally engaged in providing digital healthcare and wellness solutions. During the Reorganization, Shenzhen Ningyuan transferred its business except for the hospital full-process system services to Weikang Zhiyuan. Upon completion of the Reorganization, Shenzhen Ningyuan is primarily engaged in the provision of the hospital full-process system services.

Business transfer of Hunan Blue Dragonfly Internet Technology Co., Ltd.

Hunan Blue Dragonfly Internet Technology Co., Ltd. ("Blue Dragonfly Internet") was principally engaged in providing software services, including the Blue Dragonfly Infectious Disease Real-time Monitoring System, and the Blue Dragonfly Hospital Infection Real-time Surveillance System. During the Reorganization, Blue Dragonfly Internet partially transferred its business to Weikang Lanyuan.

Business transfer of 160 Medicine

On December 13, 2022, Zhejiang Renren'ai acquired 51% equity interests in Shenzhen Hailiantang Pharmacy Chain Co., Ltd. ("Hailiantang Pharmacy") from Mr. Mao Wen, a third party, at a consideration of RMB383,000 with a call option to buy the remaining 49% equity interests. Upon completion of the acquisition, Hailiantang Pharmacy became a subsidiary of the Group, and the Group exercised the call option in November 2023. For more detail, please refer to Note 38.

Guangdong 160 Medicine Chain Co., Ltd. ("160 Medicine") was primarily engaged in the online and offline pharmaceuticals retail business. During the Reorganization, 160 Medicine transferred its online pharmaceuticals retail business to Hailiantang Pharmacy. Upon completion of the Reorganization, 160 Medicine has no substantive business.

(iii) Entering into of the Contractual Arrangements

On August 11, 2023, Zhejiang Renren'ai entered into the contractual arrangements with Weikang Zhiyuan and its registered shareholder, Jianchen Technology.

On August 11, 2023, Zhejiang Renren'ai entered into the contractual arrangements with Sichuan Renren Weikang Health Management Co., Ltd. ("Renren Weikang") and its registered shareholder, Jianchen Technology.

On October 20, 2023, Zhejiang Renren'ai entered into the contractual arrangements with Shenzhen Ningyuan and its registered shareholders except for the two shareholders who hold 2.28% equity interest.

See Note 2.3 for details of contractual arrangements.

(iv) Acquisition of minority interests in 160 Medicine and 160 Internet

On August 16, 2023, several share swap agreements were entered into by Shenzhen Renren Jiankang Entrepreneurship Investment Corporation (Limited Partnership) ("Renren Jiankang"), Shenzhen Longjun Venture Capital Investment Corporation (Limited Partnership) ("Shenzhen Longjun"), Changxing Qifu Honglian Equity Investment Management Partnership (Limited Partnership) ("Qifu Honglian"), Changsha Xiangjiang Qifu Hongtai Private Equity Fund Corporation (Limited Partnership) ("Qifu Hongtai") and Guangdong Langge Equity Investment Fund Co., Ltd. ("Guangdong Langge"), pursuant to which Renren Jiankang acquired 2.38%, 17.15%, 4.76% and 2.38% of the equity interest in 160 Medicine from Shenzhen Longjun, Qifu Honglian, Qifu Hongtai and Guangdong Langge, and Shenzhen Longjun, Qifu Honglian, Qifu Hongtai and Guangdong Langge were issued with the shares of the Company as described in Note 32.

Upon completion of such equity transfer, 160 Medicine was held by Shenzhen 160 Internet Technology Co., Ltd. ("160 Internet") and Renren Jiankang as to 73.33% and 26.67%, respectively and therefore become a wholly owned subsidiary of the Company.

On November 22, 2023, Zhejiang Renren'ai acquired 100% equity interest in 160 Internet from Shenzhen Ningyuan and minority shareholder at the consideration of RMB1,000,000 and RMB160,000, respectively. Upon completion of such equity transfer, 160 Internet became a wholly owned subsidiary under Zhejiang Renren'ai.

(v) Disposal of Jiangsu Huiyi

On January 13, 2023, Shenzhen Ningyuan transferred all of its equity interest, amounting to 51%, in Jiangsu Huiyi 160 Information Technology Co., Ltd. ("Jiangsu Huiyi") to a third party at a nominal consideration. Prior to the disposal, Jiangsu Huiyi was primarily engaged in the provision of medical card services which is unrelated to the Listing Business. Jiangsu Huiyi is reported as discontinued operation in the Historical Financial Information.

Financial information relating to the discontinued operation is set out in Note 15.

(vi) Deregistration of non-operating PRC subsidiaries

The Group deregistered 3 PRC subsidiaries with no actual business operations in July and August 2023.

(vii) Pre-IPO investment

On November 16, 2023 and November 21, 2023, Anji Liangshan Guochuang Equity Investment Partnership (Limited partnership) ("Anji") (as one of the series E Pre-IPO Investors) subscribed 1,039,069 ordinary shares of the Company at a price of RMB48.12 per share with total consideration of RMB50,000,000.

Upon completion of the Reorganization, the Company became the holding company of the companies now comprising the Group.

1.3. Basis of presentation

Immediately prior to the Reorganization and during the Track Record Period, the Listing Business was primarily conducted through the Operating Entities. Pursuant to the Reorganization, the Listing Business were transferred to and held by the Company. The Company and those companies newly incorporated pursuant to the Reorganization have not been involved in any business prior to the Reorganization and do not meet the definition of a business. The Reorganization is merely a recapitalisation of the Listing Business with no changes in management of the Listing Business and the ultimate owners of the Listing Business were substantial the same, although the two shareholders as mentioned in Note 1.2(i)(c) who collectively owns 2.28% equity interest in Shenzhen Ningyuan have not yet agreed a share swap or settlement plan with the Group as of completion of Reorganization. Accordingly, the Group resulting from the Reorganization is regarded as a continuation of the Listing Business under the Operating Entities and, for the purpose of this report, the Historical Financial Information has been prepared and presented on a continuation of the consolidated financial statements of Shenzhen Ningyuan, with the assets and liabilities of the Group recognized and measured at the carrying amounts in the financial statements of the Operating Entities for all the periods presented.

2. BASIS OF PREPARATION

This note provides a list of material accounting policies adopted in the preparation of the Historical Financial Information. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Compliance with IFRS Accounting Standards

The Historical Financial Information of the Company has been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (the "IFRS Accounting Standards").

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

2.2. Historical cost convention

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

2.3. Control over subsidiaries arising from contractual agreements

On August 11, 2023 and October 20, 2023, the Group's wholly owned subsidiary, Zhejiang Renren'ai entered into a series of contractual arrangements with Shenzhen Ningyuan, Weikang Zhiyuan and Renren Weikang (together, the "Variable Interest Entity companies", or "VIE companies") and their majority nominee shareholders, including exclusive business cooperation agreement, exclusive equity purchase agreement, equity interest pledge agreement, spousal consent letter and power of attorney (collectively, the "Contractual arrangements"), which enable Zhejiang Renren'ai:

- Irrevocably exercising equity holders' voting rights of the VIE companies;
- Exercising effective financial and operational control over the VIE companies; and
- Receiving substantially all of the economic interest returns generated by the VIE companies

As a result of the contractual arrangements, the Group has power over the VIE companies, has rights to receive variable returns from its involvement with the VIE companies and has the ability to affect those returns through its power over the VIE companies and is considered to control the VIE companies. Consequently, the Company regards the VIE companies as indirect subsidiaries. The Group has consolidated the financial position and results of the VIE companies in this Historical Financial Information.

2.4. Going concern

For the years ended December 31, 2022, 2023 and 2024, and the three months ended March 31, 2025, the Group incurred net losses of RMB120,065,000, RMB106,199,000, RMB108,246,000 and RMB17,128,000, respectively, and reported operating cash outflows of RMB42,391,000, RMB64,526,000, RMB56,047,000 and RMB13,282,000, respectively. As of March 31, 2025, the Group's current liabilities exceeded its current assets by RMB105,190,000 and the Group's total deficit amounted to RMB97,821,000. These losses and operating cash outflows were primarily due to increased operating costs, along with ongoing investments in sales, marketing, and research and development to expand the medical resources on the Group's platform, to grow operational scale, and to strengthen the market position. As of March 31, 2025, the Group's cash and cash equivalents amounted to RMB68,447,000.

The above events and conditions may cast significant doubt about the Group's ability to continue as a going concern for at least twelve months from March 31, 2025. The directors of the Company have carefully considered the future liquidity, the operating performance and the available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months from March 31, 2025 taking into consideration the following plans and measures:

1. As of March 31, 2025, we had unutilized bank facilities of RMB167,504,000, which were granted with legally binding agreements. Such unutilized bank facilities can be drawn down subject to banks' approval and certain financial or operational conditions including but not limited to no significant changes in the Group's shareholders, major business, or a decline in creditworthiness. The directors are confident that the Company will meet such conditions in the next twelve months from March 31, 2025 and hence these banking facilities will be able to draw down as and when needed.

2. The directors of the Company considered that the Group will be able to refinance existing banking facilities upon their expiry as and when needed based on past experience and their communication with the banks. The Group will also seek for new bank borrowings at cost acceptable to the Group.

3. Management has implemented a diversified business strategy to capture market opportunities for revenue growth in digital healthcare and wellness solutions which expects to have positive impact on operational cash flow in the twelve months following March 31, 2025.

4. The Group will also take active measures to control its operating expenditures, monitor its cash position from time to time and adjust uncommitted expenditure where necessary, to streamlining administrative expenses, optimizing research and development staffing, strengthening working capital management, and accelerating collection of trade receivables and loan to related parties.

The directors of the Company have reviewed the Group's cash flow projection prepared by management, which cover a period of not less than twelve months from March 31, 2025. The cash flow projection has taken into account improvements of its operating performance, continued availability of banking facilities, growth in the digital healthcare and wellness solutions business, and cost optimization. The directors of the Company, after making inquiries and considering the basis of management's projection described above, believe that there will be sufficient financial resources for the Group to continue its operations and to meet its financial obligations as and when they fall due in the next twelve months from March 31, 2025. Accordingly, the Historical Financial Information has been prepared on a going concern basis.

2.5. New and amended standards and interpretations adopted by the Group

All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning from January 1, 2025 are consistently applied by the Group for the Track Record Period.

2.6. New or amended standards and annual improvement not yet adopted

The following new or amended standards and annual improvement have been issued but not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendment to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management is currently assessing the detailed implications of applying these new or revised standards and annual improvement on the Group's Historical Financial Information, and it is not expected to have material impact to the Group other than the application of IFRS 18. IFRS 18 will replace IAS 1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of profit or loss and providing management-defined performance measures within the financial statements.

3. FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors of the Company and senior management of the Group.

3.1.1. Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the functional currency of the Group entities.

The Group mainly operates in the PRC with majority of the transactions conducted in the functional currency of the respective group entity. The directors of the Company consider the foreign currency risk arising from recognized assets and liabilities to be minimal. Accordingly, no sensitivity analysis is presented for foreign exchange risk. The Group did not hedge against any fluctuation in foreign currency. The Group timely monitors foreign exchange risk and will take measure to minimise foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

Financial assets and liabilities with variable interest rate expose the Group to cash flow interest rate risk and financial assets and liabilities with fixed interest rate expose the Group to fair value interest rate risk.

As at December 31, 2022, 2023 and 2024 and March 31, 2025, all of the Group's borrowings bear interests at fixed interest rates (Note 29). Other than these borrowings and interest-bearing cash and cash equivalents, and restricted cash, the Group has no other significant interest-bearing assets or liabilities. The Group does not anticipate there is any significant impact resulted from the changes in interest rate.

3.1.2. Credit risk

Credit risk arises mainly from cash and cash equivalents, restricted cash, trade receivables and deposits and other receivables.

(i) Risk management

To manage credit risk, cash and cash equivalents and restricted cash are mainly placed with state-owned or reputable financial institutions in the PRC, and there has been no recent history of default in relation to these financial institutions. Thus, the Group were of the view that the credit risk related to cash and cash equivalents, and restricted cash was insignificant.

To manage the risk arising from trade receivables and deposits and other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties.

The Group has concentrations of credit risk which arise from trade receivables from its customers. Trade receivables from the Group's five largest customers in aggregate account for 39%, 57%, 18% and 39% of the Group's total trade receivables at December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. If these customers experience financial difficulties in paying the Group, the Group's receivables might be adversely affected in terms of recoverability. To manage this risk, the Group assesses the credit quality of the customers, taking into account their financial position, past trading and payment experience and forward-looking factors.

For deposits and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience and other factors.

(ii) Impairment of financial assets

Trade receivables

The Group applies the simplified approach to provide for the expected credit loss prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses, trade receivables have been assessed on individual basis or grouped based on shared credit risk characteristics. The expected loss rates are determined based on the corresponding historical credit losses and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the consumer price index of the PRC in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The loss allowance as at December 31, 2022, 2023 and 2024 and March 31, 2025 was determined as follows for trade receivables from customers which have been grouped based on similar credit risk characteristics:

As at December 31, 2022	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	4.48%	12.24%	28.70%	63.16%	7.54%
Gross carrying amount – trade receivables (in RMB'000)	56,373	7,983	3,230	1,189	68,775
Loss allowance (in RMB'000)					
– From continuing operations	(2,528)	(977)	(927)	(751)	(5,183)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	81	518	1,230	2,449	4,278
Loss allowance (in RMB'000)					
– From continuing operations	(81)	(518)	(1,230)	(2,449)	(4,278)

As at December 31, 2023	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	4.82%	17.22%	55.74%	95.55%	8.63%
Gross carrying amount – trade receivables (in RMB'000)	115,923	6,776	4,015	2,245	128,959
Loss allowance (in RMB'000)					
– From continuing operations	(5,585)	(1,167)	(2,238)	(2,145)	(11,135)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	64	1,342	400	3,845	5,651
Loss allowance (in RMB'000)					
– From continuing operations	(64)	(1,342)	(400)	(3,845)	(5,651)

As at December 31, 2024	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	5.54%	20.83%	26.32%	90.38%	9.05%
Gross carrying amount – trade receivables (in RMB'000)	160,422	19,713	4,377	3,139	187,651
Loss allowance (in RMB'000)					
– From continuing operations	(8,887)	(4,106)	(1,152)	(2,837)	(16,982)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	596	972	1,403	5,019	7,990
Loss allowance (in RMB'000)					
– From continuing operations	(596)	(972)	(1,403)	(5,019)	(7,990)

As at March 31, 2025	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	5.63%	21.15%	28.32%	89.60%	9.26%
Gross carrying amount – trade receivables (in RMB'000)	159,992	16,201	5,173	3,607	184,973
Loss allowance (in RMB'000)					
– From continuing operations	(9,012)	(3,427)	(1,465)	(3,232)	(17,136)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	84	1,163	1,403	5,383	8,033
Loss allowance (in RMB'000)					
– From continuing operations	(84)	(1,163)	(1,403)	(5,383)	(8,033)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes, amongst other, the failure of a debtor to engage in a repayment plan within the Group.

Impairment losses on trade receivables are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The closing loss allowances for trade receivables as at December 31, 2022, 2023 and 2024 and March 31, 2025 and reconcile to the opening loss allowances as follows:

	Year ended December 31,			Three months ended March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening loss allowance at beginning of the year/period	8,691	9,461	16,786	24,972
Net expected credit losses recognized in profit or loss during the year/period from continuing operations	770	7,325	8,186	197
Closing loss allowance at end of the year/period	9,461	16,786	24,972	25,169

Deposits and other receivables

Deposits and other receivables were mainly deposits and receivable from third parties and amounts due from related parties. The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtors;

- significant increases in credit risk on other financial instruments of the same debtors; or

- significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors, etc.

Deposits and other receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where deposits and other receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis.

The Group uses the expected credit loss model to determine the expected loss provision for deposits and other receivables. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Stage 1	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage 2	Receivables for which there is a significant increase in credit risk as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Stage 3	Either interest and/or principal repayments are 90 days past due or the debtor has significant financial difficulties or is likely to go bankrupt or other financial restructuring	Lifetime expected losses

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits and other receivables				
At December 31, 2022				
Gross carrying amount	8,797	–	491	9,288
Loss allowance provision	(80)	–	(491)	(571)
At December 31, 2023				
Gross carrying amount	9,145	–	197	9,342
Loss allowance provision	(382)	–	(197)	(579)
At December 31, 2024				
Gross carrying amount	15,133	–	225	15,358
Loss allowance provision	(452)	–	(225)	(677)
At March 31, 2025				
Gross carrying amount	17,170	–	288	17,458
Loss allowance provision	(480)	–	(288)	(768)

The loss allowance for deposits and other receivables as at December 31, 2022, 2023 and 2024 and March 31, 2025 reconciles to the opening loss allowance as follows:

	Deposits and other receivables
	RMB'000
Opening loss allowance as at January 1, 2022	353
Increase in loss allowance recognized in profit or loss during the year	
– Continuing operations	252
– Discontinued operation	91
Closing loss allowance as at December 31, 2022	696
– Continuing operations	571
– Discontinued operation	125
Increase in loss allowance recognized in profit or loss during the year	
– Continuing operations	8
Derecognition of discontinued operation-Disposal of Jiangsu Huiyi	(125)
Closing loss allowance as at December 31, 2023	579
Increase in loss allowance recognized in profit or loss during the year	
– Continuing operations	98
Closing loss allowance as at December 31, 2024	677
Decrease in loss allowance recognized in profit or loss during the period	
– Continuing operations	91
Closing loss allowance as at March 31, 2025	768

3.1.3. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows excluding liabilities directly associated with the assets classified as held for sales. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At December 31, 2022	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Carrying value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	56,159	–	–	–	56,159	56,159
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	65,675	–	–	–	65,675	65,675
Lease liabilities	8,835	5,430	877	110	15,252	14,270
Bank borrowings	20,425	1,611	–	–	22,036	21,058
Redemption liabilities	299,965	–	–	–	299,965	294,183
	451,059	7,041	877	110	459,087	451,345

At December 31, 2023	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Carrying value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	96,375	–	–	–	96,375	96,375
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	78,632	–	–	–	78,632	78,632
Lease liabilities	7,692	7,738	11,968	–	27,398	22,662
Borrowings	9,801	517	–	–	10,318	10,000
	192,500	8,255	11,968	–	212,723	207,669

At December 31, 2024	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Carrying value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	102,627	–	–	–	102,627	102,627
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	81,387	–	–	–	81,387	81,387
Lease liabilities	7,997	7,151	5,448	–	20,596	19,002
Borrowings	91,869	1,344	–	–	93,213	90,670
	283,880	8,495	5,448	–	297,823	293,686

At March 31, 2025	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Carrying value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	90,809	–	–	–	90,809	90,809
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	80,758	–	–	–	80,758	80,758
Lease liabilities	7,916	6,974	3,524	–	18,414	14,085
Borrowings	118,256	1,613	–	–	119,869	116,058
	297,739	8,587	3,524	–	309,850	301,710

3.2. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment, issue new shares and new debt as well as obtain financial support from its shareholders as and when necessary.

3.3. Fair value estimation

3.3.1. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of each of the reporting periods. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group did not have any financial assets and liabilities which are measured at fair value as at December 31, 2022, 2023 and 2024 and March 31, 2025.

There was no transfer of fair value hierarchy levels during the Track Record Period.

3.3.2. Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate.

There were no changes in valuation techniques during the Track Record Period.

The fair value of trade receivables, deposits and other receivables, restricted cash and cash and cash equivalents approximated to their carrying amounts.

The fair value of trade and bill payables, accruals and other payables (excluding VAT and other taxes payables, payroll and welfare payables), borrowings, redemption liabilities and lease liabilities approximated to their carrying amounts.

3.3.3. Fair value measurements using significant unobservable inputs (level 3)

The Group does not have any financial assets carried at fair value as of December 31, 2022, 2023, 2024 and March 31, 2025.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Contractual arrangements

As mentioned in Note 2.3, the Group transferred some businesses to its VIE companies during the Reorganization due to regulatory restrictions on the foreign ownership in these businesses in the PRC. The directors of the Company assessed whether or not the Group has control over the VIE companies, has rights to variable returns from its involvement with the VIE companies and has the ability to affect those returns through its power over the VIE companies. The directors of the Company, based on the advice of its legal counsel, consider that the contractual agreements among the VIE companies and their nominal shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable. After assessment, the directors of the Company concluded that the Group has control over the VIE companies as a result of the contractual agreements and accordingly the financial position and operating results of these VIE companies are included in the Historical Financial Information throughout the Track Record Period.

Nevertheless, the contractual agreements may not be as effective as direct legal ownership in providing the Group with direct control over the VIE companies and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the VIE companies. Significant judgement is involved in determining whether the Group is able to control these entities through these contractual arrangements.

(ii) Impairment of trade receivables and other financial assets

The Group follows the guidance of IFRS 9 when assessing the expected credit losses of trade receivables and other financial assets that measured at amortised cost. The determination of expected credit losses rate requires significant judgment and estimation. In making this judgment and estimation, the Group evaluates, among other factors, the aging of these receivables and the financial position and collection history of debtors and expected future changes in credit risks, including the consideration of factors such as general economy measure, changes in macroeconomic indicators etc. Further details are included in Note 3.1.2 to the Historical Financial Information.

(iii) Recognition and estimation of redemption liabilities

As mentioned in Note 32, the Group had issued ordinary shares with redemption rights to the investors in certain rounds of investments, the obligation to redeem the ordinary shares of the Group under certain circumstance which is out of the control of the Group was accounted for as redemption liabilities. The redemption liabilities were initially and subsequently measured at present value of the estimated redemption amount, which is determined by the management in accordance with the terms under investment agreement and involved the use of significant accounting estimates and judgments.

(iv) Recognition of share-based payment expenses

As disclosed in Note 28, the Group granted share options or shares to the Group's employees or other parties, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of share-based payment expenses. The directors of the Company have used the discounted cash flow method and back-solve method to determine the fair value of the equity instruments granted. Significant estimate on assumptions, such as the risk-free interest rate, expected volatility, dividend yield and discount for lack of marketability are made based on management's best estimates.

(v) Income taxes and deferred taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of the Group's business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

No deferred income tax asset has been recognized in respect of such tax losses due to the unpredictability of future taxable income as of December 31, 2022, 2023 and 2024 and March 31, 2025.

5. SEGMENT INFORMATION

The Group is principally engaged in sales of pharmaceutical and healthcare products, as well as provision of digital healthcare and wellness solutions and related services.

The Chief Operating Decision Maker ("CODM") has been identified as the executive directors, who reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the Group's business activities as a whole on a regular basis and consider that the Group has only one reportable segment. Accordingly, no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group operates its business in the PRC and earns all of the revenue from external customers in the PRC. Substantially all of the Group's non-current assets are located in the PRC.

6. REVENUE

6.1 An analysis of the Group's revenue is as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Continuing operations					
Revenue from contracts with customers:					
– Sales of pharmaceutical and healthcare products	384,718	451,044	426,525	62,698	67,201
– Provision of digital healthcare and wellness solutions	140,928	177,562	194,157	31,467	33,274
	525,646	628,606	620,682	94,165	100,475

The timing of revenue recognition of the Group's revenue was as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
At a point in time	458,190	542,717	526,556	75,165	79,299
Over time	67,456	85,889	94,126	19,000	21,176
	525,646	628,606	620,682	94,165	100,475

For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, revenue derived from customers who accounted for more than 10% of total revenue were set out below:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
				(*Unaudited*)	
Customer 1	16.4%	*	*	*	*
Customer 2	*	*	17.7%	56.4%	*
Customer 3	*	*	*	*	21.6%
Customer 4	*	*	*	*	15.2%

* The respective customer contributed less than 10% of Group's total revenue for the corresponding year as indicated.

6.2 Contract liabilities

The Group has recognized the following liabilities related to contracts with customers:

	As at January 1,	As at December 31,			As at March 31,
	2022	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current portion	24,157	36,395	39,728	41,446	54,601
Non-current portion	20,905	19,733	5,974	1,863	1,425
	45,062	56,128	45,702	43,309	56,026

Contract liabilities of the Group mainly arise from digital healthcare and wellness solutions business, in which advance payments were made by customers while the underlying services or goods are yet to be provided.

(i) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized during the reporting periods relates to carried-forward contract liabilities.

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Revenue recognized in relation to contract liabilities that was included in the contract liabilities balance at the beginning of the year/period	24,157	36,395	39,728	7,074	6,096

6.3 Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from long-term contracts:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Aggregate amount of the transaction price allocated to long-term services contracts that are partially or fully unsatisfied as at the end of year/period	12,703	15,179	17,552	16,812	13,635

Management expects that unsatisfied performance obligations of approximately RMB8,591,000, RMB11,379,000, RMB13,520,000, RMB13,176,000 and RMB9,598,000 as at December 31, 2022, 2023 and 2024 and March 31, 2024 and 2025, respectively will be recognized as revenue within 1 year and the remaining amount of approximately RMB4,112,000, RMB3,800,000, RMB4,032,000, RMB3,636,000 and RMB4,037,000 will be recognized as revenue in the following 2 to 5 years.

Some revenue is recognized based on the progress of completion of the performance obligations and the Group has the right to invoice the customer for an amount that directly corresponds to the value of the Group's performance to date. As permitted under IFRS 15, practical expedient is applied and unsatisfied performance obligations relating to these contracts with customers is not disclosed.

(i) Sales of pharmaceutical and healthcare products

The Group sells pharmaceutical and healthcare products to wholesalers and individual customers.

Wholesales

For wholesales, sales revenue is recognized when control of the products has transferred, being when the pharmaceutical and healthcare products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group recognized revenue based on the price specified in the sales orders (excluding value-added taxes ("VAT")), net of discounts and return allowances. No significant element of financing is deemed present as the sales are generally made without prescribed credit terms in the sales contracts, but customers usually take 1 to 3 months to settle the receivables, which is consistent with market practice. A receivable is recognized when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Retail sales

For retail sales, the Group sells pharmaceutical and healthcare products through its self-operated online stores and third-party online platforms.

The third-party online platforms only provide a platform for the Group to display and sell products. In this business model, the end customers are regarded as the customers of the Group. The Group is charged by the third-party online platform for usage fees based on a percentage of sales generated from the online stores.

The Group offers its customers an unconditional right of return for a period of seven days on sales from online platforms following the receipt of products by end customers. The directors of the Company consider return allowances are immaterial based on historical experiences.

The Group recognized revenue based on the price specified in the sales orders (excluding VAT), net of discounts, return allowances and revenue is recognized upon the time when the pharmaceutical and healthcare products are accepted by customers.

(ii) Digital healthcare and wellness solutions

The digital healthcare and wellness solutions encompass various components, including online marketing solutions for medical and healthcare institutions and third-party merchants, digital hospital solutions for medical and healthcare institutions, and online healthcare services for individual users.

Online marketing solutions

The Group provides comprehensive and customer-oriented online marketing solutions to medical and healthcare institutions and third-party merchants, with the aim of enhancing their brand awareness and attracting more patients or individual users.

- *Marketplace solutions*

  – Traffic optimization services

    The Group offers value-added traffic distribution services to medical institutions for providing online appointment services through the Group's platform, as well as promoting their consumer healthcare packages. Upon completion of the healthcare services, the Group charges commission fees based on the transaction amount of the consumer healthcare packages purchased on the platform. Revenue from traffic optimization services is recognized upon completion of each service.

– Platform management solutions

The Group launched 160 cloud hospital for seamless cloud hospital operations. Through this AI-empowered platform, the Group provides medical and healthcare institutions with cloud hospital services.

The Group charges fixed platform subscription fee to medical and healthcare institutions when they connect to the Group's platform and recognizes revenue over the contractual service period of each subscription.

– Pharmacy marketplace services

The Group offers third-party merchants online pharmacy marketplace services, through which third-party merchants sell their products, including pharmaceuticals and medical equipment, on the Group's platform or the Group's online stores in third-party online platforms. The Group charges commission fees based on the sales amount generated through the Group's platform or on the Group's online stores in third-party online platforms. Revenue from pharmacy marketplace services is recognized upon completion of each sale of pharmaceutical and healthcare products.

- *Online advertising solutions*

  The Group provides various online advertising options for medical and healthcare institutions to display their advertisement within the apps of the Group, aiming to drive traffic to their proprietary sites. The online advertising options include splash screen, banners, and headline options. The fees charged from the services are recognized when the related performance obligation is satisfied.

Digital hospital solutions

The Group offers proprietary hospital management systems to medical and healthcare institutions to support their digital transformation in terms of in-hospital disease prevention and management and to build up full-process systems to streamline the medical process.

Generally, contracts for the sales of software related to hospital management systems require the Group to provide after-sales maintenance services for a specific period (normally 1-3 years). Contracts which bundled sales of software and after-sale maintenance services are comprised of two performance obligations because the promises to transfer the software and provide after-sale services are distinct and separately identifiable.

Accordingly, revenue related to software sales is recognized at the point in time when the software is delivered to and accepted by the customers as the related software is available for customer's use since then and the control of software is transferred to the customers at that time. The revenue from provision of maintenance services is recognized over the period that the maintenance service is provided.

Online healthcare services

The Group provides registered doctors with convenient access to conduct online consultation to individual users through self-operated platform. The Group charges the registered doctors commission fees based on a pre-agreed percentage of the service fees paid by individual users for online medical consultations services. For the commission fees charged by times, revenue is recognized upon completion of each service.

Others

The Group also provides other services to medical and healthcare institutions as well as individuals, including technical services, such as marketing toolkits services, and individual membership services which consist of a variety of value-added services. Revenue is recognized upon the completion of the services or ratably over the service period depending on the terms and conditions of the contracts and also the model of controls transferring.

7. Expenses by nature

Expenses included in cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses are analyzed as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations:					
Cost of inventory sold	364,779	440,765	419,442	61,134	66,165
Employee benefit expenses *(Note 11)*	140,201	170,726	204,814	52,533	36,194
Marketing and advertisement expenses	18,966	10,265	9,332	1,245	667
Technical services fee	24,725	30,280	18,464	3,718	2,106
Business development and travel expenses	13,700	18,262	16,095	4,175	3,026
Depreciation of					
– property and equipment *(Note 18)*	2,909	3,342	2,902	904	552
– right-of-use assets *(Note 19)*	7,846	7,747	7,438	2,787	1,841
Provision for impairment of inventories	1,304	–	–	–	–
Platform usage expenses	2,845	981	893	33	130
Office expenses	5,205	4,424	5,483	1,186	716
Professional services fee	3,024	5,189	6,670	1,089	1,026
Storage and logistics fees	3,945	3,278	2,785	367	342
Amortization of intangible assets *(Note 20)*	490	542	486	121	121
– Statutory audit services	35	5	71	16	12
Listing expenses (including reporting accountant service fees)	–	20,037	16,789	3,208	2,156
Others	8,692	8,616	9,599	2,517	617
	598,666	724,459	721,263	135,033	115,671

8. Net provision/(reversal) of impairment losses on financial assets

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Net provision/(reversal) of impairment losses on trade receivables	770	7,325	8,186	(689)	197
Net provision of impairment losses on deposits and other receivables	252	8	98	89	91
	1,022	7,333	8,284	(600)	288

9. Other income

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
VAT refund and VAT deduction	3,958	3,078	2,421	4	1
Government grant *(i)*	3,223	1,349	1,407	1,162	243
	7,181	4,427	3,828	1,166	244

(i) The government grants mainly represent research and development subsidies awarded by the local governments to support the Group's operations. There were no unfulfilled conditions or contingencies attached to these grants.

10. Other (losses)/gains, net

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Net losses on disposal of property and equipment	(2)	(26)	(9)	–	(12)
Net gains/(losses) on early termination of leases	16	–	(2)	–	(520)
Provision for litigation loss *(Note 31(ii))*	(12,400)	(385)	–	–	–
Exchange (losses)/gains, net	–	(330)	418	–	–
Others	63	(20)	4	9	51
	(12,323)	(761)	411	9	(481)

11. Employee benefit expenses

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Wages, salaries and bonuses	126,158	109,867	131,209	30,892	24,914
Pension costs – defined contribution plan *(i)*	3,918	3,232	5,328	1,129	1,235
Other social security costs and housing benefits	4,683	4,303	4,510	1,123	1,200
Share-based payment expenses *(Note 28)*	–	46,424	59,983	18,506	7,809
Termination benefits	2,550	4,680	1,967	233	624
Other employee welfare	2,892	2,220	1,817	650	412
	140,201	170,726	204,814	52,533	36,194

(i) Pension costs — defined contribution plan

Employees of the group companies in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees.

(ii) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for each of the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 include 1, 2, 2, 2 and 3 directors, respectively, whose emoluments are disclosed in the Note 40. The aggregate amounts of emoluments for the remaining 4, 3, 3, 3 and 2 highest paid individuals for each of the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively are as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Wages, salaries and bonuses	3,120	1,852	1,359	434	250
Pension costs – defined contribution plan	34	28	25	8	7
Other social security costs and housing benefits	72	52	31	12	11
Share-based payment expenses	–	19,671	20,775	6,259	2,275
Total	3,226	21,603	22,190	6,713	2,543

The emoluments of those individuals fell within the following bands:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
				(Unaudited)	
Emolument bands (in HKD)					
Nil – 1,000,000	2	–	–	–	–
1,000,001 – 1,500,000	2	–	–	–	1
1,500,001 – 2,000,000	–	–	–	–	1
2,000,001 – 2,500,000	–	–	–	2	–
2,500,001 – 3,000,000	–	–	–	1	–
5,000,001 – 5,500,000	–	2	–	–	–
6,500,001 – 7,000,000	–	–	1	–	–
7,000,001 – 7,500,000	–	–	1	–	–
9,500,000 – 10,000,000	–	–	1	–	–
13,000,001 – 13,500,000	–	1	–	–	–
	4	3	3	3	2

12. FINANCE COSTS, NET

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Continuing operations					
Finance income					
Interest income on bank deposits	371	210	42	20	2
Interest income on loans to related parties	–	–	1,284	–	419
	371	210	1,326	20	421
Finance costs					
Interest expenses on bank and other borrowings	(2,065)	(1,463)	(2,200)	(374)	(1,060)
Interest expenses on lease liabilities *(Note 19)*	(1,067)	(834)	(1,456)	(391)	(333)
Interest expenses on redemption liabilities *(Note 32)*	(37,012)	(9,069)	–	–	–
	(40,144)	(11,366)	(3,656)	(765)	(1,393)
Finance costs, net	(39,773)	(11,156)	(2,330)	(745)	(972)

13. SUBSIDIARIES

Upon completion of Reorganization, the Company had direct or indirect interests in the following subsidiaries. Unless otherwise stated, the proportion of ownership interests held equals to the voting rights held by the Group. The place of incorporation or registration is also their principal place of business.

Name	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued/registered capital	Percentage of attributable equity interest					*Note*
				As at December 31,			As at March 31,	At the report date	
				2022	2023	2024	2025		
Directly held:									
160 Health Management	The BVI/February 8, 2022	Investment Holding; The BVI	USD1	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Blue Dragonfly Management	The BVI/June 21, 2022	Investment Holding; The BVI	USD1	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Indirectly held:									
160 Health (HK)	Hong Kong/February 22, 2022	Investment Holding; Hong Kong	USD1	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(a)*
Blue Dragonfly (HK)	Hong Kong/July 14, 2022	Investment Holding; Hong Kong	USD1	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(a)*
Zhejiang Renren'ai* 浙江仁仁愛信息技術有限公司	The PRC/April 27, 2022	Investment Holding; The PRC	RMB250,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(d)*
Weikang Zhiyuan* 深圳市維康致遠科技有限公司	The PRC/June 30, 2022	Online platform services; The PRC	RMB100,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(b)*
Weikang Lanyuan* 維康藍遠(深圳)信息技術有限公司	The PRC/April 18, 2023	Software and Information Technology Services Industry; The PRC	USD5,000,000	–	100.00%	100.00%	100.00%	100.00%	*(i)*
Shenzhen Ningyuan* 深圳市寧遠科技股份有限公司	The PRC/February 22, 2005	Software and platform services; The PRC	RMB59,434,593	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(b)*
Blue Dragonfly Internet* 湖南省藍蜻蜓網絡科技有限公司	The PRC/January 10, 2014	Software sales; The PRC	RMB3,000,000	70.00%	70.00%	70.00%	70.00%	70.00%	*(ii)(c)*
Shanghai Beiguang Internet Technology Co., Ltd.* 上海貝廣網絡科技有限公司	The PRC/July 24, 2014	No substantial business; The PRC	RMB1,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*

Name	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued/registered capital	Percentage of attributable equity interest					Note
				As at December 31,			As at March 31,	At the report date	
				2022	2023	2024	2025		
Guangzhou Renren Health Information Consulting Co., Ltd.* 廣州仁仁健康信息諮詢有限公司	The PRC/September 28, 2012	No substantial business; The PRC	RMB1,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Indirectly held:									
Renren Jiankang* 深圳市仁仁健康創業投資企業(有限合夥)	The PRC/July 10, 2015	No substantial business; The PRC	RMB5,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
160 Medicine* 廣東一六零醫藥連鎖有限公司	The PRC/March 13, 2013	Pharmaceutical retail; The PRC	RMB14,583,300	73.33%	100.00%	100.00%	100.00%	100.00%	*(i)/(iii)*
Shenzhen 160 Online Hospital Co., Ltd.* 深圳市一六零網上醫院有限公司	The PRC/January 10, 2017	No substantial business; The PRC	RMB5,000,000	100.00%	–	–	–	–	*(i)/(iv)*
Shenzhen Yilu Health Technology Co., Ltd.* 深圳市壹陸健康科技有限公司	The PRC/March 29, 2018	No substantial business; The PRC	RMB5,000,000	100.00%	–	–	–	–	*(i)/(iv)*
160 Internet* 深圳市一六零網絡科技有限公司	The PRC/December 22, 2016	No substantial business; The PRC	RMB3,160,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Shenzhen Renren Doctor Group Co., Ltd.* 深圳人人醫生集團有限公司	The PRC/October 29, 2018	No substantial business; The PRC	RMB20,000,000	95.00%	–	–	–	–	*(i)/(iv)*
Shenzhen Xiaoliu Catering Management Co., Ltd.* 深圳市小六餐飲管理有限公司	The PRC/October 25, 2018	Catering; The PRC	RMB1,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Jiangsu Huiyi* 江蘇慧醫一六零信息科技有限公司	The PRC/June 21, 2017	Medical card services; The PRC	RMB10,000,000	51.00%	–	–	–	–	*(i)/(iv)*
Renren Weikang* 四川仁仁維康健康管理有限公司	The PRC/April 15, 2021	No substantial business; The PRC	RMB10,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Chengdu Shuangliu Renren Weikang Internet Hospital Co., Ltd.* 成都雙流仁仁維康互聯網醫院有限公司	The PRC/April 22, 2021	Online hospital service; The PRC	RMB100,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*

Name	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued/registered capital	Percentage of attributable equity interest					Note
				As at December 31,			As at March 31,	At the report date	
				2022	2023	2024	2025		
Beijing Weikang Ningyuan Internet Technology Co., Ltd.* 北京維康寧遠網絡科技有限公司	The PRC/January 8, 2014	No substantial business; The PRC	RMB500,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Indirectly held:									
Shenzhen Anxin Technology Co., Ltd.* 深圳市安欣科技有限公司	The PRC/September 17, 2015	No substantial business; The PRC	RMB1,111,111	77.90%	77.90%	77.90%	77.90%	77.90%	*(i)*
Leting Medical Technology (Shenzhen) Co., Ltd.* 樂庭醫學科技(深圳)有限公司	The PRC/October 10, 2018	No substantial business; The PRC	RMB5,000,000	60.00%	60.00%	60.00%	60.00%	60.00%	*(i)*
Shenzhen Yimengwang Information Technology Co., Ltd.* 深圳醫盟網信息技術有限公司	The PRC/May 25, 2015	Online platform services; The PRC	RMB1,000,000	60.00%	60.00%	60.00%	60.00%	60.00%	*(i)*
Shenzhen Wuchuang Health Consultation Management Co., Ltd.* 深圳市五創健康諮詢管理有限公司	The PRC/November 20, 2015	Online platform services; The PRC	RMB210,526	62.00%	62.00%	62.00%	62.00%	62.00%	*(i)*
Shenzhen Wuchuang Health Management Corporation* 深圳市五創健康管理有限公司	The PRC/January 28, 2019	Online platform services; The PRC	RMB1,000,000	62.00%	62.00%	62.00%	62.00%	62.00%	*(i)*
Shenzhen Ruiwentai Medicine Co., Ltd. ("Ruiwentai Medicine")* 深圳市瑞文泰藥業有限公司	The PRC/June 9, 2004	Pharmaceutical wholesale; The PRC	RMB10,000,000	73.33%	100.00%	100.00%	100.00%	100.00%	*(i)/(iii)*
Chongqing Pengyu Gongchuang Information Technology Co., Ltd. ("Chongqing Pengyu")* 重慶鵬渝共創信息技術有限公司	The PRC/January 24, 2022	Online platform services; The PRC	RMB50,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*

Name	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued/registered capital	Percentage of attributable equity interest					Note
				As at December 31,			As at March 31,	At the report date	
				2022	2023	2024	2025		
Qingdao Renren'ai Medicine Technology Co, Ltd.* 青島人人愛醫藥科技有限公司	The PRC/January 17, 2023	No substantial business; The PRC	RMB30,000,000	–	100.00%	100.00%	100.00%	100.00%	*(i)*
Hailiantang Pharmacy* 深圳市海聯堂大藥房連鎖有限公司	The PRC/June 8, 2020	Pharmaceutical retail; The PRC	RMB5,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Hunan Ninglan Kangruan Medical Technology Co., Ltd.* 湖南寧藍康軟醫療科技有限公司	The PRC/May 15, 2023	Software sales; The PRC	RMB3,000,000	–	100.00%	100.00%	100.00%	100.00%	*(i)/(iv)*
Zhejiang Ningji Medicine Co., Ltd.* 浙江寧吉藥業有限責任公司	The PRC/August 11, 2023	Pharmaceutical wholesale; The PRC	RMB50,000,000	–	100.00%	100.00%	100.00%	100.00%	*(i)/(iv)*
Zhuhai Hengqin Weikang Zhiyuan Technology Co., Ltd.* 珠海橫琴維康致遠科技有限公司	The PRC/May 23, 2024	No substantial business; The PRC	RMB1,000,000	–	–	100.00%	100.00%	100.00%	*(i)*

(i) These entities were not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

(ii) The statutory auditors of these companies for the Track Record Period were as follows:

(a) The statutory financial statements were audited by Dave Kwok & Co. for the years ended December 31, 2022, 2023 and 2024.

(b) The statutory financial statements were audited by Shenzhen Lingnan Certified Public Accountants for the years ended December 31, 2022 and 2023. The statutory financial statements was audited by Shenzhen Huazhongjie Certified Public Accountants for the year ended December 31, 2024.

(c) The statutory financial statements were audited by Hunan Zhongtong Accounting Firm Co., Ltd. for the years ended December 31, 2022, 2023 and 2024.

(d) No statutory audited financial statement was issued for the years ended December 31, 2022 and 2024. The statutory financial statements were audited by Shenzhen Lingnan Certified Public Accountants for the year ended December 31, 2023.

(iii) In 2021, Shenzhen Ningyuan further acquired 4.76% shareholding of 160 Medicine from 160 Medicine's shareholders with redemption rights. The shareholding of Ruiwentai Medicine held indirectly by Shenzhen Ningyuan increased by 4.76% correspondingly. In 2021, 160 Medicine further acquired 10% shareholding of Ruiwentai Medicine from the non-controlling interests. See Note 35(a) for details. The shareholding of Ruiwentai Medicine held indirectly by Shenzhen Ningyuan increased by 6.86% correspondingly. On August 16, 2023, several equity transfer agreements were entered into by Renren Jiankang and 160 Medicine's non-controlling interests, pursuant to which Renren Jiankang agreed to acquire 26.67% of the equity interest in 160 Medicine from 160 Medicine's non-controlling interests. Upon completion of such equity transfer, 160 Medicine was held by 160 Internet and Renren Jiankang as to 73.33% and 26.67%, respectively and therefore became a wholly owned subsidiary of the Company. The shareholding of Ruiwentai Medicine held indirectly by the Company increased to 100.00% correspondingly.

(iv) In 2023, to optimize the management and other resources and to focus on the core business of the Group, the Group disposed Jiangsu Huiyi and deregistered three PRC subsidiaries with no business operations, which were Shenzhen 160 Online Hospital Co., Ltd, Shenzhen Yilu Health Technology Co., Ltd, and Shenzhen Renren Doctor Group Co., Ltd.

* The English names of companies established in the PRC are translations of their Chinese names at the best effort of the directors of the Company as they do not have official English names.

14. Income tax expenses

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Current income tax	–	1,373	1,670	900	635
Deferred income tax	–	(826)	(380)	(175)	(200)
Income tax expense	–	547	1,290	725	435

(a) Cayman Island and BVI income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to the Cayman Islands income tax pursuant to the current laws of the Cayman Islands. The group entity incorporated or registered under the Business Companies Act of BVI are exempted from BVI income tax pursuant to the current laws of the BVI.

(b) Hong Kong profits tax

Under the two-tiered profits tax rates regime, the first HKD 2 million of profits of the qualifying group entities will be taxed at 8.25%, and profits above HKD 2 million will be taxed at 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No Hong Kong profits tax has been provided as there was no estimated assessable profit in Hong Kong during the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025.

(c) PRC corporate income tax ("CIT")

CIT in the PRC is calculated based on the statutory profit or loss of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjusting certain income and expense items, which are not assessable or deductible for income tax purposes.

According to the PRC Corporate Income Tax Law promulgated by the PRC government, the tax rate of 160 Medicine is 25% during the Track Record Period.

In 2023, Ruiwentai Medicine and Chongqing Pengyu were no longer small scale entities, and the CIT rate applicable to these two companies are 25% from January 1, 2023 onwards (2.5% prior to January 1, 2023).

In 2024, Zhejiang Renren'ai and 160 Internet were no longer small scale entities, and the CIT rate applicable to these three companies are 25% from January 1, 2024 onwards (2.5% prior to January 1, 2023 and 5% prior to January 1, 2024).

On November 9, 2018, Shenzhen Ningyuan was qualified as High and New Technology Enterprises ("HNTEs") under the relevant PRC laws and regulations. Accordingly, Shenzhen Ningyuan were entitled to a preferential income tax rate of 15% for a three-year period commencing 2018. This HNTEs status of Shenzhen Ningyuan has subsequently been approved to be renewed for another three-year terms in November 2021 and December 2024, respectively. Accordingly, Shenzhen Ningyuan was entitled to a preferential income tax rate of 15% during the Track Record Period.

Blue Dragonfly Internet had obtained the relevant approval from relevant tax bureau as "Software Enterprise" in 2019. Therefore, Blue Dragonfly Internet was exempt from CIT for two years, followed by a 50% reduction in the applicable tax rates (i.e. 12.5%) for the following three years, commencing from the first year of profitable operation after offsetting tax losses generating from prior years. Blue Dragonfly Internet met the requirements and was entitled to a tax exemption in 2020 and 2021 and a preferential income tax rate of 12.5% in 2022, 2023 and 2024 and the three months ended March 31, 2024 . On 8 December 2023, Blue Dragonfly Internet was awarded the certificate of High and New Technology Enterprise, which is valid for three years. Accordingly, Blue Dragonfly Internet were entitled to a preferential income tax rate of 15% for the three months ended March 31, 2025.

On December 26, 2024, Weikang Zhiyuan was qualified as a High and New Technology Enterprises. Accordingly, Weikang Zhiyuan were entitled to a preferential income tax rate of 15% in 2024. In 2023, Weikang Zhiyuan met the criteria of small-scale entities and thus enjoyed the preferential income tax policy, with an applicable income tax rate of 5%.

Except for the entities as mentioned above, certain subsidiaries of the Group established in the PRC have been granted with tax concessions for small scale entities by tax authorities in the PRC and enjoy reduced tax rates ranging from 2.5% to 10% during the Track Record Period.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprise engaging in research and development activities are entitled to claim 175% from 2018 onwards of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The additional tax deducting amount of the qualified research and development expenses has been increased from 175% to 200% for Blue Dragonfly Internet, effective from 2022 and for the rest enterprises of the Group, effective from 2023, according to a new tax incentives policy promulgated by the State Tax Bureau of the PRC in March 2022 and April 2023, respectively. The Group has considered the Super Deduction to be claimed for the group entities in ascertaining their assessable profits during the Track Record Period.

(d) PRC withholding tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after January 1, 2008 are generally subject to a 10% withholding tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be 5%.

As at December 31, 2022, 2023 and 2024 and March 31, 2025, the aggregated undistributed earnings of the Group's subsidiaries established in the PRC amounted to RMB18,927,000, RMB30,714,000, RMB31,167,000 and RMB35,863,000 respectively. However, as the Group didn't have any distributable earnings available to the offshore companies or the Company, no deferred income tax liability recognized in the Historical Financial Information.

(e) Numerical reconciliation of income tax expenses

The taxation on the Group's losses before income tax differs from the theoretical amount that would arise using the statutory tax rate of PRC, as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Losses from continuing operations before income tax	(118,957)	(110,676)	(106,956)	(39,838)	(16,693)
Tax calculated at the PRC statutory tax rate of 25%	(29,739)	(27,669)	(26,739)	(9,960)	(4,173)
Effects of preferential tax rates applicable to eligible subsidiaries	10,004	17,671	12,742	4,120	1,529
Super Deduction for research and development expenses	(5,729)	(4,399)	(6,236)	(1,646)	(1,207)
Expenses not deductible for tax purpose	893	6,587	9,537	3,045	1,337
Tax losses and temporary differences not recognized for deferred tax assets	24,571	8,776	11,425	4,469	2,621
Utilization of previously unrecognized tax losses	–	(419)	(166)	(30)	(107)

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Adjustments in respect of current income tax of previous years	–	–	727	727	435
Income tax expense	–	547	1,290	725	435

(f) Tax losses

	As at December 31,			As at March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Unused tax losses for which no deferred income tax asset has been recognized	774,280	833,264	887,356	835,773	722,880

The unused tax losses were incurred by subsidiaries that is not likely to generate taxable income in the foreseeable future. The tax losses shall expire in five or ten years from year of occurrence under current tax legislation.

As at December 31, 2022, 2023 and 2024 and March 31, 2024 and 2025, tax losses of approximately RMB508,698,000, RMB626,047,000, RMB709,022,000, RMB627,341,000, RMB538,406,000 which will expire within 5 years and approximately RMB265,582,000, RMB207,217,000, RMB178,334,000, RMB208,432,000, RMB184,474,000 which will expire within 10 years, for which no deferred income tax assets were recognised.

15. Discontinued operation

(i) Financial performance and cash flow information

As disclosed in Note 1.2(v), Jiangsu Huiyi is reported as a discontinued operation during the Track Record Period. The disposal Jiangsu Huiyi was completed in January 2023.

An analysis of the results and cash flows of the discontinued operation for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 is as below:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Statement of profit or loss of the discontinued operation:					
Revenue	2,409	–	–	–	–
Cost of sales and services	(15)	–	–	–	–
Selling and marketing expenses	(1,236)	–	–	–	–
Research and development expenses	(643)	–	–	–	–
Administrative expenses	(1,596)	–	–	–	–
Net impairment losses on financial assets	(91)	–	–	–	–
Other income	68	–	–	–	–
Finance income	5	–	–	–	–
Finance costs	(9)	–	–	–	–
Loss before income tax	(1,108)	–	–	–	–
Income tax expenses	–	–	–	–	–
Loss after income tax	(1,108)	–	–	–	–
Gain on disposal of Jiangsu Huiyi	–	5,024	–	–	–
(Loss)/profit from the discontinued operation	(1,108)	5,024	–	–	–
(Loss)/profit from the discontinued operation attributable to:					
– Owners of the Company	(565)	5,024	–	–	–
– Non-controlling interests	(543)	–	–	–	–
Statement of cash flows of the discontinued operation					
Net cash generated from operating activities	252	–	–	–	–
Net cash used in investing activities	(17)	–	–	–	–
Net cash used in financing activities	(145)	–	–	–	–
Net cash inflows	90	–	–	–	–

(ii) Details of the sale of the subsidiary

	Year ended December 31, 2023
	RMB'000
Cash consideration	–
Less	
– Total net liabilities of the subsidiary disposed of	9,851
– Non-controlling interest disposed of	(4,827)
Gains on disposal of the subsidiary	5,024

(iii) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at December 31, 2022:

	December 31, 2022
	RMB'000
Assets classified as held for sale	
Property and equipment	38
Right-of-use assets	161
Prepayments, deposits and other receivables	13,877
Cash and cash equivalents	1,340
Total assets of disposal group held for sale	15,416
Liabilities directly associated with assets classified as held for sale	
Trade and bill payables	3,004
Accruals and other payables	19,981
Lease liabilities	141
Total liabilities of disposal group held for sale	23,126

16. (Losses)/ earnings per share

During the Reorganization of the Group, shareholders of Shenzhen Ningyuan swapped its shares in Shenzhen Ningyuan to the shares of the Company on a 1:1 conversion rate, except the two shareholders mentioned in Note 1.2(i) who have not yet agreed a share swap or settlement plan with the Group as of completion of Reorganization.

The 1,567,298 new options were granted to some shareholders as a consideration of giving up 1,567,298 ordinary shares of the Company and these shares were put in the treasury shares pool. However, since the exercise price of the new options is minimal and there is no substantive attached condition, these share options are considered to be outstanding ordinary shares and are included in the calculation of basic and diluted earnings per share ("EPS") from the date of issuance.

Thus, 57,176,412 shares were deemed to have been allotted and issued by the Company on January 1, 2022 when computing the basic and diluted losses per share for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, and the capital injection to the Group during the Track Record Period were considered on a time-weighted basis.

Treasury shares was excluded from the calculation of losses per share.

(i) Basic (losses)/earnings per share

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
(Losses)/profit attributable to owners of the Company for the year/period (RMB'000)					
– Continuing operations	(110,740)	(113,840)	(107,687)	(38,487)	(15,496)
– Discontinued operation	(565)	5,024	–	–	–
Weighted average number of ordinary shares in issue ('000)	57,127	58,106	58,790	58,790	58,790

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Basic (losses)/earnings per share (RMB Yuan)					
– Continuing operations	(1.938)	(1.959)	(1.832)	(0.655)	(0.264)
– Discontinued operation	(0.010)	0.086	NA	NA	NA

(ii) Diluted (losses)/earnings per share

The Group has potential dilutive shares in the Track Record Period, which were ordinary shares with redemption rights and the share options granted under the Pre-IPO share option scheme of the Company in the third quarter of 2023.

The Group made a profit from its discontinued operation for the year ended December 31, 2023, the dilutive EPS attributed to the discontinued operation for that year were RMB 0.084, which were slightly different from the basic EPS.

Except at disclosed above, the Group were making loss from its continuing operation and discontinued operation during the Track Record Period, the inclusion of the potential dilutive ordinary shares would therefore be anti-dilutive, thus the dilutive EPS were the same as the basic EPS for these respective years/periods.

The basic and diluted (losses)/earnings per share as presented above has not taken into account the proposed share subdivision pursuant to the shareholders' resolution dated September 3, 2025 because the proposed share subdivision has not become effective at the date of this report.

17. DIVIDEND

No dividend has been paid or declared by the Company or any companies now comprising the Group during the Track Record Period.

18. PROPERTY AND EQUIPMENT

	Electronic equipment	Office equipment	Vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022					
Cost	12,205	1,035	2,840	2,403	18,483
Accumulated depreciation	(8,340)	(397)	(1,668)	(1,644)	(12,049)
Net book amount	3,865	638	1,172	759	6,434
Year ended December 31, 2022					
Opening net book amount	3,865	638	1,172	759	6,434
Additions	879	111	–	1,501	2,491
Assets classified as held for sale and other disposals	(53)	(16)	–	–	(69)
Depreciation					
– Continuing operations	(1,737)	(259)	(295)	(618)	(2,909)
– Discontinued operation	(39)	(8)	–	(1)	(48)
Closing net book amount	2,915	466	877	1,641	5,899
At December 31, 2022					
Cost	12,790	1,125	2,840	3,777	20,532
Accumulated depreciation	(9,875)	(659)	(1,963)	(2,136)	(14,633)
Net book amount	2,915	466	877	1,641	5,899

	Electronic equipment	Office equipment	Vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023					
Opening net book amount	2,915	466	877	1,641	5,899
Additions	1,977	123	–	606	2,706
Disposal	(25)	(1)	–	–	(26)
Depreciation					
– Continuing operations	(2,131)	(245)	(219)	(747)	(3,342)
Closing net book amount	2,736	343	658	1,500	5,237
At December 31, 2023					
Cost	13,382	1,234	2,840	4,383	21,839
Accumulated depreciation	(10,646)	(891)	(2,182)	(2,883)	(16,602)
Net book amount	2,736	343	658	1,500	5,237
Year ended December 31, 2024					
Opening net book amount	2,736	343	658	1,500	5,237
Additions	253	–	–	689	942
Disposal	(12)	–	–	–	(12)
Depreciation					
– Continuing operations	(1,745)	(232)	(63)	(862)	(2,902)
Closing net book amount	1,232	111	595	1,327	3,265
At December 31, 2024					
Cost	13,264	1,234	2,840	5,072	22,410
Accumulated depreciation	(12,032)	(1,123)	(2,245)	(3,745)	(19,145)
Net book amount	1,232	111	595	1,327	3,265
(Unaudited)					
At January 1, 2024					
Cost	13,382	1,234	2,840	4,383	21,839
Accumulated depreciation	(10,646)	(891)	(2,182)	(2,883)	(16,602)
Net book amount	2,736	343	658	1,500	5,237
Three months ended March 31, 2024					
Opening net book amount	2,736	343	658	1,500	5,237
Additions	118	–	–	301	419
Depreciation					
– Continuing operations	(560)	(65)	(16)	(263)	(904)
Closing net book amount	2,294	278	642	1,538	4,752
At March 31, 2024					
Cost	13,500	1,234	2,840	4,684	22,258
Accumulated depreciation	(11,206)	(956)	(2,198)	(3,146)	(17,506)
Net book amount	2,294	278	642	1,538	4,752
At January 1, 2025					
Cost	13,264	1,234	2,840	5,072	22,410
Accumulated depreciation	(12,032)	(1,123)	(2,245)	(3,745)	(19,145)
Net book amount	1,232	111	595	1,327	3,265

	Electronic equipment	Office equipment	Vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended March 31, 2025					
Opening net book amount	1,232	111	595	1,327	3,265
Additions	23	–	–	773	796
Disposal	(10)	(2)	–	–	(12)
Depreciation					
– Continuing operations	(239)	(14)	(16)	(283)	(552)
Closing net book amount	1,006	95	579	1,817	3,497
At March 31, 2025					
Cost	12,966	1,187	2,840	5,845	22,838
Accumulated depreciation	(11,960)	(1,092)	(2,261)	(4,028)	(19,341)
Net book amount	1,006	95	579	1,817	3,497

The Group performed impairment assessment for its non-financial assets, including the property and equipment, right-of-use assets and intangible assets as at December 31, 2022, 2023 and 2024 and March 31, 2025. The recoverable amounts were calculated for the CGU or CGUs to which these assets belong using the VIU model. As the recoverable amounts were higher than the carrying amounts of the respective CGU or CGUs, the directors of the Company concluded that no provision for impairment is required to be recognized as of the end of the financial years/periods.

(i) Depreciation expenses were charged to profit or loss as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Cost of sales and services	772	828	603	181	128
Selling and marketing expenses	343	371	692	113	178
Research and development expenses	529	594	294	144	29
Administrative expenses	1,265	1,549	1,313	466	217
	2,909	3,342	2,902	904	552

(ii) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

• Electronic equipment	2-5 years
• Office equipment	2-5 years
• Vehicles	5-10 years
• Leasehold improvements	the shorter of the estimated useful life or remaining lease term

See Note 43.4 for the other accounting policies relevant to property and equipment.

19. LEASES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets *(i)*				
Leased properties	13,505	21,875	17,660	10,551
Lease liabilities				
Current	8,249	5,649	7,123	7,106
Non-current	6,021	17,013	11,879	6,979
	14,270	22,662	19,002	14,085

(i) The movement in right-of-use assets are as follows:

	Leased office properties	Total
	RMB'000	*RMB'000*
At January 1, 2022		
Cost	22,038	22,038
Accumulated depreciation	(4,304)	(4,304)
Net book amount	17,734	17,734
Year ended December 31, 2022		
Opening net book amount	17,734	17,734
Additions	4,023	4,023
Termination	(77)	(77)
Assets classified as held for sale *(note 15)*	(161)	(161)
Depreciation		
– Continuing operations	(7,846)	(7,846)
– Discontinued operation	(168)	(168)
Closing net book amount	13,505	13,505
At December 31, 2022		
Cost	23,744	23,744
Accumulated depreciation	(10,239)	(10,239)
Net book amount	13,505	13,505
Year ended December 31, 2023		
Opening net book amount	13,505	13,505
Additions	16,117	16,117
Depreciation		
– Continuing operations	(7,747)	(7,747)
Closing net book amount	21,875	21,875
At December 31, 2023		
Cost	39,861	39,861
Accumulated depreciation	(17,986)	(17,986)
Net book amount	21,875	21,875

	Leased office properties	Total
	RMB'000	*RMB'000*
Year ended December 31, 2024		
Opening net book amount	21,875	21,875
Additions	3,435	3,435
Termination	(212)	(212)
Depreciation		
– Continuing operations	(7,438)	(7,438)
Closing net book amount	17,660	17,660
At December 31, 2024		
Cost	27,037	27,037
Accumulated depreciation	(9,377)	(9,377)
Net book amount	17,660	17,660
(Unaudited)		
At January 1, 2024		
Cost	39,861	39,861
Accumulated depreciation	(17,986)	(17,986)
Net book amount	21,875	21,875
Three months ended March 31, 2024		
Opening net book amount	21,875	21,875
Additions	2,818	2,818
Depreciation		
– Continuing operations	(2,787)	(2,787)
Closing net book amount	21,906	21,906
At March 31, 2024		
Cost	25,608	25,608
Accumulated depreciation	(3,702)	(3,702)
Net book amount	21,906	21,906
At January 1, 2025		
Cost	27,037	27,037
Accumulated depreciation	(9,377)	(9,377)
Net book amount	17,660	17,660
Three months ended March 31, 2025		
Opening net book amount	17,660	17,660
Termination	(5,268)	(5,268)
Depreciation		
– Continuing operations	(1,841)	(1,841)
Closing net book amount	10,551	10,551
At March 31, 2025		
Cost	25,322	25,322
Accumulated depreciation	(14,771)	(14,771)
Net book amount	10,551	10,551

As mentioned in Note 18, The Group has performed impairment assessment for its non-financial assets, including the property and equipment, right-of-use assets and intangible assets as at December 31, 2022, 2023 and 2024 and March 31, 2025. The recoverable amounts were calculated for the CGU or CGUs to which these assets belong using the VIU model. As the recoverable amounts were higher than the respective carrying amounts of the respective CGU or CGUs, and the directors of the Company has concluded that no provision for impairment is required to be recognized as of the end of the financial years/periods.

(ii) Amounts recognized in profit or loss for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Depreciation charge of right-of-use assets	7,846	7,747	7,438	2,787	1,841
Interest expenses *(Note 12)*	1,067	834	1,456	391	333
Expense relating to short-term leases	1,063	1,629	1,429	381	1,429

The total cash outflow for leases for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 were approximately RMB9,857,000, RMB10,188,000, RMB9,770,000, RMB3,505,000 and RMB1,931,000, respectively.

(iii) The Group's leasing activities and lease accounting

The Group leases offices and dormitories as lessee. Rental contracts are typically made for fixed periods of 1 to 5 years.

Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and

- makes adjustments specific to the lease, e.g., term, territory, currency and security.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

See Note 43.16 for the other accounting policies relevant to leases.

20. INTANGIBLE ASSETS

	Goodwill	Office software	License	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022				
Cost	–	4,021	5,768	9,789
Accumulated amortization	–	(3,815)	(3,414)	(7,229)
Net book amount	–	206	2,354	2,560
Year ended December 31, 2022				
Opening net book amount	–	206	2,354	2,560
Business combination *(Note 38)*	99	–	685	784
Amortization				
– Continuing operations	–	(85)	(405)	(490)
– Discontinued operation	–	(59)	–	(59)
Closing net book amount	99	62	2,634	2,795
At December 31, 2022				
Cost	99	4,021	6,454	10,574
Accumulated amortization	–	(3,959)	(3,820)	(7,779)
Net book amount	99	62	2,634	2,795
Year ended December 31, 2023				
Opening net book amount	99	62	2,634	2,795
Additions	–	73	–	73
Disposal of a subsidiary	–	(2)	–	(2)
Amortization				
– Continuing operations	–	(73)	(469)	(542)
Closing net book amount	99	60	2,165	2,324
At December 31, 2023				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,665)	(4,289)	(7,954)
Net book amount	99	60	2,165	2,324
Year ended December 31, 2024				
Opening net book amount	99	60	2,165	2,324
Amortization				
– Continuing operations	–	(17)	(469)	(486)
Closing net book amount	99	43	1,696	1,838
At December 31, 2024				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,682)	(4,758)	(8,440)
Net book amount	99	43	1,696	1,838
(Unaudited)				
At January 1, 2024				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,665)	(4,289)	(7,954)
Net book amount	99	60	2,165	2,324

	Goodwill	Office software	License	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended March 31, 2024				
Opening net book amount	99	60	2,165	2,324
Amortization				
– Continuing operations	–	(4)	(117)	(121)
Closing net book amount	99	56	2,048	2,203
At March 31, 2024				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,669)	(4,406)	(8,075)
Net book amount	99	56	2,048	2,203
At January 1, 2025				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,682)	(4,758)	(8,440)
Net book amount	99	43	1,696	1,838
Three months ended March 31, 2025				
Opening net book amount	99	43	1,696	1,838
Amortization				
– Continuing operations	–	(4)	(117)	(121)
Closing net book amount	99	39	1,579	1,717
At March 31, 2025				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,686)	(4,875)	(8,561)
Net book amount	99	39	1,579	1,717

As mentioned in Note 18, the Group has performed impairment assessment for its non-financial assets, including the property and equipment, right-of-use assets and intangible assets as at December 31, 2022, 2023 and 2024 and March 31, 2025. The recoverable amounts were calculated for the CGU or CGUs to which these assets belong using the VIU model. As the recoverable amounts were higher than the respective carrying amounts of the respective CGU or CGUs, and the directors of the Company has concluded that no provision for impairment is required to be recognized as of the end of the financial years/periods.

(i) Amortization expenses were charged to profit or loss as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Research and development expenses	–	12	14	4	4
Administrative expenses	490	530	472	117	117
	490	542	486	121	121

(ii) Amortisation methods and periods

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

• Office software	1-5 years
• License	1-5 years

See Note 43.5 for the other accounting policies relevant to intangible assets.

21. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	As at December 31,			As at March 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets					
Financial assets at amortized cost					
– Cash and cash equivalents	*25*	37,748	57,555	58,266	68,447
– Restricted cash	*25*	4,607	616	8,003	7,330
– Trade receivables	*23*	63,592	117,824	170,669	167,837
– Deposits and other receivables	*24*	8,717	8,763	14,681	16,690
		114,664	184,758	251,619	260,304
Financial liabilities					
– Trade and bill payables	*30*	56,159	96,375	102,627	90,809
– Borrowings	*29*	21,058	10,000	90,670	116,058
– Lease liabilities	*19*	14,270	22,662	19,002	14,085
Accruals and other payables (excluding VAT and other taxes payables, payroll and welfare payables)	*31*	65,675	78,632	81,387	80,758
Redemption liabilities	*32*	294,183	–	–	–
		451,345	207,669	293,686	301,710

22. INVENTORIES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Purchased goods – at cost	11,638	4,451	2,030	1,216
Less: impairment provision	(1,326)	–	–	–
	10,312	4,451	2,030	1,216

Inventories are stated at the lower of cost and net realizable value. Cost is determined using specific identification method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventories recognized as an expense during the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 amounted to RMB364,779,000, RMB440,765,000, RMB419,442,000, RMB60,072,000 and RMB66,165,000 respectively. These were included in cost of sales.

There is no provision or reversal for impairment of inventories for the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025. The provision for impairment of inventories amounted to approximately RMB1,304,000 for the year ended December 31, 2022. All the provision of impairment of inventories have been included in "cost of sales and services" in the consolidated statements of profit or loss and other comprehensive income.

23. TRADE RECEIVABLES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	73,053	134,610	195,641	193,006
Less: allowance for impairment	(9,461)	(16,786)	(24,972)	(25,169)
Trade receivables, net	63,592	117,824	170,669	167,837

The carrying amounts of trade receivables approximate their fair value. The Group's trade receivables are mainly denominated in RMB.

Sales are generally made with prescribed credit terms in the sales contracts, usually 1 to 3 months to settle the receivables.

(i) The aging analysis of the trade receivables based on invoice date are as follows:

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 90 days	40,417	87,734	108,810	75,863
90 days to one year	16,037	28,253	52,208	84,213
One to two years	8,501	8,118	20,685	17,364
Two to three years	4,460	4,415	5,780	6,576
Over three years	3,638	6,090	8,158	8,990
	73,053	134,610	195,641	193,006

(ii) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year or a normal operating cycle and therefore all are classified as current.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1.2 for a description of the Group's impairment policies.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits and other receivables				
– Amounts due from related parties *(Note 39(c))*	2,182	–	5,077	5,496
– Rental and other deposits	4,108	5,411	6,227	6,038
– Advance to staff	1,364	1,445	1,964	2,263
– Others	1,634	2,486	2,090	3,661
	9,288	9,342	15,358	17,458
Prepayment				
– Prepayment for purchased goods	5,743	2,837	3,009	4,062
– Prepaid expenses	10,589	10,685	13,426	19,400
– Deferred listing expenses	–	3,175	3,720	3,959
	16,332	16,697	20,155	27,421
Less: provision for impairment	(571)	(579)	(677)	(768)
	25,049	25,460	34,836	44,111

(i) The carrying amounts of the Group's deposits and other receivables approximated to their fair values as at December 31, 2022, 2023 and 2024 and March 31, 2025.

25. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank and in hand *(i)*	42,355	58,171	66,269	75,777
Less: restricted cash *(ii)*	(4,607)	(616)	(8,003)	(7,330)
Cash and cash equivalents *(iii)*	37,748	57,555	58,266	68,447

(i) The majority of Group's cash at bank and in hand as at December 31, 2022, 2023 and 2024 and March 31, 2025 is denominated in RMB, and the remaining portion of the Group's cash at bank and in hand denominated in USD and HKD is immaterial.

(ii) As at December 31, 2022, bank deposits of RMB385,000 was restricted by Shenzhen Municipal Intermediate People's Court due to the legal case as mentioned in Note 31(ii) and was therefore classified as restricted cash accordingly. This restricted bank deposit of RMB385,000 was forcibly executed during the year ended December 31, 2023.

As at December 31, 2022, bank deposits of RMB4,000,000 respectively, was restricted as guarantee deposits for issuance of bank acceptance notes.

As at December 31, 2022, 2023 and 2024 and March 31, 2025, bank deposits of RMB222,000, RMB222,000, RMB222,000 and RMB154,000 was pledged to banks mainly as the performance guarantee for bidding of projects. Such restricted cash will be released upon the closure of the related tenders.

As at December 31, 2023 and 2024 and March 31, 2025, bank deposits of RMB394,000, RMB3,934,000 and RMB2,692,000 represent cash received from customers and placed in a bank supervised account for payment to medical and healthcare institution and professionals. Besides, as at December 31, 2024 and March 31, 2025, bank deposits of RMB3,847,000 and RMB4,484,000 represent cash pledged to banks mainly due to legal disputes.

(iii) The carrying amount of the Group's cash and cash equivalents approximated to its fair value as at December 31, 2022, 2023 and 2024 and March 31, 2025. The cash and cash equivalents earn interest at floating rates based on daily bank deposit rates.

(iv) For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

26. SHARE CAPITAL AND COMBINED CAPITAL

(a) Share capital

The Company was incorporated in the Cayman Islands on the January 31, 2022 with an authorized share of US$50,000 divided into 5,000,000,000 shares of a par value of US$0.00001 each.

A summary of movements in the Company's issued and fully paid share capital is as follow:

	Number of shares	Nominal value of shares	Equivalent nominal value of shares
		USD'000	*RMB'000*
Issued:			
As at January 31, 2022 (date of incorporation)	32,047,693	–	2
Repurchase of shares	(765,729)	–	–
As at December 31, 2022	31,281,964	–	2
As at January 1, 2023	31,281,964	–	2
Issuance of shares	29,279,498	–	2
As at December 31, 2023	60,561,462	–	4
As at January 1, 2024	60,561,462	–	4
Issuance of shares	–	–	–
As at December 31, 2024	60,561,462	–	4
(Unaudited)			
As at January 1, 2024	60,561,462	–	4
Issuance of shares	–	–	–
As at March 31, 2024	60,561,462	–	4
As at January 1, 2025	60,561,462	–	4
Issuance of shares	–	–	-
As at March 31, 2025	60,561,462	–	4

In January 2022, the Company was incorporated as an exempted company with limited liability in the Cayman Islands with an authorized share capital of USD50,000 divided into 5,000,000,000 shares with a par value of USD0.00001 each.

In January 2022, the Company issued an aggregate of 32,047,693 ordinary shares to some investors.

In April 2022, as some onshore investors of Shenzhen Ningyuan were not successful in their Overseas Direct Investment applications, the Company repurchased and cancelled 760,544 shares and 5,185 shares from its nominal shareholders, namely Mr. Luo and Mr. Luo Ningli respectively at a par value of USD0.00001 each.

In October and November 2023, upon the completion of the Reorganization, the Company further issued an aggregate of 29,279,498 ordinary shares to investors, which included the 1,442,868 ordinary shares issued for the swap of 160 Medicine's 26.67% equity interest held by non-controlling interest in October 2023 and the 1,039,069 shares with preferred rights of as described in Note 32 at a price of RMB48.12 per share with total consideration of RMB50,000,000 as part of the series E Pre-IPO financing.

As at December 31, 2023 and 2024 and March 31, 2024 and 2025, the total issued number and nominal value of issued ordinary share of the Company amounted to 60,561,462 shares and USD605.61 (equivalent to approximately RMB4,000), respectively, in which, 3,339,319 shares of the Company were held by the Group's controlled entities, 160 Health Future Limited and 160 Future Limited (the "trustee") and accounted for as treasure shares.

Pursuant to a written resolution of shareholders on September 3, 2025, each ordinary share in issue of the Company be sub-divided into 5 ordinary shares immediately before the completion of the Listing (the "Share Subdivision"). Immediately following the Share Subdivision, the Company's number of Shares in issue would be changed from 60,561,462 to 302,807,310.

(b) Combined capital

The Reorganization has not been completed as of December 31, 2022. Combined capital as at December 31, 2022 represented the combined capital of the companies now comprising the Group after the elimination of inter-company investments.

The combined capital was reclassified to share premium upon the completion of the Reorganization (Note 1.2).

27. RESERVES

	Share premium	Treasury shares	Share-based payment reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2022	343,561	(262,050)	168,661	(1,003)	249,169
Capital injection from shareholders *(i)*	32,242	–	–	–	32,242
Repurchase of shares from shareholders	–	(313)	–	–	(313)
Share issuance cost	(990)	–	–	–	(990)
Derecognition of redemption liabilities *(Note 32(e))*	–	16,961	–	8,634	25,595
As at December 31, 2022	374,813	(245,402)	168,661	7,631	305,703
As at January 1, 2023	374,813	(245,402)	168,661	7,631	305,703
Transactions with non-controlling interests	–	–	–	1,842	1,842
Capital injection from shareholders *(ii)*	108,753	–	–	–	108,753
Share-based payment expenses *(Note 28)*	–	–	46,424	–	46,424
Repurchase of shares from shareholders	–	(64)	–	–	(64)
Share issuance cost	(6,366)	–	–	–	(6,366)
Recognition of redemption liabilities *(Note 32(c))*	–	(106,362)	–	–	(106,362)

	Share premium	Treasury shares	Share-based payment reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derecognition of redemption liabilities *(Note 32(f))*	58,831	350,783	–	–	409,614
Reclassification of combined capital to share premium upon the completion of the reorganization	59,435	–	–	–	59,435
Reclassification of other reserves to treasury shares	–	(727)	727	–	–
As at December 31, 2023	595,466	(1,772)	215,812	9,473	818,979
As at January 1, 2024	595,466	(1,772)	215,812	9,473	818,979
Share-based payment expenses *(Note 28)*	–	–	59,983	–	59,983
Currency translation differences	–	–	–	317	317
As at December 31, 2024	595,466	(1,772)	275,795	9,790	879,279
(Unaudited)					
As at January 1, 2024	595,466	(1,772)	215,812	9,473	818,979
Share-based payment expenses *(Note 28)*	–	–	18,506	–	18,506
Currency translation differences	–	–	–	317	317
As at March 31, 2024	595,466	(1,772)	234,318	9,790	837,802
As at January 1, 2025	595,466	(1,772)	275,795	9,790	879,279
Share-based payment expenses *(Note 28)*	–	–	7,809	–	7,809
As at March 31, 2025	595,466	(1,772)	283,604	9,790	887,088

Notes:

(i) In December 2021, Shenzhen Ningyuan entered into a share purchase agreement with Chongqing Southern Fund Entrepreneurship Investment Corporation (Limited Partnership) and pursuant to which, the Group issued 758,063 shares of Shenzhen Ningyuan at a price of RMB43.53 per share with total consideration of RMB33,000,000 as part of the series D2 Pre-IPO financing. This capital injection was completed in 2022 and the total share issuance cost as settled in 2021 and 2022 amounted to RMB1,229,000 and RMB990,000, respectively.

(ii) In 2023, the Group has three capital injection from shareholders, as following:

In January 2023, Shenzhen Ningyuan entered into a share purchase agreement with Qingdao Chengyu United Investment Consulting Co., Ltd. and pursuant to which, the Group issued 1,039,069 shares with preferred rights of Shenzhen Ningyuan at a price of RMB48.12 per share with total consideration of RMB50,000,000 as part of the series E Pre-IPO financing. The total share issuance cost amounted to RMB5,000,000.

In May 2023, Shenzhen Ningyuan entered into a share purchase agreement with Zhejiang Zhonghui Industrial Investment Co., Ltd. and pursuant to which, the Group issued 207,814 shares with preferred rights of Shenzhen Ningyuan at a price of RMB48.12 per share with total consideration of RMB10,000,000 as part of the series E Pre-IPO financing.

In November 2023, Shenzhen Ningyuan and the Company entered into investment agreements with a Pre-IPO investor (the "Pre-IPO investors of the Company"), pursuant to which the Company issued and allotted approximately 1,039,069 shares to the Pre-IPO investors of the Company, at a consideration of RMB50,000,000. The Pre-IPO investors of the Company were granted with certain preferred rights. The total share issuance cost amounted to RMB1,366,000 in 2023.

28. SHARE-BASED PAYMENT EXPENSES

Share-based payment expenses was recognized in profit or loss for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Administrative expenses	–	21,224	23,888	7,203	2,676
Sales and marketing expenses	–	22,749	32,230	10,147	5,057
Research and development expenses	–	2,451	3,865	1,156	76
	–	46,424	59,983	18,506	7,809

(i) Share option schemes

Share options schemes of Shenzhen Ningyuan

In December 2015, Shenzhen Ningyuan adopted a share option scheme to attract, retain and motivate talented employees to strive towards long term performance targets set by Shenzhen Ningyuan and to provide them with an incentive to work better for the interest of Shenzhen Ningyuan.

Shenzhen Ningyuan has granted nine batches of share options to employees and directors, which were fully vested and partial exercised before the Track Record Period. As at December 31, 2022 and 2021, there were 643,697 options that were vested and unexercised, however these share options were unexercised and forfeited by the holders in 2023 upon the completion of the Reorganisation.

Pre-IPO share option scheme of the Company

In August 2023, the Group adopted the Pre-IPO share option scheme. Under the Pre-IPO share option scheme, options to subscribe for 6,236,917 shares (or 31,184,585 shares as adjusted after the share subdivision which is adopted on September 3, 2025), including options to subscribe for 2,897,598 new shares and 3,339,319 existing shares held by the trustee (or 14,487,990 new shares and 16,696,595 existing shares as adjusted after the share subdivision), had been granted to a total of 105 grantees by the Group.

The number of share options, average exercise price per share option, fair value of share options, key assumptions of fair value of share options state below were before the adjustment for the share subdivision.

Details of vesting period of share options are as follows:

Grant date (yyyy/mm/dd)	Number of share options (before subdivision)	Vesting period	
2023/9/1	733,760	Public Offering Date	
2023/9/1	3,623,859	i)	25% of the granted share options are vested upon the Public Offering Date and January 1, 2024, whichever is later;
		ii)	25% of the granted share options are vested upon the Public Offering Date and January 1, 2025, whichever is later;
		iii)	25% of the granted share options are vested upon the Public Offering Date and January 1, 2026, whichever is later;
		iv)	25% of the granted share options are vested upon the Public Offering Date and January 1, 2027, whichever is later.
2023/9/1	312,000	i)	20% of the granted share options are vested upon the Public Offering Date and 1st anniversary of the grant date, whichever is later;
		ii)	20% of the granted share options are vested upon the Public Offering Date and 2nd anniversary of the grant date, whichever is later;
		iii)	20% of the granted share options are vested upon the Public Offering Date and 3rd anniversary of the grant date, whichever is later;
		iv)	20% of the granted share options are vested upon the Public Offering Date and 4th anniversary of the grant date, whichever is later;
		v)	20% of the granted share options are vested upon the Public Offering Date and 5th anniversary of the grant date, whichever is later;

(a) Movements in the number of share options granted to non-director employees outstanding and their related weighted average exercise prices are as follows:

	No. of options	Average exercise price per share option
		(RMB)
Vested and exercisable as at January 1, 2022 and December 31, 2022	638,233	1
As at January 1, 2023	638,233	1
Granted during the year	3,004,678	1
Exercised during the year	–	–
Forfeiture of vested share options	(638,233)	–
As at December 31, 2023	3,004,678	1
Vested and exercisable at December 31, 2023	–	–
As at January 1, 2024 and December 31, 2024	3,004,678	1

	No. of options	Average exercise price per share option
		(RMB)
Vested and exercisable at December 31, 2024	–	–
As at January 1, 2025	3,004,678	1
Forfeited during the period	(37,265)	–
As at March 31, 2025	2,967,413	1
Vested and exercisable at March 31, 2025	–	–

(b) Movements in the number of share options granted to directors outstanding and their related weighted average exercise prices are as follows:

	No. of options	Average exercise price per share option
		(RMB)
Vested and exercisable as at January 1, 2022, December 31, 2022	5,464	1
As at January 1, 2023	5,464	1
Granted during the year	1,664,941	1
Exercised during the year	–	–
Forfeiture of vested share options	(5,464)	–
As at December 31, 2023	1,664,941	1
Vested and exercisable at December 31, 2023	–	–
As at January 1, 2024 and December 31, 2024	1,664,941	1
Vested and exercisable at December 31, 2024	–	–
As at January 1, 2025 and March 31, 2025	1,664,941	1
Vested and exercisable at March 31, 2025	–	–

Fair value of share options

The Group has used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as discount rate and projections of future performance, are determined by the Group with best estimate.

Based on estimated fair value of the underlying ordinary shares, the Group has used binomial tree model to determine the fair value of the share option as of the grant date. Key assumptions are set as below:

	September 1, 2023 (grant date)
Fair value per share	52.07
Risk-free interest rate	2.37%
Expected volatility	50%-55%
Expected terms	10 years since first vested

29. BORROWINGS

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in current liabilities:				
Borrowings				
– Borrowings, secured or guaranteed *(ii)*	19,558	7,014	74,633	99,291
– Borrowings, unsecured and unguaranteed *(iii)*	–	2,500	14,760	15,215
	19,558	9,514	89,393	114,506
Included in non-current liabilities:				
Borrowings				
– Borrowings, secured or guaranteed *(ii)*	1,500	486	1,277	1,552
	21,058	10,000	90,670	116,058

(i) As at December 31, 2022, 2023 and 2024 and March 31, 2025, the Group's borrowings were repayable as follows:

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	19,558	9,514	89,393	114,506
Between 1 and 2 years	1,500	486	1,277	1,552
	21,058	10,000	90,670	116,058

(ii) As at December 31, 2022, 2023 and 2024 and March 31, 2025, the Group's borrowings which were secured or guaranteed by group companies or related parties of the Group (Note 39(d)) bear interests at fixed interest rates ranging from 4%-15%, 6%-16%, 3.30%-18% and 3.10%-18% per annum, respectively.

(iii) As at December 31, 2023 and 2024 and March 31, 2025, the Group's borrowings which were unsecured and unguaranteed bear interests at fixed interest rates ranging from 3.80%-4.40%, 3.60%-4.43% and 3.60%-4.50% per annum, respectively.

(iv) Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has a substantive right to defer settlement of the liability for at least 12 months after the reporting period.

30. TRADE AND BILL PAYABLES

Aging analysis of the trade and bill payables as at December 31, 2022, 2023 and 2024 and March 31, 2025 based on invoice date are as follows:

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	52,159	96,375	102,627	90,809
Bill payables	4,000	–	–	–
	56,159	96,375	102,627	90,809
Analysis by aging				
Within 90 days	39,718	79,970	77,212	58,367
90 days to one year	12,033	9,007	10,742	19,094
Over one year	4,408	7,398	14,673	13,348
	56,159	96,375	102,627	90,809

(i) Trade and bill payables are all denominated in RMB and their carrying amounts are considered to approximate their fair values due to their short-term in nature.

(ii) These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

31. ACCRUALS AND OTHER PAYABLES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payable	22,809	11,004	27,034	27,059
Trading deposits received	3,372	3,703	3,643	4,184
Payables to physicians and medical and healthcare institutions	42,488	50,071	63,377	65,937
VAT and other taxes payables	17,949	12,233	21,841	18,640
Provision for the legal proceeding/ payable for settlement compensation *(ii)*	13,000	11,000	–	–
Payables for listing expenses	–	9,605	11,135	6,896
Others	6,815	4,253	3,232	3,741
	106,433	101,869	130,262	126,457

(i) Accruals and other payables are all denominated in RMB and their carrying amounts are considered to approximate their fair values due to their short-term in nature.

(ii) In a sales transaction in 2020, 160 Medicine received an amount of RMB21,000,000 from an independent third-party purchaser (the "Purchaser") and then paid the amount of RMB20,400,000 to an independent third-party mask supplier. As agreed with the independent third-party mask supplier, 160 Medicine needed to transfer the remaining amount of RMB600,000 to an intermediary upon receipt of instructions from the independent third-party mask supplier. 160 Medicine only acted as payment channel not as a principal in this transaction.

In July 2020, 160 Medicine was sued by the Purchaser due to dispute during the transaction. In July 2021, the first court judgement was made that 160 Medicine only needed to transfer the unpaid amount of RMB600,000 to the third party. In November 2022, the second court judgement was made that 160 Medicine needed to return the entire cash received from the Purchaser, amounting to RMB21,000,000. In December 2023, the Group reached a settlement with the Purchaser, agreeing on a final compensation amount of RMB13,000,000 and the Purchaser has withdrawn its claim. Management has adjusted the provision for legal proceeding to RMB13,000,000 after the settlement agreement was confirmed. The Group has paid the compensation of RMB2,000,000 and RMB11,000,000, in 2023 and 2024, respectively.

32. REDEMPTION LIABILITIES

	As at December 31,			As at March 31,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current portion	294,183	–	–	–

The movements of redemption liabilities for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 were as follows:

	Redemption liabilities
	RMB'000
As at January 1, 2022	284,608
Charged to finance costs	
– Interests from continuing operations *(Note 12)*	37,012
Derecognition of redemption liabilities *(e)*	(27,437)
As at December 31, 2022	294,183
As at January 1, 2023	294,183
Recognition of redemption liabilities *(c)*	106,362
Charged to finance costs	
– Interests from continuing operations *(Note 12)*	9,069
Derecognition of redemption liabilities *(f)*	(409,614)
As at December 31, 2023	–

(a) Recognition and derecognition of redemption liabilities

A contract that contains an obligation to purchase the Group's equity instruments for cash or other financial asset gives rise to a financial liability for the present value of the redemption amount. Even if the Group's obligations to purchase are conditional on the counterparty exercising a right to redeem.

The Group recognized the financial instruments with redemption rights as liabilities considering that not all triggering events for triggering exercise of redemption rights (more details about the preferred rights are set out below or in the later part of this note), are out of the control of the Group. The redemption liabilities are initially measured at the present value of the amount expected to be paid to the investors upon redemption with subsequent changes in the carrying amount charged as finance costs in profit or loss.

The Group derecognizes redemption liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The carrying amount of the financial instruments derecognized was credited into the equity if the redemption liabilities expire without exercise.

(b) 160 Medicine and Shenzhen Ningyuan financing

(i) 160 Medicine financing

In 2018, 160 Medicine entered into investment agreements with Investor 1, Investor 2, Investor 3 and Investor 4 (collectively, the "Four Investors"), pursuant to which 160 Medicine issued and allotted approximately 2,083,300 shares with preferred rights to the Four Investors, at a consideration of RMB30,000,000. Upon the 160 Medicine's shares with preferred rights as described below were issued to the Four Investors, the Group has initially recognized the redemption liabilities of RMB31,711,000 (representing the present value of the estimated amount to be paid out by the Group if the Four Investors exercises its preferred right) in 2018.

The key terms of the preferential rights are set out below:

Redemption rights

Investor 1 of 160 Medicine has the right to request 160 Medicine to redeem its investment if 160 Medicine has not consummated the condition of achieving a qualified initial public offering ("IPO") as defined in the shareholder agreement or occurrence of certain events as defined in the shareholder agreement. The redemption amount of Investor 1 of 160 Medicine is calculated as the higher of (i) the original investment principal of Investor 1 plus an annual simple rate of 10% of the original investment principal for a period of time commencing from the issue date of shares to the actual payments date of the settlement of redemption liabilities (calculated as 365 days in a calendar year); (ii) the fair value of 160 Medicine's share held by Investor 1.

Investor 2, Investor 3 and Investor 4 of 160 Medicine have no such redemption right.

Share swap rights

All the Four Investors have the right to swap 160 Medicine's shares with Shenzhen Ningyuan's shares when Shenzhen Ningyuan starts preparing for IPO application and its relevant materials as described in the agreement and 160 Medicine is not the listing entity. The key terms are summarized below:

For Investor 1, Investor 2 and Investor 3, if these investors choose to swap shares, the share swap consideration is calculated as follows:

The share swap consideration=Original investment principal*(1+10%*N)

N: The total days from the investment settlement date to the date of the share swap plan approved by Shenzhen Ningyuan's board of directors / 365 days.

For Investor 4, the share swap consideration is the higher of (i) the original investment principal of Investor 4 plus an annual simple rate of 30% of the original investment principal for a period of time commencing from the issue date to the share swap approval date by the board of directors of the Company (calculated as 365 days in a calendar year); (ii) the actual or projected sales of 160 Medicine in the year of share swap multiplied by 2 times price-to-sales ratio.

The number of the Shenzhen Ningyuan's shares swapped by the Four Investors is equal to their respective share swap consideration divided by the fair value of the Company's equity per share at the time of the approval from the board of directors of the Company for the share swap plan.

From the directors' perspective, the Group will use its own equity instruments to redeem shares held by the Four Investors if the Four Investors choose to swap shares. Therefore, the Group recognized the redemption liabilities at the present value of the aforementioned share swap price based on the most likely scenario among all the possible situations.

Liquidation preferences

In the event of any liquidation, dissolution or winding up of 160 Medicine, either voluntarily or involuntarily, Investor 1 of 160 Medicine, shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of 160 Medicine to the remaining shareholders.

The liquidation preference amount of Investor 1 of 160 Medicine, is calculated as the 112% of the original investment principal from Investor 1 of 160 Medicine plus any declared but unpaid dividends thereon up to the date of the settlement. A liquidation event means (i) any liquidation, dissolution or winding up, either voluntarily or involuntarily, of 160 Medicine; (ii) 160 Medicine transfer all or a significant portion of its assets or business, or the controlling shareholders of 160 Medicine sell their controlling stake at a discount; (iii) for any reason, repurchase right in this agreement are deemed invalid or unable to be effectively executed.

Investor 2, Investor 3 and Investor 4 of 160 Medicine have no such right.

Anti-dilution right

If 160 Medicine increases its paid-in capital (except for employee incentive plan) at a price lower than the price paid by Investor 1 of 160 Medicine on a per paid-in capital basis, Investor 1 of 160 Medicine have a right to require 160 Medicine to issue new paid-in capital for nil consideration to Investor 1 of 160 Medicine.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no derivative liability was recognized by the Group.

Investor 2, Investor 3 and Investor 4 of 160 Medicine have no such right.

(ii) Shenzhen Ningyuan financing

In 2018, Shenzhen Ningyuan entered into investment agreements with an Investor 5 ("Investor 5"), pursuant to which Shenzhen Ningyuan issued and allotted approximately 1,240,110 shares with preferential rights to the Investor 5, at a consideration of RMB36,050,000. The Group had initially recognized the redemption liabilities of RMB28,083,000 (representing the present value of the estimated amount to be paid out by the Group if the investor exercises its preferred right) in 2018.

The key terms of the preferential rights are set out below:

Redemption rights

Investor 5 of Shenzhen Ningyuan has right to require Weikang Ningyuan, a consolidated entity before the Reorganization, Mr. Wang Ming and Mr. Luo to redeem its investment if Shenzhen Ningyuan has not consummated the condition of achieving a qualified initial public offering ("IPO") as defined in the shareholder agreement or occurrence of certain events as defined in the shareholder agreement. The redemption amount of the investor of Shenzhen Ningyuan is calculated as the original investment principal of the investor plus an annual simple rate of 10% of the original investment principal for a period of time commencing from the issue date to the actual payments date of the settlement (calculated as 365 days in a calendar year).

Liquidation preferences

In the event of any liquidation, dissolution or winding up of Shenzhen Ningyuan, either voluntarily or involuntarily, the Investor 5 of Shenzhen Ningyuan, shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of Shenzhen Ningyuan to Weikang Ningyuan, Mr. Wang Ming and Mr. Luo.

The liquidation preference amount of the Investor 5 of Shenzhen Ningyuan is calculated as the 110% of the original investment principal from the investor of Shenzhen Ningyuan plus any declared but unpaid dividends thereon up to the date of the settlement. A liquidation event means (i) any liquidation, dissolution or winding up, either voluntarily or involuntarily, of Shenzhen Ningyuan; (ii) Shenzhen Ningyuan transfer all or a significant portion of its assets or business, or the controlling shareholders of Shenzhen Ningyuan sell their controlling stake at a discount; (iii) for any reason, repurchase right in this agreement are deemed invalid or unable to be effectively executed.

(c) New investors in 2021 and series Pre-IPO financing of Shenzhen Ningyuan or the Company

In 2021, Shenzhen Ningyuan's existing shareholders Mr. Luo, Weikang Yuanju, Heyuan Chuangye and new investors (the "New Investors in 2021") which are independent third parties entered into several share transfer agreements, under which Weikang Yuanju and Heyuan Chuangye transferred shares to the New Investors in 2021. Shenzhen Ningyuan, Mr. Luo, Weikang Yuanju and Heyuan Chuangye jointly granted preferential rights to the New Investors in 2021. Shenzhen Ningyuan has initially recognized the redemption liabilities of RMB244,421,000 and share-based payment of RMB96,230,000 in 2021.

In January and May 2023, Shenzhen Ningyuan entered into investment agreements with Qingdao Chengyu United Investment Consulting Co., Ltd. and Zhejiang Zhonghui Industrial Investment Co., Ltd. (collectively, the "Pre-IPO investors of Shenzhen Ningyuan"), pursuant to which Shenzhen Ningyuan issued and allotted approximately 1,246,883 shares to the Pre-IPO investors of Shenzhen Ningyuan, at a consideration of RMB60,000,000. The Pre-IPO investors of Shenzhen Ningyuan were granted with certain preferred rights. The Group has initially recognized the redemption liabilities of RMB56,957,000 in 2023 at the present value of the estimated amount to be paid out by the Group if the Pre-IPO investors of Shenzhen Ningyuan exercises their preferred rights.

In November 2023, Shenzhen Ningyuan and the Company entered into investment agreements with a Pre-IPO investor (the "Pre-IPO investors of the Company"), pursuant to which the Company issued and allotted approximately 1,039,069 shares to the Pre-IPO investors of the Company, at a consideration of RMB50,000,000. The Pre-IPO investors of the Company were granted with certain preferred rights. The Group has initially recognized the redemption liabilities of RMB49,405,000 in 2023 at the present value of the estimated amount to be paid out by the Group if the Pre-IPO investors of the Company exercises their preferred rights.

The key terms of the preferential rights of the New Investors in 2021, the Pre-IPO Investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company are set out below:

Redemption rights

The New Investors in 2021 and the Pre-IPO investors of Shenzhen Ningyuan has right to require the Shenzhen Ningyuan to redeem its investment when certain events happen, the Pre-IPO investors of the Company has right to require the Shenzhen Ningyuan and the Company to redeem its investment when certain events happen, including but not limited to: (i) Shenzhen Ningyuan or the Company failed to complete qualified IPO before a certain date; (ii) during the period from the shares issuance date to before the date of Shenzhen Ningyuan's or the Company's listing, Shenzhen Ningyuan or the Company and its existing shareholders have committed a major breach to the investment agreements. The redemption amount of the New Investors in 2021, the Pre-IPO investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company is calculated as the original investment principal from New Investors in 2021, the Pre-IPO investors Shenzhen Ningyuan and the Pre-IPO investors of the Company, plus an annual simple rate of 8% or 15% of the original investment principal for a period of time commencing from the issue date to the actual payments date of the settlement of the redemption liabilities (calculated as 365 days in a calendar year) depending on the events occurred.

Liquidation preferences

In the event of any liquidation, dissolution or winding up of Shenzhen Ningyuan, either voluntarily or involuntarily, the New Investors in 2021 and the Pre-IPO investors of Shenzhen Ningyuan shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of Shenzhen Ningyuan to the remaining shareholders.

In the event of any liquidation, dissolution or winding up of the Company, either voluntarily or involuntarily, the Pre-IPO investors of the Company shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the remaining shareholders.

The liquidation preference amount of the New Investors in 2021, the Pre-IPO investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company is calculated as the 108% of the original investment principal from New Investors in 2021, the Pre-IPO investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company respectively plus any declared but unpaid dividends thereon up to the date of the settlement.

Anti-dilution right

If Shenzhen Ningyuan increases its paid-in capital to third parties (except for employee incentive plan) at a price lower than the price paid by the Pre-IPO investors of Shenzhen Ningyuan on a per paid-in capital basis, the Pre-IPO investors of Shenzhen Ningyuan have a right to require the Group to issue new paid-in capital or the controlling shareholder transfer shares for lowest price permitted by law to the Pre-IPO investors of Shenzhen Ningyuan.

If Shenzhen Ningyuan increases its paid-in capital or the controlling shareholder transfers shares to third parties (except for employee incentive plan) at a price lower than the price paid by the New Investors in 2021 on a per paid-in capital basis, the New Investors in 2021 have a right to require (i) Shenzhen Ningyuan to issue new paid-in capital or the controlling shareholder transfer shares for lowest price permitted by law to the New Investors in 2021; or (ii) Shenzhen Ningyuan or controlling shareholders to pay cash consideration to the New Investors in 2021 so that the total amount paid by the New Investors in 2021 divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

If the Company increases its paid-in capital to third parties (except for employee incentive plan or business combination consideration shares) at a price lower than the price paid by the Pre-IPO investors of the Company on a per paid-in capital basis, the Pre-IPO investors of the Company have a right to require the Group to issue new paid-in capital or the controlling shareholder transfer shares for lowest price permitted by law to the Pre-IPO investors of the Company.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no derivative liability was recognized by the Group.

(d) Settlement of redemption liabilities

Settlement of redemption liabilities of Investor 5 of Shenzhen Ningyuan

In 2020, Investor 5 exercised the redemption rights and Mr. Luo and Mr. Wang Ming acquired shares of Shenzhen Ningyuan held by Investor 5 with the cash consideration of RMB34,000,000, pursuant to which the redemption liabilities with carrying amount of approximately RMB40,009,000 were derecognized accordingly, with a corresponding credit to treasure shares and other reserve.

Settlement of redemption liabilities of Investor 4 of 160 Medicine

In 2021, Shenzhen Ningyuan and Investor 4 entered into modification agreement to redeem the investment of Investor 4 in the original investment amount plus 10% interest per annum (instead of 30% interest per annum before the modification). Subsequent to this modification, Shenzhen Ningyuan acquired all the shares of 160 Medicine held by Investor 4 with the cash consideration of RMB12,684,000 and settled the redemption liabilities to Investor 4, pursuant to which the redemption liabilities with carrying amount of approximately RMB17,601,000 were derecognized accordingly, and the difference between the cash consideration and derecognized redemption liabilities of approximately RMB4,917,000, was recognized as finance income in profit or loss.

(e) Share swap of Investor 1, Investor 2 and Investor 3 of 160 Medicine

In 2022, Shenzhen Ningyuan planned to launch the IPO application process, and Investor 1, Investor 2, and Investor 3 of 160 Medicine chose to swap their shares in 160 Medicine with preferential rights with the Company's ordinary shares. In February 2022, a total of 1,389,000 shares held by Investor 1, Investor 2 and Investor 3 of 160 Medicine were converted into 615,890 ordinary shares of the Company. However, before the completion of the Reorganization, Investor 1, Investor 2 and Investor 3 will still enjoy the ordinary equity interest in 160 Medicine. Pursuant to the share swap, the redemption liabilities of approximately RMB27,437,000 were derecognized, with a corresponding credit to treasury shares of approximately RMB16,961,000, non-controlling interests of approximately RMB1,842,000 and other reserves of approximately RMB8,634,000 (Note 27).

(f) Exercise of conversion rights of the New Investors in 2021, the Pre-IPO investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company

In June 2023, Shenzhen Ningyuan entered into termination agreements with the New Investors in 2021 and the Pre-IPO investors of Shenzhen Ningyuan as mentioned in Note 32(c) to terminate their preferred rights. Accordingly, the related redemption liabilities of approximately RMB359,614,000 have been derecognized, with the corresponding credit to treasure shares and share premium of RMB301,378,000 and RMB58,236,000, respectively (Note 27).

In November 2023, the Company entered into termination agreements with the Pre-IPO investors of the Company as mentioned in Note 32(c) to terminate their preferred rights and the termination agreements took effect in December. Pursuant to the termination agreement, the redemption liabilities of approximately RMB50,000,000 with credit to treasury shares amounting to RMB49,405,000 and share premium amounting to RMB595,000, respectively (Note 27).

After the termination of the abovementioned preferred rights, including the redemption rights, the Group has no further obligation to redeem or repurchase its own equity instruments.

33. DEFERRED INCOME TAX

Deferred income taxes are calculated on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

The analysis of deferred income tax assets and liabilities is as follows:

(a) Deferred income tax assets

The movement on the deferred income tax assets without taking into consideration the offsetting of balance within the same tax jurisdiction is as follows:

	Lease liabilities	Loss allowance provision	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2022	**2,618**	**–**	**2,618**
Charged to profit or loss	(647)	–	(647)
As at December 31, 2022	**1,971**	**–**	**1,971**
(Charged)/credited to profit or loss	(698)	826	128
As at December 31, 2023	**1,273**	**826**	**2,099**
Credited to profit or loss	2,989	380	3,369
As at December 31, 2024	**4,262**	**1,206**	**5,468**
(Unaudited)			
As at January 1, 2024	**1,273**	**826**	**2,099**
Credited to profit or loss	4,070	175	4,245
As at March 31, 2024	**5,343**	**1,001**	**6,344**
As at January 1, 2025	**4,262**	**1,206**	**5,468**
(Charged)/credited to profit or loss	(1,633)	200	(1,433)
As at March 31, 2025	**2,629**	**1,406**	**4,035**

(b) Deferred income tax liabilities

The movement on the deferred income tax liabilities without taking into consideration the offsetting of balance within the same tax jurisdiction is as follows:

	Right-of-use assets
	RMB'000
As at January 1, 2022	**2,618**
Credited to profit or loss	(647)
As at December 31, 2022	**1,971**
Credited to profit or loss	(698)
As at December 31, 2023	**1,273**
Charged to profit or loss	2,989
As at December 31, 2024	**4,262**
(Unaudited)	
As at January 1, 2024	**1,273**
Credited to profit or loss	4,070
As at March 31, 2024	**5,343**
As at January 1, 2025	**4,262**
Credited to profit or loss	(1,633)
As at March 31, 2025	**2,629**

(c) The analysis of deferred income tax assets and deferred income tax liabilities offsetting is as follows:

	As at December 31,			As at March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Total gross deferred income tax assets	1,971	2,099	5,468	6,344	4,035
Offsetting	(1,971)	(1,273)	(4,262)	(5,343)	(2,629)
Deferred income tax assets after offsetting	**–**	**826**	**1,206**	**1,001**	**1,406**
Total gross deferred income tax liabilities	1,971	1,273	4,262	5,343	2,629
Offsetting	(1,971)	(1,273)	(4,262)	(5,343)	(2,629)
Deferred income tax liabilities after offsetting	–	–	–	–	–

34. CASH FLOW INFORMATION

(a) Reconciliation of loss before income tax to cash used in operations:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
(Loss)/profit before income tax from					
– Continuing operations	(118,957)	(110,676)	(106,956)	(39,838)	(16,693)
– Discontinued operation *(Note 15)*	(1,108)	5,024	–	–	–
Losses before income tax	(120,065)	(105,652)	(106,956)	(39,838)	(16,693)
Adjustments for:					
Net provision/(reversal) of impairment losses on financial assets *(Notes 8 and 15)*	1,113	7,333	8,284	(600)	288
Provision for impairment of inventories *(Note 7)*	1,304	–	–	–	–
Provision for litigation loss *(Notes 10 and 31(ii))*	12,400	385	–	–	–
Depreciation of property and equipment *(Note 18)*	2,957	3,342	2,902	904	552
Amortization of intangible assets *(Note 20)*	549	542	486	121	121
Depreciation of right-of-use assets *(Note 19)*	8,014	7,747	7,438	2,787	1,841
Net (gains)/losses on early termination of leases *(Note 10)*	(16)	–	2	–	520
Net losses on disposal of property and equipment *(Note 10)*	2	26	9	–	12
Share-based payment expenses *(Note 28)*	–	46,424	59,983	18,506	7,809
Net gain on disposal of Jiangsu Huiyi *(Note 15)*	–	(5,024)	–	–	–
Finance cost, net *(Notes 12 and 15)*	39,777	11,156	2,330	745	972
Exchange losses, net	–	330	–	–	–
Operating losses before working capital changes	(53,965)	(33,391)	(25,522)	(17,375)	(4,578)
Changes in working capital:					
Decrease/(increase) in trade receivables	21,719	(62,898)	(61,031)	26,894	2,635
(Increase)/decrease in prepayments, deposits and other receivables	(9,751)	2,587	(2,828)	(5,924)	(8,707)
Decrease in inventories	693	5,861	2,421	1,066	814
Increase/(decrease) in contract liabilities	11,066	(10,398)	(2,393)	(1,742)	12,717
(Decrease)/increase in trade and bill payables	(14,710)	40,119	6,252	(29,062)	(11,818)
Increase/(decrease) in accruals and other payables	2,181	(6,344)	28,393	(4,380)	(3,805)
	11,198	(31,073)	(29,186)	(13,148)	(8,164)
Cash used in operations	(42,767)	(64,464)	(54,708)	(30,523)	(12,742)

(b) Non-cash investing and financing activities

Other than the recognition of right-of-use assets and lease liabilities resulting from lease accounting, early termination of leases, share swap in the Reorganization and the recognition and derecognition of redemption liabilities, there were no material non-cash investing and financing transactions during the Track Record Period.

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025.

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	37,748	57,555	58,266	68,447
Cash and cash equivalents included in assets classified as held for sale	1,340	–	–	–
Borrowings	(21,058)	(10,000)	(90,670)	(116,058)
Lease liabilities	(14,270)	(22,662)	(19,002)	(14,085)
Redemption liabilities	(294,183)	–	–	–
	(290,423)	24,893	(51,406)	(61,696)

	Cash and cash equivalents	Borrowings	Lease liabilities	Redemption liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2022	89,439	(40,585)	(18,199)	(284,608)
Net cash flows	(50,351)	21,592	8,794	–
Finance costs	–	(2,065)	(1,076)	(37,012)
Derecognition of redemption liabilities	–	–	–	27,437
Addition of lease liabilities	–	–	(4,023)	–
Early termination of leases	–	–	93	–
Classified as liabilities directly associated with assets as held for sale	–	–	141	–
As at December 31, 2022	39,088	(21,058)	(14,270)	(294,183)
As at January 1, 2023	39,088	(21,058)	(14,270)	(294,183)
Net cash flows	18,797	12,521	8,559	–
Finance costs	–	(1,463)	(834)	(9,069)
Recognition of redemption liabilities	–	–	–	(106,362)
Derecognition of redemption liabilities	–	–	–	409,614
Addition of lease liabilities	–	–	(16,117)	–
Effect of exchange difference	(330)	–	–	–
As at December 31, 2023	57,555	(10,000)	(22,662)	–
As at January 1, 2024	57,555	(10,000)	(22,662)	–
Net cash flows	711	(78,470)	8,341	–
Finance costs	–	(2,200)	(1,456)	–
Addition of lease liabilities	–	–	(3,435)	–
Early termination of leases	–	–	210	–
As at December 31, 2024	58,266	(90,670)	(19,002)	–
(Unaudited)				
As at January 1, 2024	57,555	(10,000)	(22,662)	–
Net cash flows	(9,556)	(31,165)	3,124	–
Finance costs	–	(374)	(391)	–
Addition of lease liabilities	–	–	(2,818)	–
As at March 31, 2024	47,999	(41,539)	(22,747)	–

	Cash and cash equivalents	Borrowings	Lease liabilities	Redemption liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	58,266	(90,670)	(19,002)	–
Net cash flows	10,181	(24,328)	502	–
Finance costs	–	(1,060)	(333)	–
Early termination of leases	–	–	4,748	–
As at March 31, 2025	68,447	(116,058)	(14,085)	–

35. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of interest in subsidiaries from non-controlling interests

In 2021, 160 Medicine acquired 10% shareholding of Ruiwentai Medicine from Mr. Zhang Renyi and Mr. Huang Caijun, the minority shareholders of Ruiwentai Medicine, with the cash consideration of RMB217,000. After this transaction, Ruiwentai Medicine became a wholly owned subsidiary of 160 Medicine.

The effect of transactions with non-controlling interests on the equity attributable to owners of the Company in 2021 is summarised as follows:

	RMB'000
Cash consideration to non-controlling interests	217
Less: Carrying amount of equity acquired from non-controlling interests	(55)
Losses on acquisition recognized in equity	272

In 2021, Shenzhen Ningyuan acquired 4.76% of the shares of 160 Medicine held by non-controlling interests with redemption rights at cash consideration of RMB12,684,000 (out of which, principal of RMB5,329,000 and RMB4,671,000 was settled in 2021 and 2022 respectively, and interest of RMB2,684,000 was settled in 2022).

There were also other transaction with non-controlling interests during 2022. Please see Note 32(e) for detail.

36. COMMITMENTS

The Group leases office properties and dormitories under non-cancellable operating lease agreements. The lease terms are between one month and 5 years.

The Group has recognized right-of-use assets for these leases, except for short-term and low-value leases. The corresponding leases liabilities as recognized have been set on Note 19.

The Group's future aggregate minimum lease payments under non-cancellable operating leases are immaterial.

The Group has no material capital commitments as at December 31, 2022, 2023 and 2024 and March 31, 2025.

37. CONTINGENCIES

As at December 31, 2022, 2023 and 2024 and March 31, 2025, save as disclosed in Note 31(ii), the Group had no other material contingent liabilities outstanding.

38. BUSINESS COMBINATIONS

Acquisition of Hailiantang Pharmacy

On November 14, 2022, 160 Medicine lost the lawsuit against a third party in a dispute case as described in Note 31(ii). To mitigate such adverse impact and resume the ordinary operations of retail business, the Group acquired Hailiantang Pharmacy in late 2022, which possesses a retail pharmacy license, to continue to carry out the retail business of 160 Medicine. The Group acquired 51% of the equity interest in Hailiantang Pharmacy at a consideration of RMB382,500 with a call option to purchase the remaining 49% equity interest at a consideration of not higher than RMB450,000. In 2023, the Group acquired the remaining 49% equity interest in Hailiantang Pharmacy.

As the call option was deeply in money, the risk and reward associated with the remaining 49% equity interest has transferred to the Group on acquisition date, therefore, it is regarded that the Group acquired 100% of the equity interest of Hailiantang Pharmacy on the date of the acquisition.

The following table summarises the consideration to be paid for the acquisition, the fair value of assets acquired, and liabilities assumed at the acquisition date:

	RMB'000
Purchase consideration	706
Total consideration payables by the Group	706

The identifiable assets and liabilities recognized as a result of the acquisition are as follows:

	Fair value
	RMB'000
Cash and cash equivalents	63
Prepayments and other receivables	264
Intangible assets	685
Trade and other payables	(405)
Total identifiable net assets	**607**
Goodwill	**99**

(i) Analysis of cash flows in respect of the acquisition of Hailiantang Pharmacy is as follows:

	RMB'000
Cash consideration paid at the date of acquisition (payable as at December 31, 2022)	–
Cash and cash equivalents acquired	63
Net inflow of cash and cash equivalents included in cash flows from investing activities	63

(ii) Revenue and profit contribution

Had Hailiantang Pharmacy been consolidated from January 1, 2022, consolidated revenue and consolidated net loss of the Group for the year ended December 31, 2022 would have been RMB525,646,000 and RMB120,065,000, respectively.

39. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The following significant transactions were carried out between the Group and its related parties during the reporting periods. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The directors of the Company are of the view that the following parties were related parties that had transactions or balances with the Group for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025:

Name of related party	Relationship with the Company
Mr. Luo	The controlling shareholder, chairman and chief executive officer
Mr. Ji Cuilin	A director of the Company
Mr. Huang Lang	A director of the Company
Mr. Luo Yong	Vice president and manager of the medical affairs division of the Company
Mr. Wang Ming	General manager of pharmaceuticals and healthcare products sales division of the Company
Mr. Wang Lifa	A director of the Company
Mr. Peng Fang	Vice president of the Company
Qingdao Chengyu	Shareholder of the Company

(b) Key management compensation

Key management includes executive directors and senior management of the Group.

Compensation of the key management personnel of the Group, including directors' remuneration as disclosed in Note 40, was as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Wages, salaries and bonuses	5,120	5,834	5,149	1,377	1,641
Pension costs – defined contribution plans	53	53	63	18	23
Other social security costs, housing benefits	116	120	92	29	30
Shared-based payment expenses	–	31,603	37,533	13,146	6,199
	5,289	37,610	42,837	14,570	7,893

(c) Movements of amounts due from/to related parties

Amounts due from related parties — Non-trade

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Beginning of the year/period	9,846	2,182	–	–	5,077
Loans to related parties	35,751	81,738	442,185	94,571	107,062
Loan repayments received	(43,415)	(83,920)	(437,685)	(90,071)	(107,062)
Interest income accrual	–	–	1,284	–	419
Offsetting with payable	–	–	(707)	–	–
End of the year/period	2,182	–	5,077	4,500	5,496

From November 1, 2019 to December 31, 2023, three entities within the Group, Mr. Luo and Shenzhen Yi Yi De Yi Information Technology Co., Ltd. ("Yi Yi De Yi") have entered into two loan agreements, pursuant to which the three entities provide Mr. Luo with certain term loans and revolving credit loans for Mr. Luo to repurchase Shenzhen Ningyuan's shares from other shareholders before the Reorganisation. It was also agreed that Yi Yi De Yi acts as the agent for handling the fund transfers. The outstanding loan amount under these agreements is RMB20,000 as at December 31, 2022 and was fully settled as at December 31, 2023.

Apart from above loans, the remaining amounts of RMB2,162,000 as at December 31, 2022 were unsecured, interest-free, repayable on demand and denominated in RMB and fully repaid in 2023.

During the year ended 2024, the Group entered into a new unsecured loan agreement with Yi Yi De Yi and Mr. Luo, pursuant to which the Group provided Mr. Luo with revolving credit facilities amounting to RMB60 million which are interest bearing at December 31, 2024, interest rates ranging from 3.45% to 6% per annum and repayable on demand and Yi Yi De Yi acts as the agent for handling the funds transfer between the Group and Mr. Luo. In the year of 2024 and the first three months ended March 31, 2025, Mr. Luo has drawdown the loan several times and repaid in short time for each drawdown. As at December 31, 2024 and March 31, 2025, the outstanding balance under this loan agreement is RMB1,284,000 and RMB1,703,000, respectively.

In January 2024, one shareholder of the Company, namely Qingdao Chengyu, and Shenzhen Ningyuan entered into a loan agreement pursuant to which Shenzhen Ningyuan provides Qingdao Chengyu with loan of RMB4,500,000. The loan is unsecured, repayable on January 2, 2025 and bears interest at a fixed rate of 6% per annum. In December 2024, the parties involved agreed to extend the loan maturity to September 30, 2025 and to offset that Shenzhen Ningyuan due to Qingdao Chengyu of an amount approximately RMB707,000 against the aforesaid loan balance.

The directors of the Company confirmed that all balances of amounts due from related parties will be settled prior to Listing based on the management repayment schedule.

(d) Guarantee from related parties

The following balances are guaranteed or counter guaranteed by related parties for the Group's borrowings as at December 31, 2022:

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank C	Secured by: Shares of the Group held by Mr. Luo Guaranteed by: Mr. Luo and his spouse	8,000	22/11/2022	21/05/2023
Bank B	Guaranteed by: Mr. Luo and his spouse Shenzhen Ningyuan Guaranteed by: Mr. Peng Fang	2,000	13/12/2022	13/06/2023
Bank D	Guaranteed by: Mr. Luo and his spouse 160 Medicine Blue Dragonfly Internet Weikang Zhiyuan	6,000	14/10/2022	12/10/2023
Bank E	Guaranteed by: Mr. Luo	2,000	08/08/2022	07/08/2023
Bank F	Guaranteed by: Mr. Luo	3,058	06/12/2022	06/12/2024

The following balances are guaranteed or counter guaranteed by related parties for the Group's borrowings as at December 31, 2023:

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank A	Guaranteed by: Mr. Luo and his spouse 160 Medicine	5,000	16/01/2023	16/01/2024
Bank F	Guaranteed by: Mr. Luo	1,500 400 600	06/12/2022 07/09/2023 24/10/2023	06/12/2024 06/09/2025 06/11/2025

The following balances are guaranteed or counter guaranteed by related parties for the Group's borrowings as at December 31, 2024:

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank A	Guaranteed by:	5,000	25/06/2024	18/06/2025
	Shenzhen Ningyuan			
	Weikang Zhiyuan			
Bank E	Guaranteed by:	5,000	22/11/2024	21/11/2025
	Mr. Luo and his brother			
	160 Medicine			
	Ruiwentai			
	Weikang Zhiyuan			
	Guaranteed by:	3,000	22/01/2024	21/01/2025
	Mr. Luo and his brother			
	160 Medicine			
	Shenzhen Ningyuan			
	Ruiwentai			
	Guaranteed by:	20,000	22/01/2024	21/01/2025
	Mr. Luo and his brother			
	160 Medicine			
	Weikang Zhiyuan			
Bank F	Guaranteed by:	172	07/09/2023	06/09/2025
	Mr. Luo	314	24/10/2023	06/11/2025
		147	19/06/2024	06/06/2026
		428	30/05/2024	06/06/2026
		162	16/07/2024	06/07/2026
		2,267	16/05/2024	06/05/2026
Bank G	Guaranteed by:	5,110	07/03/2024	07/03/2025
	Weikang Zhiyuan	2,190	11/03/2024	11/03/2025
	Ruiwentai			
	Guaranteed by:	3,000	11/11/2024	11/11/2025
	Blue Dragonfly Internet	1,820	12/11/2024	12/11/2025
		5,000	14/11/2024	14/11/2025
Bank H	Guaranteed by:	10,000	29/03/2024	28/03/2025
	Weikang Zhiyuan			
	Ruiwentai			
Bank I	Guaranteed by:	8,700	30/09/2024	20/09/2025
	Weikang Zhiyuan			
	Ruiwentai			
Bank J	Guaranteed by:	1,000	17/12/2024	17/12/2026
	Mr. Luo			

The following balances are guaranteed or counter guaranteed by related parties for the Group's borrowings as at March 31, 2025:

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank A	Guaranteed by: Shenzhen Ningyuan Weikang Zhiyuan	5,000	25/06/2024	18/06/2025
Bank E	Guaranteed by: Mr. Luo and his brother 160 Medicine Ruiwentai Weikang Zhiyuan	5,000	22/11/2024	21/11/2025
	Guaranteed by: Mr. Luo and his brother 160 Medicine Shenzhen Ningyuan Ruiwentai	3,000	22/01/2024	21/01/2025
	Guaranteed by: Mr. Luo and his brother 160 Medicine Weikang Zhiyuan	20,000	22/01/2024	21/01/2025
Bank F	Guaranteed by: Mr.Luo	114	07/09/2023	06/09/2025
		229	24/10/2023	06/11/2025
		121	19/06/2024	06/06/2026
		357	30/05/2024	06/06/2026
		137	16/07/2024	06/07/2026
		1,867	16/05/2024	06/05/2026
Bank G	Guaranteed by: Weikang Zhiyuan Ruiwentai	10,000	17/03/2025	17/03/2026
	Guaranteed by: Blue Dragonfly Internet	3,000	11/11/2024	11/11/2025
		1,280	12/11/2024	12/11/2025
		5,000	14/11/2024	14/11/2025
Bank H	Guaranteed by: Weikang Zhiyuan Ruiwentai	10,000	26/03/2025	26/03/2026
Bank I	Guaranteed by: Weikang Zhiyuan Ruiwentai	8,400	30/09/2024	20/09/2025
Bank J	Guaranteed by: Mr.Luo	888	17/12/2024	17/12/2026
Bank K	Guaranteed by: Mr. Peng Fang	1,500	24/03/2025	24/03/2027

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank L	Guaranteed by: Mr.Luo	5,000	13/01/2025	12/01/2026
Bank M	Guaranteed by: Weikang Zhiyuan Ruiwentai	4,950	20/02/2025	19/02/2026
Bank N	Guaranteed by: 160 Internet Weikang Zhiyuan Ruiwentai	10,000	02/26/2025	02/26/2026
Bank O	Guaranteed by: Zhejiang Renren'ai Weikang Zhiyuan Ruiwentai	5,000	17/03/2025	16/03/2026

The guarantee provided by related parties is expected to be released prior to Listing or upon the repayment of such bank borrowings, whichever comes earlier.

40. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended December 31, 2022:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director						
Mr. Luo	–	558	–	5	15	578
Executive directors						
Mr. Ji Cuilin	–	1,080	–	5	7	1,092
Mr. Huang Lang	–	630	–	5	7	642
Mr. Wang Lifa	–	435	–	4	24	463
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Total	–	2,703	–	19	53	2,775

For the year ended December 31, 2023:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director						
Mr. Luo	–	558	–	5	15	578
Executive directors						
Mr. Ji Cuilin	–	1,260	5,184	5	7	6,456
Mr. Huang Lang	–	700	7,406	5	7	8,118
Mr. Wang Lifa	–	492	2,928	4	24	3,448
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Ms. Sun Meng	–	–	–	–	–	–
Total	–	3,010	15,518	19	53	18,600

For the year ended December 31, 2024:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director						
Mr. Luo	–	812	–	8	14	834
Executive directors						
Mr. Ji Cuilin	–	1,080	7,961	8	6	9,055
Mr. Huang Lang	–	686	7,825	8	6	8,525
Mr. Wang Lifa	–	360	5,589	7	22	5,978
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Ms. Sun Meng	–	–	–	–	–	–
Total	–	2,938	21,375	31	48	24,392

For the three months ended March 31, 2024:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)						
Chairman and executive director						
Mr. Luo	–	140	–	2	3	145
Executive directors						
Mr. Ji Cuilin	–	270	2,410	2	1	2,683
Mr. Huang Lang	–	155	2,357	2	1	2,515
Mr. Wang Lifa	–	90	1,695	2	6	1,793
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Ms. Sun Meng	–	–	–	–	–	–
Total	–	655	6,462	8	11	7,136

For the three months ended March 31, 2025:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director						
Mr. Luo	–	330	–	2	4	336
Executive directors						
Mr. Ji Cuilin	–	278	1,527	2	2	1,809
Mr. Huang Lang	–	165	858	2	2	1,027
Mr. Wang Lifa	–	150	1,269	2	6	1,427
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Ms. Sun Meng	–	–	–	–	–	–
Total	–	923	3,654	8	14	4,599

(i) Mr. Luo, Mr. Ji Cuilin, Mr. Huang Lang, and Mr. Wang Lifa have been appointed as the directors of the Company from October 20, 2023.

(ii) Mr. Zhang Ruxie and Ms. Sun Meng have been appointed as the non-executive directors of the Company from October 20, 2023.

(iii) Mr. Luo, Mr. Ji Cuilin, Mr. Huang Lang, and Mr. Wang Lifa are directors of Shenzhen Ningyuan before October 2023. Mr. Zhang Ruxie is the non-executive director of Shenzhen Ningyuan before October 2023.

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors during the Track Record Period.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services during the Track Record.

(d) Information about loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period except for loans to Mr. Luo as disclosed in Note 39(c).

(e) Directors' material interests in transactions, arrangements or contracts

No other significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

41. NOTES TO THE STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(a) Investment in subsidiaries

	RMB'000
As at January 1, 2023	–
Recognition of the investment in a subsidiary upon completion of the Reorganization	3,099,450
As at December 31, 2023	3,099,450
Addition	109,983
As at December 31, 2024	3,209,433
Addition	7,809
As at March 31, 2025	3,217,242

As at December 31, 2023 and 2024 and March 31, 2025, the Group performed impairment testing for the Company's investment in subsidiaries. No impairment was provided as according to the impairment assessment, as the recoverable amounts was higher than the carrying amount of the investment in subsidiaries. The recoverable amounts were determined based on value-in-use calculations using cash flow projections based on approved financial budgets.

(b) Prepayment and other receivables

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits and other receivables				
– Amounts due from subsidiaries	2	50,002	41	47
Prepayment				
– Deferred listing expenses	–	3,175	3,720	3,959
Total	2	53,177	3,761	4,006

(c) Share premium

	Share premium
	RMB'000
As at January 1, 2023	–
Capital injection from shareholders	50,000
Recognition of the investment in a subsidiary upon completion of the Reorganization	3,099,450
Derecognition of redemption liabilities	596
Share issuance cost	(1,485)
As at December 31, 2023, 2024 and March 31, 2025	3,148,561

(d) Accruals and other payables

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due to subsidiaries	–	15,106	13,102	37,735
Payables for listing expenses	–	9,605	11,135	6,896
Total	–	24,711	24,237	44,631

(e) Other reserve

The other reserve represented the share-based payment reserve arisen from the grant of share options under the share option schemes of the Company.

42. SUBSEQUENT EVENTS

There were no material events taken place subsequent to the end of the three months ended March 31, 2025.

43. SUMMARY OF OTHER ACCOUNTING POLICIES

43.1 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including VIE companies and their subsidiaries) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position respectively.

(ii) Changes in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amounts of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

If the ownership interest in or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

43.2 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and

- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

43.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM").

CODM who is responsible for making strategic decisions, allocating resources, and assessing performance of the operating segments, has been identified as the executive directors of the Company.

43.4 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

43.5 Intangible assets

(i) Office software

Office software is stated at cost less accumulated amortisation and impairment losses (if any). Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives.

(ii) License

Separately acquired licence are shown at historical cost. It has a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses (if any).

(iii) Research and development

Research expenditure is recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

(iv) Goodwill

Goodwill is measured as described in Note 43.2. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

43.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

43.7 Foreign currency translation

(i) Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is RMB, which is also the presentation currency of the Group. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currencies. As the major operations of the Group are within the PRC, the Group determined to present the Historical Financial Information in RMB (unless otherwise stated).

(ii) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within "Other gains/(losses), net."

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

(iii) ***Group companies***

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting currency translation differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investments in foreign entities are recognized in other comprehensive income.

43.8 Investments and other financial assets

(i) ***Classification***

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and

- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other losses, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "other gains/(losses), net." Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses), net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income. The Group has no such debt investment during the reporting periods.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "other gains/(losses), net" in the period in which it arises. The FVPL of the Group mainly consists of wealth management products during the Track Reporting Period.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

43.9 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

43.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases its equity instruments, for example as the result of an employee share scheme, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Treasury share is also recorded to reflect the carrying amount of the redemption liabilities when it is initially reclassified from equity and will be reversed when the redemption liabilities are derecognized upon when the Group's obligations in connection with those redemption liabilities are discharged, cancelled or have expired which will then be reclassified back to equity (Note 32).

43.11 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

43.12 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

43.13 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(ii) Pension obligations

The Group makes employee benefit contributions based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and medical benefit plan organized by relevant government authorities in the PRC on a monthly basis, subject to certain ceiling. The government authorities undertake to assume the retirement benefit obligations payable to the existing and future retired employees under these plans and the Group has no further obligations for the post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from the Group.

(iii) Housing funds, medical insurances and other social insurances

The employees of the Group in the PRC are also entitled to participate in various government-sponsored housing funds, medical insurances and other social insurances. The Group contributes on a monthly basis to those funds based on a certain percentage of the employee's salaries, subject to certain ceiling. The Group's liabilities in respect of these funds are limited to the contributions payable in each year and the Group has no further obligation beyond the contributions made.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

43.14 Share-based payments

The Group operates an equity-settled, share-based payment plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments (including share scheme) is recognized as an expense on the consolidated statements of profit or loss and other comprehensive income. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- Including any market performance conditions;
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- Excluding the impact of any service and non-market performance vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The information relating to the share incentive arrangement is set out in Note 28.

Besides above, the shareholders of the Group transferred shares to employees and other parties with the cash consideration which appears to be less than the fair value of the shares transferred, and this is viewed as share-based payment transactions in substance. Under these transactions, the difference between the shares' fair value at the transfer date and actual transaction amount is recognized as share-based payment expenses with a corresponding increase in equity in the consolidated financial statements.

43.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

43.16 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

43.17 Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the year in which the dividends are approved by the entities' shareholders or directors, where appropriate.

43.18 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 12.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

43.19 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of the discontinued operation are presented separately in the statement of profit or loss.

43.20 (Losses)/earnings per share

(i) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing:

- the (loss)/profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted (losses)/earnings per share

Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to March 31, 2025 and up to the date of this report.

No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to March 31, 2025.