The following discussion and our analysis should be read in conjunction with our audited consolidated financial statements as of and for each of the years ended December 31, 2023 and 2024 included in the Accountants' Report as set out in Appendix IA and the unaudited interim condensed consolidated financial information for the nine months ended September 30, 2025 as set out in Appendix IB, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with HKFRS.

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

For the purposes of this section, unless the context otherwise requires, references to the years of 2023 and 2024 refer to the years ended December 31 of such years.

In addition, the following discussion and analysis contains certain amounts and percentage figures that have been subject to rounding adjustments, Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them, and all monetary amounts and percentages shown are approximate amounts only.

OVERVIEW

We are the largest online rental consumption service platform in China, in terms of GTV in 2024, which efficiently connects merchants with users through our Renrenzu (人人租) platform and provides a full-stack rental consumption platform services driven by our data and technology, featuring diversified product categories, flexible terms, guaranteed timeliness, and zero-deposit rental.

We operate an asset-light business model with Renrenzu as our online service platform. As of September 30, 2025, the platform has aggregated over 20,000 registered merchants, offering product categories including mobile phones and accessories, computers and tablets, cameras and aerial shooting drones, and health and physiotherapy products that cover all major cities across China. In the nine months ended September 30, 2025, the number of our paying users reached 1.7 million. Unlike the "ownership-based transaction" business model of traditional e-commerce platforms, our rental consumption platform services provide users with a new consumption experience centered on the "right-to-use", featuring higher cost-effectiveness ratio, greater functionality, enhanced flexibility, and lower entry barriers. In addition to matching the upstream supplies and downstream demands in the rental consumption industry, we also integrate consumer product resources, online transaction processes and online shop management, among other things. Relying on our over a decade of insights into the rental consumption industry and accumulation of knowledge, we systematically address industry pain points such as supply-demand mismatch and unconnected information linkage, and provide an industry-leading fulfillment capability, thereby realizing the mission of "Everything is rentable, and everyone can rent".

Grasping the new form of consumption industry trend in which users shift from ownership to right-to-use, we have achieved substantial business growth since our inception, with loyalty among merchants and users, thereby consolidating our leading position in the industry. Our business includes platform services and value-added services. Our platform services include (i) online transaction and (ii) SaaS services. According to CIC, in 2024, our GTV reached RMB7.5 billion, accounting for 27.5% of China's rental consumption industry and surpassing the combined market share of the second to fifth largest participants in the industry. In the nine months ended September 30, 2025, our average daily number of orders has exceeded 13,000, and the retention rate of our active merchants was 86.5%, which is significantly higher than the industry level of 30% to 50% according to CIC, highlighting our attractiveness to platform participants.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we recorded revenue of RMB293.9 million, RMB420.9 million, RMB299.1 million and RMB355.7 million and a gross profit of RMB236.5 million, RMB346.5 million, RMB246.3 million and RMB294.8 million, with a gross profit margin of 80.5%, 82.3%, 82.4% and 82.9%, respectively. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we recorded net profit of RMB79.6 million, RMB118.7 million, RMB88.8 million and RMB89.0 million and adjusted net profit of RMB96.2 million, RMB123.1 million, RMB92.0 million and RMB94.1 million, respectively. Our net cash generated from operating activities amounted to RMB79.6 million, RMB150.8 million, RMB137.5 million and RMB108.7 million for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATION

The following factors are the principal factors that have affected and will continue to affect our business, financial condition, results of operations and prospects.

- China's overall economic growth and development, along with its structural transformation into a service-based and technology-driven economy;
- the increase in per capita disposable income;
- development of the rental consumption industry;
- competitive landscape of China's rental consumption industry and our market position therein; and
- government policies and regulations affecting China's internet industry as well as rental consumption industry.

Unfavorable changes in any of these general conditions could negatively impact demand for our services and materially and adversely affect our results of operations. While our business is influenced by these general factors, our results of operations are more directly affected by the following company-specific factors.

Our ability to expand our large and active user base and enhance user engagement

A large and active user base is the core reason why merchants and users are attracted to and continue to use our online rental consumption platform, as merchants primarily look for a platform that has an extensive user base and users value access to a wide range of products for rental consumption. As of September 30, 2025, the number of our registered users has reached 61.2 million. We believe it's important to grow our paying users in order to support our business development. In 2023, 2024 and the nine months ended September 30, 2025, we had approximately 1.2 million, 1.6 million and 1.7 million paying users, respectively. Whether we can continue to grow our users mainly depends on our ability to provide superior user experience. To this end, we will continue to focus on users' diverse needs by offering flexible and innovative rental models. In addition, we take the lead in creating rental options such as long-term rental, same-city instant rental, and one-day rental, which match various consumption needs ranging from long-term use to temporary and immediate experiences. Among these, same-city instant rental, as our featured service, has greatly met users' high standards for timeliness through efficient local resource allocation and fulfillment capabilities, especially in scenarios such as holiday travel and concerts.

We have consistently adhered to a user-centric operational strategy, which has not only enhanced the breadth and depth of our coverage of different customer segments but also successfully translated into our strong operating performance.

Our ability to grow and maintain active merchants

Growth in the number of active merchants is a key driver of our revenue growth, as most of our revenue come from providing online transaction services to merchants. The continued growth of our business therefore depends on our acquisition of active merchants. Our active merchants reached 4,885, 6,347 and 7,406, respectively, in 2023, 2024 and the nine months ended September 30, 2025. In the first nine months of 2025, our average daily number of orders has exceeded 13,000, and the retention rate of our active merchants was 86.5%, which is significantly higher than the industry level of 30% to 50%, highlighting our attractiveness to platform participants. In order to improve our acquisition of active merchants, we will continue to focus our resources on maintaining relationships with existing merchants, improving service quality, exploring new services, features and functionalities catering to merchants' needs, promoting awareness of our brands, and marketing our services to a wider user group and in more geographical markets.

Our ability to promote our brands and market our services more effectively

Our investment in branding, marketing and promotional activities contributes to our user and merchants acquisition, and whether such investment is cost-effective has a significant impact on our results of operations. To achieve maximum return for our branding and marketing investments, we set and adjust our branding and marketing strategies based on data analytics of various factors. Merchants typically would be attracted by the reputation of our platform. Our sales team will then follow up with such merchants with customized packages with an aim to increase the amount of goods listed for rental consumption on our Renrenzu platform. Our selling and marketing expenses represented 33.2%, 39.4%, 38.1% and 42.5% of our revenues in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. The increasing proportion of our selling and marketing expenses to revenues signifies our increase in effort in branding, marketing and promotional activities to enhance brand awareness. We will need to continue to monitor and manage our selling and marketing expenses if we are to improve profitability in the future.

Our ability to enhance our operating efficiency

Our results of operations are further affected by our operating efficiency in aspects other than sales and marketing, as measured by our operating cost and expenses as a percentage of our revenues. Our administration expenses accounted for 8.6%, 4.4%, 4.3% and 5.7% of our revenues during the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, while the research and development expenses accounted for 8.3%, 7.7%, 7.3% and 7.4% of our revenue, respectively. As our business grows further, we expect to improve the efficiency and utilization of our personnel, and leverage our scale to achieve greater operating leverage.

BASIS OF PREPARATION

For Shares issued to pre-[**REDACTED**] investors, pursuant to the supplemental agreement entered into between our Company and the Pre-[**REDACTED**] Investors on December 10, 2025 (the "**Supplemental Agreement**") the redemption rights have been terminated and are *void ab initio* as described in note 20 of the Accountants' Report included in Appendix IA to this document, having taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the supplementary agreements, our Directors considered that it is appropriate to present the pre-[**REDACTED**] Investments as equity throughout the Track Record Period. For the details of financial impacts, see note 20 of the Accountants' Report included in Appendix IA and note 15 of the unaudited interim condensed consolidated financial information included in Appendix IB to this document, respectively.

The historical financial information has been prepared in accordance with HKFRS. All HKFRS effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information throughout the Track Record Period.

The preparation of historical financial information in conformity with HKFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Judgements made by management in the application of HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3 to the Accountants' Report included in Appendix IA to this document.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates. We set out below some of the accounting policies and estimates that we believe are of critical importance to us or involve the most significant estimates used in the preparation of our financial statements. Our accounting policies and estimates, which are important for understanding our financial condition and results of operations, are set out in further detail in Notes 2.3 and 3 to the Accountants' Report in Appendix IA to this document.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those services.

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

We evaluate if it is a principal or an agent in a transaction to determine whether revenue should be recorded on a gross or net basis. We are acting as the principal if it obtains control over the services before they are transferred to customers. Generally, when we are primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices, or has several but not all of these indicators, we act as the principal and revenue is recorded on a gross basis. Generally, when we are not primarily obligated in a transaction, does not bear the inventory risk and does not have the ability to establish the price, we act as the agent and revenue is recorded on a net basis.

(1) Platform services

Leveraging the platform, we offer integrated services across the entire transaction lifecycle.

When the merchants register and set up online store on the platform, the merchants also pay for the SaaS product which provides the merchants with tools available on the platform to track and manage asset and inventory portfolios through intuitive visual dashboards and streamlined workflows. We provide a series of integrated transaction services to the merchants including but not limited to: designing the rental solutions, providing risk management advices, assisting to handle complaints from the users, etc. We are also responsible for supervising the activities conducted by the merchants to ensure full compliance with the platform's operating regulations. The merchants are required to pay annual fees at a fixed amount for the use of the SaaS product as well as the transaction-based commissions which are determined based on a fixed rate of the value of the transactions completed on the platform.

At contract inception, we assess the goods or services promised within each contract and determines whether those are performance obligations, and assess whether each promised good or service is distinct. In assessing whether the SaaS product is distinct from other promises, we consider whether the merchants can benefit from the product for its intended purpose without the receipt of the remaining promises by considering whether the value of the product is dependent on the unsatisfied promises, whether there are other vendors that could provide the remaining promises, and whether it is separately identifiable from the remaining promises. Given that the SaaS product is highly integrated with the platform and is the indispensable tool for the merchants to conduct the rental business on the platform, the merchants cannot benefit from the SaaS product without the integrated transaction services, and therefore, the SaaS product and the online transaction services are not distinct and instead combined as a single performance obligation which is platform services.

Revenue from platform services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the merchants simultaneously receive and consume the benefits provided by us.

(i) Fee from SaaS

The fees from SaaS are fixed considerations for platform services. It is fully paid in advance and initially recognised as contract liabilities when received and recognised as revenue ratably over the service period, on a straight-line basis.

(ii) Commission from online transaction

We act as an agent in the rental transaction and its performance obligation is to arrange for rental consumption transactions between merchants and users. Online transaction amounts are paid by the users and allocated the commissions to us and the remaining values to the merchants. The transaction-based commissions are variable considerations for platform services. It is recognised as revenue when the payment is made.

(2) Value-added services

We provide its merchants with value-added services, such as centralized procurement and logistics support services. With respect to centralized procurement services, we assist merchants through bulk purchasing of products intended for rental consumption on the platform, including mobile phones, tablets, laptops, and smart wearable devices. In addition, we also cooperate with logistics companies to provide merchants with various delivery service options. We act as an agent in the purchase of products or logistics services and recognise the service revenue on a net basis at a point when the service is completed.

Other income

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

Contract liabilities

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

Share-based payments

We operate an employee incentive scheme. Employees (including directors) of our Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a hybrid method.

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

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

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

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

Employee retirement benefits

As stipulated by the rules and regulations of the PRC, we are required to contribute to a state-sponsored retirement plan for all its PRC employees at certain percentages of the basic salaries predetermined by the local governments. We have no further obligations for the actual retirement benefit payments or other post-retirement benefits beyond the annual contributions. The contributions made by us are charged to profit or loss as they become payable in accordance with the rules of the retirement plan.

Estimation uncertainty

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

Leases – Estimating the incremental borrowing rate

We cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what we "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). We estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of share-based payment transactions

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

RESULTS OF OPERATIONS

The following table sets forth our results of operations, with line items in absolute amounts and as percentages of our revenue for the periods indicated.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		*(unaudited)*	
REVENUE	293,869	100.0	420,891	100.0	299,071	100.0	355,739	100.0
Cost of sales	(57,345)	(19.5)	(74,440)	(17.7)	(52,737)	(17.6)	(60,914)	(17.1)
Gross profit	236,524	80.5	346,451	82.3	246,334	82.4	294,825	82.9
Other income and gains	5,853	2.0	7,855	1.8	5,096	1.6	6,467	1.8
Selling and marketing expenses	(97,505)	(33.2)	(165,714)	(39.4)	(114,078)	(38.1)	(151,074)	(42.5)
Administrative expenses	(25,227)	(8.6)	(18,634)	(4.4)	(12,957)	(4.3)	(20,445)	(5.7)
Research and development expenses	(24,536)	(8.3)	(32,513)	(7.7)	(21,729)	(7.3)	(26,347)	(7.4)
Other expenses	(217)	(0.1)	(108)	(0.0)	(288)	(0.1)	(1,006)	(0.3)
Finance costs	(400)	(0.1)	(384)	(0.1)	(313)	(0.1)	(480)	(0.1)
PROFIT BEFORE TAX	94,492	32.2	136,953	32.5	102,065	34.1	101,940	28.7
Income tax expense	(14,850)	(5.1)	(18,249)	(4.3)	(13,240)	(4.4)	(12,904)	(3.7)
PROFIT FOR THE YEAR/PERIOD	79,642	27.1	118,704	28.2	88,825	29.7	89,036	25.0
Total profit attributable to:								
Owners of the Company	79,642	27.1	118,704	28.2	88,825	29.7	88,887	25.0
Non-controlling interests	–	–	–	–	–	–	149	–
	79,642	27.1	118,704	28.2	88,825	29.7	89,036	25.0

For details on the accounting treatment of redemption rights of pre-[**REDACTED**] investments, see "— Paid-in Capital and Total Equity" below and note 20 to the Accountants' Report set out in Appendix IA and note 15 of the unaudited interim condensed consolidated financial information included in Appendix IB to this document, respectively.

Non-HKFRS Measures

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also use adjusted net profit as the additional financial metric. The non-HKFRS measure are not required by or presented in accordance with HKFRS. We believe that non-HKFRS measure facilitate comparisons of our operating performance by eliminating potential impacts of certain items. We also believe that such non-HKFRS measure present useful information in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of such non-HKFRS measure may not be comparable to similarly titled measures presented by other companies. The use of the non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

The following table reconciles our adjusted net profit (a non-HKFRS measure) to our profit for the years/periods presented in accordance with HKFRS, for the years/periods indicated.

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Reconciliation of profit for the year/period and adjusted net profit (a non-HKFRS measure)				
Profit for the year/period	79,642	118,704	88,825	89,036
Add:				
[**REDACTED**] expenses[1]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Share-based payment expenses[2]	16,554	4,405	3,206	4,074
Adjusted net profit (a non-HKFRS measure)	**96,196**	**123,109**	**92,031**	**94,112**

Notes:

(1) [**REDACTED**] expenses related to the [**REDACTED**].

(2) The cost of share-based payment expenses is measured by reference to the fair value of the shares granted at the date of grant, which is determined by an external valuer using hybrid method. See Note 2.3 to the Accountants' Report included in Appendix IA to this Document for details. The item is adjusted as it is non-cash, and is not expected to result in our future cash payments.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue from platform services and value-added services. Platform services accounted for 94.1%, 93.7%, 94.3% and 90.2% for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

The following table sets forth a breakdown of our revenue both in absolute amount and as a percentage of our total revenue for the periods indicated.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		*(unaudited)*	
Platform services	276,487	94.1	394,329	93.7	281,876	94.3	320,962	90.2
– Commission from online transaction	*244,387*	*83.2*	*350,407*	*83.3*	*250,804*	*83.9*	*281,053*	*79.0*
– Fee from SaaS	*32,100*	*10.9*	*43,922*	*10.4*	*31,072*	*10.4*	*39,909*	*11.2*
Value-added services	17,382	5.9	26,562	6.3	17,195	5.7	34,777	9.8
Total	**293,869**	**100.0**	**420,891**	**100.0**	**299,071**	**100.0**	**355,739**	**100.0**

Cost of Sales

Our cost of sales mainly consists of (i) staff costs, including salaries, bonuses and benefits for our business operation personnel; (ii) the technology costs paid to the third parties for cloud service costs and etc; (iii) processing costs paid to third party payment platforms for using their settlement system and others; and (iv) share-based payment expenses. The following table sets forth a breakdown of our cost of sales both in absolute amount and as a percentage of total cost of sales for the periods indicated.

	Year ended 31 December				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		*(unaudited)*	
Staff costs	27,672	48.4	38,426	51.5	25,140	47.7	29,247	48.0
Technology costs	15,454	26.9	19,849	26.7	15,872	30.1	17,030	28.0
Third-party payment processing costs	13,386	23.3	14,512	19.5	10,546	20.0	12,835	21.1
Share-based payment expenses	334	0.6	1,154	1.6	805	1.5	1,360	2.2
Others	499	0.8	499	0.7	374	0.7	442	0.7
Total	**57,345**	**100.0**	**74,440**	**100.0**	**52,737**	**100.0**	**60,914**	**100.0**

The following table sets forth a breakdown of our cost of sales from different service type, in absolute amounts and as percentages of total cost of sales, for the periods indicated.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		*(unaudited)*	
Platform services	55,477	96.7	72,033	96.8	51,302	97.3	58,025	95.3
Value-added services	1,868	3.3	2,407	3.2	1,435	2.7	2,889	4.7
Total	**57,345**	**100.0**	**74,440**	**100.0**	**52,737**	**100.0**	**60,914**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross margin represents our gross profit as a percentage of our revenue. Our gross profit increased from RMB236.5 million in 2023 to RMB346.5 million in 2024. Our gross profit increased from RMB246.3 million for the nine months ended September 30, 2024 to RMB294.8 million for the nine months ended September 30, 2025.

The following table sets forth a breakdown of gross profit and gross profit margin by service type for the years indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
					(unaudited)		*(unaudited)*	
Platform services	221,010	79.9	322,296	81.7	230,574	81.8	262,937	81.9
Value-added services	15,514	89.3	24,155	90.9	15,760	91.7	31,888	91.7
Total	**236,524**	**80.5**	**346,451**	**82.3**	**246,334**	**82.4**	**294,825**	**82.9**

Our gross profit margin increased from 80.5% in 2023 to 82.3% in 2024, which were mainly attribute to our continuous optimization in the operating efficiency of our employees. Our gross profit margin remained stable at 82.4% for the nine months ended September 30, 2024 and 82.9% for the nine months ended September 30, 2025.

Other Income and Gains

Other income consist of (i) investment income from financial assets at fair value through profit or loss; (ii) bank interest income; (iii) device rental income, which includes income generated from our own devices for trial tests; (iv) government grants; and (v) others.

Gains consisted of (i) fair value gains on financial assets at fair value through profit or loss; and (ii) exchange gain. The following table sets forth a breakdown of the components of our other income and gains in absolute amounts for the periods indicated:

	Year ended 31 December		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Other income				
Investment income from financial assets at fair value through profit or loss	2,277	2,737	1,528	2,420
Bank interest income	828	2,713	2,138	1,740
Rental income	–	–	–	1,137
Government grants	694	356	–	242
Others	1,101	665	522	282
Total other income	**4,900**	**6,471**	**4,188**	**5,821**
Gains				
Fair value gains on financial assets at fair value through profit or loss	428	1,111	908	646
Exchange gain	525	273	–	–
Total gains	**953**	**1,384**	**908**	**646**
Total other income and gains	**5,853**	**7,855**	**5,096**	**6,467**

Selling and Marketing Expenses

Our selling and marketing expenses consist of (i) advertising and marketing expenses; (ii) staff costs, including salaries, bonuses and benefits for our sales and marketing employees; (iii) rental expenses in relation to the short-term property and office equipment leases allocated to selling and marketing department; (iv) office expenses incurred by our sales and marketing; (v) depreciation expenses and (vi) share-based payment expenses. Our selling and marketing expenses accounted for 33.2%, 39.4%, 38.1% and 42.5% of our revenue in 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively.

The following table sets forth a breakdown of the major components of our selling and marketing expenses, in absolute amounts and as percentages of our total selling and marketing expenses, for the periods indicated:

	Year ended 31 December				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000* *(unaudited)*	*%*
Advertising and marketing expenses	49,198	50.5	84,978	51.3	58,496	51.4	78,775	52.0
Staff costs	45,742	46.9	76,767	46.3	53,025	46.5	69,294	45.9
Rental expenses	904	0.9	1,547	0.9	1,051	0.9	1,451	1.0
Office expenses	703	0.7	1,278	0.8	617	0.5	702	0.5
Depreciation expenses	611	0.6	613	0.4	498	0.4	410	0.3
Share-based payment expenses	347	0.4	531	0.3	391	0.3	442	0.3
Total	**97,505**	**100.0**	**165,714**	**100.0**	**114,078**	**100.0**	**151,074**	**100.0**

Administrative Expenses

Our administrative expenses consist of (i) staff costs, including salaries, bonuses, and benefits for our administrative employees; (ii) office expenses; (iii) professional fee paid to the third parties for regular consultation and legal services; (iv) depreciation and amortisation expenses; (v) [**REDACTED**] expenses related to [**REDACTED**]; (vi) rental expenses in relation to the short-term property and office equipment leases allocated to administrative department; and (vii) share-based payment expenses. Our administrative expenses accounted for 8.6%, 4.4%, 4.3% and 5.7% of our revenue in 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively.

The following table sets forth a breakdown of the major components of our administrative expenses, in absolute amounts and as percentages of our total administrative expenses, for the periods indicated:

	Year ended 31 December				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000* *(unaudited)*	*%*
Staff costs	4,454	17.6	7,695	41.3	5,880	45.4	6,792	33.2
Office expenses	2,575	10.2	5,048	27.1	2,732	21.1	5,138	25.1
Professional fee	1,404	5.6	2,414	13.0	1,742	13.4	4,843	23.7
Depreciation and amortization expenses	1,619	6.4	2,466	13.2	1,876	14.5	1,872	9.2
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Rental expenses	1,023	4.1	845	4.5	607	4.7	636	3.1
Share-based payment expenses	14,152	56.1	166	0.9	120	0.9	162	0.8
Total	**25,227**	**100.0**	**18,634**	**100.0**	**12,957**	**100.0**	**20,445**	**100.0**

Research and Development Expenses

Our research and development expenses consist of (i) staff costs, including salaries, bonuses and benefits for our R&D employees; (ii) share-based payment expenses; (iii) office expenses incurred by our R&D employees; (iv) depreciation expenses; and (v) rental expenses in relation to short-term property and office equipment lease allocated to R&D department. Our research and development expenses accounted for 8.3%, 7.7%, 7.3% and 7.4% of our revenue in 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively.

The following table sets forth a breakdown of the major components of our research and development expenses, in absolute amounts and as percentages of our total research and development expenses, for the periods indicated:

	Year ended 31 December				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000* *(unaudited)*	*%*
Staff costs	21,105	86.0	27,899	85.8	18,372	84.6	22,307	84.7
Share-based payment expenses	1,721	7.0	2,554	7.9	1,890	8.7	2,110	8.0
Office expenses	920	3.7	1,248	3.8	908	4.2	1,260	4.8
Depreciation expenses	750	3.1	771	2.4	531	2.4	636	2.4
Rental expenses	40	0.2	41	0.1	28	0.1	34	0.1
Total	**24,536**	**100.0**	**32,513**	**100.0**	**21,729**	**100.0**	**26,347**	**100.0**

Other Expenses

Other expenses primarily consist of (i) exchange loss; and (ii) depreciation expenses in relation to our device rental income. Our other expenses amounted to RMB217 thousand, RMB108 thousand, RMB288 thousand and RMB1,006 thousand for the two years ended December 31, 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively.

Finance Costs

Our finance costs consist of interest on lease liabilities. Our finance costs amounted to RMB400 thousand, RMB384 thousand, RMB313 thousand and RMB480 thousand for the two years ended December 31, 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively.

Income Tax Expenses

We recorded income tax expenses of RMB14.9 million, RMB18.2 million, RMB13.2 million and RMB12.9 million for the two years ended December 31, 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively. As of the Latest Practicable Date, we did not have any disputes with any tax authorities.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), our Company and subsidiaries which operates in PRC are subject to corporate income tax at a standard rate of 25% on the taxable income unless those are subject to tax exemption set out below:

(i) our Company is qualified as High and New Technology Enterprises in the PRC, and therefore entitled to a preferential income tax rate of 15% for the Track Record Period; and

(ii) certain subsidiaries of our Company applied the "Small-Scaled Minimal Profit Enterprise Income Tax Preferential Policy announced by the PRC's state of Administration of Taxation and subject to tax rate of 5% for the Track Record Period.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

Revenue

Our total revenue increased by 18.9% from RMB299.1 million for the nine months ended September 30, 2024 to RMB355.7 million for the nine months ended September 30, 2025, primarily because (i) our platform services revenue increased by 13.9% from RMB281.9 million for the nine months ended September 30, 2024 to RMB321.0 million contributable to a 12.1% increase in commission from online transaction and a 28.4% increase in fee from SaaS; and (ii) our value-added services revenue increased by 102.3% from RMB17.2 million for the nine months ended September 30, 2024 to RMB34.8 million for the nine months ended September 30, 2025.

The platform service revenue increased by 13.9% from RMB281.9 million for the nine months ended September 30, 2024 to RMB321.0 million for the nine months ended September 30, 2025, primarily due to the combined effects of:

(i) commission from online transaction increased by 12.1% from RMB250.8 million for the nine months ended September 30, 2024 to RMB281.1 million for the nine months ended September 30, 2025, primarily due to an increase in the number of transaction orders, which increased from 2.7 million in nine months ended September 30, 2024 to 3.6 million in the nine months ended September 30, 2025; and

(ii) fee from SaaS increased by 28.4% from RMB31.1 million for the nine months ended September 30, 2024 to RMB39.9 million for the nine months ended September 30, 2025, primarily driven by the increase in number of merchants.

Value-added services revenue increased by 102.3% from RMB17.2 million for the nine months ended September 30, 2024 to RMB34.8 million for the nine months ended September 30, 2025 as more merchants used our value-added services.

Cost of sales

Our cost of sales increased by 15.5% from RMB52.7 million for the nine months ended September 30, 2024 to RMB60.9 million for the nine months ended September 30, 2025, primarily due to the combining effects of (i) a 16.3% increase in staff costs and (ii) a 21.7% increase in third-party payment processing cost, primarily driven by expansion of our business.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 19.7% from RMB246.3 million for the nine months ended September 30, 2024 to gross profit of RMB294.8 million for the nine months ended September 30, 2025. Our gross profit margin remained relatively stable at 82.4% for the nine months ended September 30, 2024 and 82.9% for the nine months ended September 30, 2025.

Our gross profit margin for platform services remained stable at 81.8% for the nine months ended September 30, 2024 and 81.9% for the nine months ended September 30, 2025.

Our gross profit margin for value-added services remained stable at 91.7% for the nine months ended September 30, 2024 and 91.7% for the nine months ended September 30, 2025.

Other income and gains

Our other income and gains increased from RMB5.1 million for the nine months ended September 30, 2024 to RMB6.5 million for the nine months ended September 30, 2025.

Selling and marketing expenses

Our selling and marketing expenses increased by 32.4% from RMB114.1 million for the nine months ended September 30, 2024 to RMB151.1 million for the nine months ended September 30, 2025, primarily due to (i) a 34.7% increase in advertising and marketing expenses to enhance our brand awareness; and (ii) a 30.7% increase in staff costs as a result of the increase in the number of our sales and marketing staff to expand the business scale.

Administrative expenses

Our administrative expenses increased by 57.8% from RMB13.0 million for the nine months ended September 30, 2024 to RMB20.4 million for the nine months ended September 30, 2025, primarily due to a 178.0% increase in professional fee in relation to pre-[**REDACTED**] financing and 88.1% increase in office expenses, which is further due to an increase in bank charges.

Research and development expenses

Our research and development expenses increased by 21.3% from RMB21.7 million for the nine months ended September 30, 2024 to RMB26.3 million for the nine months ended September 30, 2025, primarily due to a 21.4% increase in staff costs due to increase in R&D personnel. We expanded our R&D team to primarily enhance our research application of AI and develop new functions for our platform.

Other expenses

Our other expenses increased from RMB0.3 million for the nine months ended September 30, 2024 to RMB1.0 million for the nine months ended September 30, 2025, primarily due to an increase in depreciation expenses in relation to our rental income.

Finance costs

Our finance costs increased by 53.4% from RMB313 thousand for the nine months ended September 30, 2024 to RMB480 thousand for the nine months ended September 30, 2025, primarily along with the increase in the lease liabilities.

Income tax expenses

Our income tax expenses remained stable at RMB13.2 million for the nine months ended September 30, 2024 and RMB12.9 million for the nine months ended September 30, 2025. Our effective tax rate remained relatively stable at 13.0% and 12.7% for the nine months ended September 30, 2024 and 2025, respectively.

Profit for the period

Our profit for the period remained stable at RMB88.8 million for the nine months ended September 30, 2024 and RMB89.0 million for the nine months ended September 30, 2025.

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

Revenue

Our revenue increased by 43.2% from RMB293.9 million in 2023 to RMB420.9 million in 2024, primarily benefitting from the increase in the revenue from platform services and value-added services.

The platform service revenue increased by 42.6% from RMB276.5 million 2023 to RMB394.3 million in 2024, primarily due to the combined effects of:

(i) Commission from online transaction increased by 43.4% from RMB244.4 million in 2023 to RMB350.4 million in 2024, primarily due to an increase in the number of transaction orders increased from 2.7 million in 2023 to 3.8 million in 2024.

(ii) Fee from SaaS increased by 36.8% from RMB32.1 million in 2023 to RMB43.9 million in 2024, primarily due to an increase in the number of merchants.

Value-added services revenue increased by 52.8% from RMB17.4 million in 2023 to RMB26.6 million in 2024, driven by the increase in demand for value-added services, such as procurement and logistic services from our merchants.

Cost of sales

Our cost of sales increased by 29.8% from RMB57.3 million in 2023 to RMB74.4 million in 2024, primarily caused by the combing effects of (i) a 38.9% increase in staff costs as a result of our expanding service team and enlarged business scale; and (ii) a 28.4% increase in technology costs due to the increase in the volume of transactions.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 46.5% from RMB236.5 million in 2023 to RMB346.5 million in 2024. Our gross profit margin increased from 80.5% in 2023 to 82.3% in 2024.

Our gross profit margin for platform services increased from 79.9% in 2023 to 81.7% in 2024, primarily due to our continous optimization in operational efficiency of our employees.

Our gross profit margin for value-added services increased from 89.3% in 2023 to 90.9% in 2024, primarily because we benefited from economy of scale which was achieved by expansion of our value-added services.

Other income and gains

Our other income and gains increased by 34.2% from RMB5.9 million in 2023 to RMB7.9 million in 2024, primarily resulting from the increase in the interest income of RMB1.9 million as a result of the increase in the average interest rate.

Selling and marketing expenses

Our selling and marketing expenses increased by 70.0% from RMB97.5 million in 2023 to RMB165.7 million in 2024, primarily due to (i) a 72.7% increase in advertising and marketing expenses to enhance our brand awareness; and (ii) a 67.8% increase in staff costs as a result of the expansion of our sales and marketing team as well as their average salary level in 2024.

Administrative expenses

Our administrative expenses decreased by 26.1% from RMB25.2 million in 2023 to RMB18.6 million in 2024, primarily as result of the decrease in share-based payment expenses from RMB14.1 million in 2023 to RMB0.2 million in 2024, which decrease was partially offset by an increase in staff costs and office expense.

Research and development expenses

Our research and development expense increased by 32.5% from RMB24.5 million in 2023 to RMB32.5 million in 2024, primarily due to a 32.2% increase in staff costs due to increase in R&D personnel as we expanded our R&D team to enhance and develop new functions for our platform.

Other expenses

Our other expenses decreased by 50.2% from RMB217 thousand in 2023 to RMB108 thousand in 2024.

Finance costs

Our finance costs remained relatively stable at RMB400 thousand in 2023 and RMB384 thousand in 2024.

Income tax expenses

We recorded income tax expenses of RMB14.9 million in 2023 and RMB18.2 million in 2024, which is in line with the growth of taxable profit during the year. Our effective tax rate decreased from 15.7% in 2023 to 13.3% in 2024 which was mainly due to the decrease in the share-based payment expenses which is non-deductible for tax.

Profit for the year

As a result of the foregoing, our profit for the year increased by 49.0% from RMB79.6 million in 2023 to RMB118.7 million in 2024.

DISCUSSION OF CERTAIN KEY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

Property, Plant and Equipment

Our property, plant and equipment are comprised of (i) electronic devices; and (ii) vehicles and others.

Our property, plant and equipment increased from RMB59 thousand as of December 31, 2023 to RMB383 thousand as of December 31, 2024, primarily due to purchase of a vehicle for office use. Our property, plant and equipment further increased to RMB5.6 million as of September 30, 2025, primarily because we purchased some electronic devices for trial purpose with an aim to expand the business scope.

Right-of-use Assets

Our right-of-use assets are comprised of lease of office premises.

Our right-of-use assets increased from RMB6.8 million as of December 31, 2023 to RMB15.3 million as of December 31, 2024, primarily attributable to the extension of our leased office premises to satisfy the requirement of expansion of business. Our right-of-use assets decreased to RMB12.1 million as of September 30, 2025, primarily due to the depreciation of right-of-use assets.

Intangible Assets

Our intangible assets are comprised of softwares.

Our intangible assets decreased from RMB199 thousand as of December 31, 2023 to RMB176 thousand as of December 31, 2024, and further decreased to RMB158 thousand as of September 30, 2025, primarily due to the amortisation of intangible assets.

Deferred Tax Assets

Our deferred tax assets increased from RMB2.8 million as of December 31, 2023 to RMB3.6 million as of December 31, 2024, and further increased to RMB4.1 million as of September 30, 2025, primarily arising from a temporary deductable difference between accounting and tax treatments related to contract liabilities.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables consist of prepayments, other receivables, deposits, value-added tax recoverable and deferred [**REDACTED**] expenses. As of December 31, 2023 and 2024 and September 30, 2025, our prepayments, deposits and other receivables amounted to RMB58.7 million, RMB65.6 million and RMB70.7 million, respectively.

The following table sets forth the key components of our prepayments and other receivables as of the dates indicated.

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Prepayments	6,519	21,542	36,221
Other receivables	49,030	39,380	29,671
Deposits	815	1,668	2,299
Value-added tax recoverable	2,352	2,972	2,180
Deferred [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	**58,716**	**65,562**	**70,701**
Less: Non-current portion	(815)	(1,053)	(1,283)
Current portion	57,901	64,509	69,418

Prepayment primarily consist of prepayments to suppliers for technology services, cloud services, and prepayment for advertisements. Prepayments increased from RMB6.5 million as of December 31, 2023 to RMB21.5 million as of December 31, 2024, and further increased to RMB36.2 million as of September 30, 2025, primarily driven by our business expansion.

Other receivables primarily consists of upfront payments to brand owners in relation to our value-added services. Other receivables decreased from RMB49.0 million as of December 31, 2023 to RMB39.4 million as of December 31, 2024, and further decreased to RMB29.7 million as of September 30, 2025, primarily attributable to the improvement in the delivery efficiency of our value-added services.

Deposits consist of rental deposits. Deposits increased from RMB0.8 million as of December 31, 2023 to RMB1.7 million as of December 31, 2024, and further increased to RMB2.3 million as of September 30, 2025, primarily attributable to increasing in our leased office premises.

Value-added tax recoverable consist of input tax that can be used to offset output VAT. Value-added tax recoverable increased from RMB2.4 million as of December 31, 2023 to RMB3.0 million as of December 31, 2024, primarily due to higher input VAT collected from our value-added services. Value-added tax recoverable slightly decreased to RMB2.2 million as of September 30, 2025.

Deferred [**REDACTED**] expenses represented the [**REDACTED**] expenses to be capitalised upon completion of the [**REDACTED**], which amounted to [**REDACTED**], [**REDACTED**] and [**REDACTED**] thousand as of December 31, 2023 and 2024, and September 30, 2025, respectively.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss primarily consist of wealth management products, issued by qualified financial institutions in the PRC. After making an investment, we closely monitor the performance and fair value of these investments on a regular basis.

These financial assets are mandatorily classified and measured at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. Financial assets at fair value through profit or loss increased from RMB131.5 million as of December 31, 2023 to RMB306.0 million as of December 31, 2024, primarily due to more purchase of wealth management products issued by qualified financial institutions in the PRC, but decreased to RMB162.8 million as of September 30, 2025, primarily due to the maturity and redemption of wealth management products to fund our working capital needs.

Other Payables and Accruals

Our other payables and accruals consist of (i) contract liabilities; (ii) salary and welfare payable; (iii) other payables; (iv) accruals; (v) other tax payables; and (vi) accrued [**REDACTED**] expenses. As of December 31, 2023 and 2024, and September 30, 2025, our other payables and accruals amounted to RMB158.1 million, RMB189.7 million and RMB208.7 million, respectively.

The following table sets forth the key components of our payables and accruals as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Contract liabilities	17,752	23,773	24,934
Salary and welfare payable	14,907	20,980	13,161
Other payables	122,429	141,453	166,020
Accruals	1,583	1,426	1,449
Other tax payable	1,426	2,082	2,960
Accrued [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	**158,097**	**189,714**	**208,652**

Our contract liabilities mainly represents advanced payments received from merchants for SaaS services before the performance obligations are satisfied. Our contract liabilities increased from RMB17.8 million as of December 31, 2023 to RMB23.8 million as of December 31, 2024, and further increased to RMB24.9 million as of September 30, 2025. Such increase was line with the increase in the number of merchants which used our SaaS services.

Salary and welfare payable increased from RMB14.9 million as of December 31, 2023 to RMB21.0 million as of December 31, 2024 due to the combining effects of increase in both headcount and average salary package. Salary and welfare payable decreased from RMB21.0 million as of December 31, 2024 to RMB13.2 million as of September 30, 2025, as more bonuses are accrued at the end of year.

Other payables increased from RMB122.4 million as of December 31, 2023 to RMB141.5 million as of December 31, 2024, and further increased to RMB166.0 million as of September 30, 2025. The growth was primarily attributable to our business expansion, which led to the increases of deposits made by our merchants to ensure service quality according to our platform rules and advanced receipts from merchants for our value-added services.

Accruals mainly represented accrued daily operation expenses. Our accruals slightly decreased from RMB1.6 million a of December 31, 2023 to RMB1.4 million as of December 31, 2024 and remained stable at RMB1.4 million as of September 30, 2025.

Other tax payable increased from RMB1.4 million as of December 31, 2023 to RMB2.1 million as of December 31, 2024, and further increased to RMB3.0 million as of September 30, 2025, which is in line with the expansion of business.

Accrued [**REDACTED**] expenses were [**REDACTED**], [**REDACTED**] and [**REDACTED**] thousand as of December 31, 2023 and 2024, and September 30, 2025, respectively.

Paid-in capital and total equity

Our paid-in capital amounted to RMB2.2 million, RMB2.2 million and RMB2.4 million as of December 31, 2023, 2024 and September 30, 2025, respectively.

In addition, our total equity amounted to RMB236.4 million, RMB347.7 million, and RMB524.4 million as of December 31, 2023, 2024 and September 30, 2025, respectively. In 2023, our total equity increased from RMB115.7 million as of January 1, 2023 to RMB236.4 million as of December 31, 2023, primarily due to our profit in 2023 and capital contribution by our Shareholders. Our total equity increased to RMB347.7 million as of December 31, 2024, primarily attributable to our profit in 2024. Our total equity further increased to RMB524.4 million as of September 30, 2025, primarily reflecting the capital contribution by shareholders and our profit in the nine months ended September 30, 2025.

According to the capital increase agreements and Shareholders' agreements entered into by our Company and the Pre-[**REDACTED**] Investors from September 2018 to April 2025, our Company issued Shares to certain of the Pre-[**REDACTED**] Investors, with redemption rights.

The Shares issued to certain of the Pre-[**REDACTED**] Investors, which were subject to redemption rights, had a total net cash proceed of RMB177.7 million, with the respective par value being recorded as paid-in capital and the remaining value as reserves. No Pre-[**REDACTED**] Investors have ever exercised the redemption rights granted by our Company.

Pursuant to the supplemental agreement entered between the Company and the Pre-[**REDACTED**] Investors on December 10, 2025, the redemption rights have been terminated and are *void ab initio*. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the Supplemental Agreement, our Directors considered that it is appropriate to present the Pre-[**REDACTED**] Investments as equity throughout the Track Record Period.

Had the redemption rights granted by our Company to the Pre-[**REDACTED**] Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the Supplemental Agreement, the redemption financial liabilities, total current liabilities, net current assets and net assets would have been:

	As of December 31,		**As of December 31, 2025**
	2023	**2024**	
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)	*(Audited)*	*(Unaudited)*
Redemption financial liabilities	124,549	215,836	366,621
Total current liabilities	293,698	419,573	590,661
Net current assets	104,577	122,835	142,037
Net assets	111,827	131,849	157,824

The finance costs associated with the redemption financial liabilities, the net profit for the years/periods, basic and dilutive earning per share would have been:

	Year ended December 31,		**Nine months ended September 30,**	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	*(Audited)*	*(Unaudited)*	*(Unaudited)*
Financial costs associated with the redemption financial liabilities	25,390	91,287	70,971	42,381
Total net profit	54,252	27,417	17,854	46,655
Basic and diluted earnings per share	RMB0.42	RMB0.20	RMB0.13	RMB0.32

For further details of the financial impacts, see note 20 to the Accountants' Report included in Appendix IA and note 15 to the unaudited interim condensed consolidated financial information included in Appendix IB to this document.

INDEBTEDNESS AND CONTINGENT LIABILITIES

The following table sets forth the components of our indebtedness as of the dates indicated:

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Current				
Lease liabilities	4,232	4,308	5,718	5,666
Non-current				
Lease liabilities	3,370	11,563	7,480	6,681
Total	**7,602**	**15,871**	**13,198**	**12,347**

Lease Liabilities

We lease properties to operate our business and our lease liabilities relate to the lease of office. Our lease liabilities increased from RMB7.6 million as of December 31, 2023 to RMB15.9 million as of December 31, 2024, primarily attributable to renewal of lease for headquarter office. Our lease liabilities decreased to RMB13.2 million as of September 30, 2025 and further decreased to RMB12.3 million as of November 30, 2025, primarily because the settlement of our lease payments.

Except as disclosed above, as of November 30, 2025, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, banking facilities, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or contingent liabilities.

Since November 30, 2025 and up to the date of this document, there has not been any material and adverse change in our indebtedness and contingent liabilities, and our Directors confirm that we did not have any external financing plans as of the Latest Practicable Date. Our Directors do not foresee any potential difficulty in obtaining bank facilities should the need arise.

Contingent Liabilities

As of the Latest Practicable Date, we did not have any material contingent liabilities.

Net Current Assets

The following table sets forth selected information from our current assets and liabilities as of the dates indicated:

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	*(unaudited)*
Current assets				
Prepayments and other receivables	57,901	64,509	69,418	72,505
Financial assets at fair value through profit or loss	131,458	306,019	162,751	335,087
Cash and cash equivalent	208,916	171,880	500,529	298,051
Total current assets	**398,275**	**542,408**	**732,698**	**705,643**
Current liabilities				
Other payables and accruals	158,097	189,714	208,652	177,300
Lease liabilities	4,232	4,308	5,718	5,665
Tax payable	6,820	9,715	9,670	5,905
Total current liabilities	**169,149**	**203,737**	**224,040**	**188,871**
Net current assets	**229,126**	**338,671**	**508,658**	**516,772**

We had net current assets of RMB229.1 million, RMB338.7 million, RMB508.7 million and RMB516.8 million as of December 31, 2023 and 2024, September 30, 2025 and November 30, 2025, respectively.

Our net current assets remained relatively stable at RMB508.7 million as of September 30, 2025 and RMB516.8 million as of November 30, 2025.

Our net current assets increased from RMB338.7 million as of December 31, 2024 to RMB508.7 million as of September 30, 2025, primarily attributable to the completion of new round of pre-[**REDACTED**] investment.

Our net current assets increased from RMB229.1 million as of December 31, 2023 to RMB338.7 million as of December 31, 2024, primarily attributable to the increase in the profit with the expansion of our business.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations and shareholder equity contribution. After the [**REDACTED**], we intend to finance our future capital requirements through cash generated from our business operations, together with the net [**REDACTED**] from the [**REDACTED**]. We do not anticipate any changes to the availability of financing to fund our operations in the future.

We had cash and cash equivalents of RMB208.9 million, RMB171.9 million, RMB500.5 million as of December 31, 2023 and 2024, and September 30, 2025, respectively.

Condensed Consolidated Cash Flow Statements

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Net cash flows from operating activities	79,623	150,780	137,470	108,681
Net cash flows from/(used in) investing activities	(48,381)	(171,165)	(167,248)	139,902
Net cash flows from/(used in) financing activities	20,597	(16,924)	(16,273)	80,505
Net increase/(decrease) in cash and cash equivalent	51,839	(37,309)	(46,051)	329,088
Cash and cash equivalents at beginning of the year	156,552	208,916	208,916	171,880
Effect of foreign exchange rate changes on net	525	273	(199)	(439)
Cash and cash equivalents at end of the year/period	**208,916**	**171,880**	**162,666**	**500,529**

Net Cash Flows From Operating Activities

For the nine months ended September 30, 2025, our net cash generated from operating activities amounted to RMB108.7 million, primarily attributable to our profit before tax of RMB101.9 million, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of depreciation of right-of-use asset of RMB3.2 million and share-based payment expenses of RMB4.1 million, partially offset by the fair value gain and invest income on financial assets at fair value through profit or loss of RMB3.1 million and the bank interest income of RMB1.7 million; (ii) cash released by working capital, which primarily result from an increase in other payables and accruals of RMB19.7 million, partially offset by the increase in prepayments, deposits and other receivables of RMB5.1 million and the income tax paid of RMB13.4 million.

In 2024, our net cash generated from operating activities amounted to RMB150.8 million, primarily attributable to our profit before tax of RMB137.0 million, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of depreciation of right-of-use assets of RMB4.3 million and share-based payment expenses of RMB4.4 million, partially offset by the fair value gain and invest income on financial assets at fair value through fair or loss of RMB3.8 million and bank interest income of RMB2.7 million; (ii) cash released by working capital, which primarily result from increase in other payables and accruals of RMB31.7 million, partially offset by income tax paid of RMB16.2 million and increase in prepayments, deposits and other receivables of RMB6.6 million.

In 2023, our net cash generated form operating activities amounted to RMB79.6 million, primarily attributable to our profit before tax of RMB94.5 million, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of depreciation of right-of-use assets of RMB3.4 million and share-based payment expenses of RMB16.6 million, partially offset by fair value and invest income on financial assets at fair value through profit or loss of RMB2.7 million; and (ii) cash absorbed by income tax paid of RMB16.8 million and decrease in other payables and accruals of RMB5.3 million and increase in prepayments, deposits and other receivables of RMB10.0 million.

See "— Discussion of Certain Key Consolidated Statements of Financial Position Items" for primary reasons relating to the underlying causes for our operating cash flow changes.

Net Cash Flows From/(Used In) Investing Activities

For the nine months ended September 30, 2025, our net cash generated from investing activities was RMB139.9 million, primarily attributable to proceeds from redemption of financial assets at fair value through profit or loss of RMB1,338.9 million, partially offset by purchase of financial assets at fair value through profit or loss of RMB1,192.5 million.

In 2024, our net cash used in investing activities was RMB171.2 million, primarily attributable to addition to purchase of financial assets at fair value through profit or loss of RMB951.9 million, partially offset by proceeds from redemption of financial assets at fair value through profit or loss of RMB781.2 million.

In 2023, our net cash used in investing activities was RMB48.4 million, primarily attributable to addition to purchase of financial assets at fair value through profit or loss of RMB192.8 million, partially offset by proceeds from redemption of financial assets at fair value through profit or loss of RMB144.6 million.

Net Cash From/(Used In) Financing Activities

For the nine months ended September 30, 2025, our net cash generated from financing activities was RMB80.5 million, primarily attributable to proceeds from capital contribution from shareholders of RMB107.7 million, partially offset by dividend paid of RMB24.0 million and principal and interest portion of lease payment of RMB2.7 million and RMB0.5 million, respectively.

In 2024, our net cash used in financing activities was RMB16.9 million, primarily attributable to dividend paid of RMB12.0 million and principal and interest portion of lease payment of RMB4.5 million and RMB0.4 million, respectively.

In 2023, our net cash generated from financing activities was RMB20.6 million, primarily attributable to proceeds from capital contribution from shareholders of RMB30.5 million, partially offset by dividend paid of RMB6.0 million and principal and interest portion of lease payment of RMB3.5 million and RMB0.4 million, respectively.

KEY FINANCIAL RATIOS

The following table sets forth a summary of our key financial ratios for the periods indicated.

	As of/For the year ended December 31,		As of/For the nine months ended September 30,	
	2023	2024	2024	2025
Gross profit margin(1)	80.5%	82.3%	82.4%	82.9%
Return on equity(2)	45.2%	40.6%	NA	20.4%
Return on assets(3)	22.6%	24.4%	NA	13.5%
Current ratio(4)	2.4x	2.7x	NA	3.3x
Gearing ratio(5)	0.03x	0.05x	NA	0.03x

Notes:

(1) The calculation of gross profit margin is based on gross profit for the period divided by revenue for the respective period and multiplied by 100%.

(2) The calculation of return on equity is based on profit for the period divided by average total equity as of the beginning and end of the period and multiplied by 100%.

(3) The calculation of return on assets is based on profit for the period divided by the average of opening and closing balance of total assets of the same period and multiplied by 100%.

(4) The calculation of current ratio is based on current assets divided by current liabilities as of period end.

(5) The calculation of gearing ratio is based on total debt (including lease liabilities) divided by total equity.

CAPITAL EXPENDITURES

During the Track Record Period, we did not have any significant capital expenditures.

CONTRACTUAL OBLIGATIONS AND CAPITAL COMMITMENTS

Capital Commitments

As of December 31, 2023 and 2024 and September 30, 2025, we did not have any significant contractual and capital commitments. During the Track Record Period, there was no material change to our indebtedness and capital commitments.

RELATED PARTY TRANSACTIONS

During the Track Record Period, there were no significant transactions and balance with related parties.

OFF-BALANCE SHEET COMMITMENT AND ARRANGEMENTS

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

FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

Our principal financial instruments comprise cash and cash equivalents and financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks arising from our financial instruments are credit risk and liquidity risk. Our Board reviews and agrees policies for managing each of these risks and they are summarised below. Our Directors review and approve policies for managing each of these risks, which are summarised below.

Credit Risk

We trade only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant.

Liquidity Risk

We aim to maintain sufficient cash to meet its liquidity requirements. We finance our working capital requirements through a combination of funds generated from operations and alternative funding resources from equity. For details, please refer to note 28 to the Accountants' Report included in Appendix IA to this Document.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

We manage its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period.

DIVIDENDS

We may distribute dividends by way of cash or by other means that we consider appropriate. During the Track Record Period, (i) on March 31, 2023, we declared a dividend of RMB6.0 million, of which RMB5.3 million was paid on April 21, 2023 and the remaining of RMB0.7 million was paid on November 18, 2023; (ii) we declared a dividend of RMB12.0 million on March 27, 2024, of which RMB10.4 million was paid on March 27, 2024, RMB0.3 million was paid on April 2, 2024 and the remaining of RMB1.3 million was paid on April 7, 2024; and (iii) on January 20, 2025, we declared a dividend of RMB24.0 million, of which RMB21.4 million was paid on February 7, 2025, RMB2.6 million was paid on February 26, 2025.

Currently, we do not have a formal dividend policy or a pre-determined dividend distribution ratio. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account of factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board.

There can be no assurance that we will be able to declare or distribute any dividend in the amount set forth in any plan to our Board or at all. Furthermore, if we or any of our subsidiaries incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends.

WORKING CAPITAL CONFIRMATION

Taking into account our cash and cash equivalents, operating cash flows, and the estimated net [**REDACTED**] available to us from the [**REDACTED**], our Directors believe that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of September 30, 2025, we had RMB290.3 million of retained profits available for distribution to our Shareholders.

[REDACTED] EXPENSES

The estimated total [**REDACTED**] expenses (based on the mid-point of our indicative price range for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately [**REDACTED**] million (or [**REDACTED**] of the gross [**REDACTED**] estimated to be received by us from the [**REDACTED**]), of which an estimated amount of approximately [**REDACTED**] million is expected to be charged to profit or loss and the remaining amount of approximately [**REDACTED**] million is expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. The estimated total [**REDACTED**] expenses comprise: (i) [**REDACTED**]-related expenses, including [**REDACTED**] commissions, of approximately [**REDACTED**] million; and (ii) non-[**REDACTED**]-related expenses of approximately [**REDACTED**] million, including (a) fees paid and payable to legal advisers and reporting accountant of approximately [**REDACTED**] million; and (b) other fees and expenses, including sponsor fees, of approximately [**REDACTED**] million.

During the Track Record Period, we incurred [**REDACTED**] expenses of [**REDACTED**] million, of which (i) [**REDACTED**] million was charged to profit or loss; and (ii) [**REDACTED**] million was recognized as [**REDACTED**] expenses directly attributable to the issue of shares to be deducted from equity upon the [**REDACTED**].

The [**REDACTED**] expenses above are the current estimate for reference only and the final amount to be recognized to our consolidated income statement is subject to audit and the then changes in variables and assumptions.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

[**REDACTED**]

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of our latest consolidated financial statements, and there has been no event since September 30, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix IA and the unaudited interim condensed consolidated financial information set out in Appendix IB to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

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