The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountant's Report in Appendix I to this document, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with HKFRSs.

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 "Risk Factors" and "Business" in this document.

Our financial year begins on 1 January and ends on 31 December. All references to "Track Record Period" mean the three years ended 31 December 2025.

OVERVIEW

We are an integrated solutions provider based in Guangzhou, the PRC, specialised in providing integrated SaaS solutions to our customers in (i) entertainment and social networks live streaming, (ii) precision marketing as well as (iii) retailing sectors. Since June 2024, we launched online marketing solutions services that are complementary to our SaaS solutions. SaaS, or software as a service, is a software licensing and delivery model in which software and associated data are hosted on cloud infrastructure. Our SaaS solutions feature delivery of SaaS products which are ready-to-use, with industry-specific customisation and end-to-end coverage from software development to post-launch technical support, which eliminates the need for customers to manage fragmented IT resources. According to the CIC Report, we ranked 10th in China's enterprise live streaming SaaS solutions market, with a market share of 0.8% in terms of revenue in 2025. The enterprise live streaming SaaS solutions market represents a small subset of the overall live streaming industry in China. Two major scopes of our SaaS solutions business include the following:

- *Software development services* — We provide customised software development services to cater for our customers' specific requirements. We may assist our customers in developing new SaaS products from scratch, or may be engaged by our customers to modify, upgrade and/or add new features to our customer's existing SaaS products.

- *Technical support services* — We offer ongoing technical support services to ensure optimal performance and reliability. Our services including but are not limited to system updates, development and maintenance of new functional modules, bug repairs and other software maintenance services. By providing continuous technical assistance, we help our customers maintain operational stability, adapt to changing market demands and enhance user experiences. Our proactive approach to technical support ensures that our SaaS products remain robust, secure and up-to-date in response to evolving customer preference and market trends.

In furtherance of our SaaS solutions business, we have tapped into the online marketing since June 2024. In delivering SaaS solutions to our customers, we have identified an increasing demand for online marketing solutions derived from them, which form a vital component to their broader business ecosystems. We believe that by leveraging our experiences in SaaS solutions, technological capabilities and market insights, we can develop an in-depth "SaaS solutions and precision marketing" integrated model that combines our robust software capabilities with data-driven marketing execution. We endeavour to support enterprises to effectively integrate SaaS-based management tools with audience targeting and conversion optimisation capabilities through our online marketing solutions. These services include formulation of tailor-made marketing plan, design and production of ad materials, ad placement and online traffic acquisition, and other additional related services such as ad placements' and performance monitoring and data analysis.

We experienced growth during the Track Record Period. Our revenue increased from approximately RMB50.7 million in FY2023 to approximately RMB99.0 million in FY2024 and further to approximately RMB514.9 million in FY2025. During FY2023, all of our revenue was generated from our SaaS solutions business. During FY2024, we generated approximately 63.7% of our revenue from our SaaS solutions business and approximately 36.3% of our revenue from our online marketing solutions business. During FY2025, we generated approximately 12.5% of our revenue from our SaaS solutions business and approximately 87.5% of our revenue from our online marketing solutions business.

BASIS OF PRESENTATION

The historical financial information of our Group has been prepared in accordance with accounting policies which conform with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants. The historical financial information has been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Our Group comprising our Company and our subsidiaries resulting from the Reorganisation, as detailed in "History, Development and Reorganisation — The Reorganisation" in this document, is regarded as a continuing entity because the ultimate beneficial shareholding has not changed upon completion of the above steps. The historical financial information of our Group for the Track Record Period as set out in the Accountants' Report included in Appendix I to this document have been prepared to present the results, changes in equity, cash flows, assets and liabilities of the entities now comprising our Group, as if our current group structure had been in existence throughout the Track Record Period and at those dates, taken into account the respective dates of incorporation/establishment.

The preparation of the historical financial information in conformity with HKFRS Accounting Standards requires the use of certain critical judgements and involves significant accounting estimates. It also requires management to make estimates and assumptions of the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 5 to the Accountants' Report included in Appendix I to this document.

Our historical financial information has been prepared based on our underlying financial statements. Our Group has consistently applied the accounting policies which conform with HKFRS Accounting Standards, which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATION

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are outside of our control. These factors include but are not limited to the following:

Our ability to diversify and grow our customer base

A significant portion of our revenues was derived from our five largest customers in each year during the Track Record Period. For FY2023, FY2024 and FY2025, our revenues generated from such customers amounted to approximately RMB45.9 million, RMB67.0 million and RMB297.8 million, respectively, representing approximately 90.6%, 67.7% and 57.8% of our total revenues for the corresponding periods, respectively. Such customer concentration may also make our cash flows volatile. In the event that our five largest customers cease to engage us or experience any liquidity problems, the business, financial position and prospects of our Group may be materially and adversely affected. As at 31 December 2023, 31 December 2024 and 31 December 2025, our five largest customers in each year accounted for approximately 98.5%, 14.6% and 57.5% of our total trade receivables, respectively. If our customers delay or default on paying us and we do not have sufficient cash flow or are otherwise unable to obtain sufficient funds, our cash flows may be materially and adversely affected. For details of the risk relating to customer concentration, please refer to "Risk Factors — Risks relating to our business and industry — We generate a significant portion of our revenue from our major customers, which exposes us to significant business risk if any of these customers reduces their business with us." in this document.

Furthermore, our Group has historically derived a portion of our revenue from connected persons. During the Track Record Period, transactions with these related parties accounted for approximately RMB6.8 million, RMB5.0 million and RMB4.2 million of our total revenues in FY2023, FY2024 and FY2025, respectively. Any reduction in business volume from these customers or failure to maintain or renew these contracts on acceptable terms or at all, whether due to competitive pressures, operational decisions, or regulatory changes, could adversely affect our Group's financial performance and operating results.

To achieve the sustainable growth of our business, we must continuously dedicate to develop and expand our SaaS solutions business by attracting new customers, retaining existing customers and increasing their incremental spending on our services. During the Track Record Period, revenue generated from our SaaS solutions business was approximately RMB50.7 million, RMB63.1 million and RMB64.6 million for FY2023, FY2024 and FY2025, respectively, representing a CAGR of approximately 8.4% from FY2023 to FY2025. We cannot guarantee that we will achieve similar growth rates for our SaaS solutions business in the future.

Our technological capabilities and talent acquisition efforts

China's live streaming industry and retailing sectors are characterised by constant changes, including rapid technological evolution, continual shifts in customer demands, frequent introductions of new products and services and constant emergence of new industry standards and practices. The online marketing industry and the broader internet industry are subject to rapid transformation, driven by technological advancements, shifting customer preferences, and evolving market trends. Our success depends on maintaining and enhancing our technological capabilities to meet industry demands. Emerging innovations in areas such as AI, programmatic advertising, and data analytics may disrupt our existing offerings and potentially diminishing the attractiveness of the services we offer. Thus, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. It may be necessary for us to allocate substantial resources towards financial investments, talent acquisition and research and development efforts, to stay aligned with technological advancements in order to make our development capabilities and platform remain competitive within the market.

Our staff costs for FY2023, FY2024 and FY2025 was approximately RMB14.5 million, RMB14.0 million and RMB18.4 million, respectively, which accounted for approximately 28.7%, 14.2% and 3.6% of our revenue for the corresponding year, respectively. The following table sets forth a sensitivity analysis illustrating the impact of hypothetical fluctuations in staff costs on our profit before tax for the year indicated:

	FY2023 Change in profit before tax *RMB'000*	**FY2024 Change in profit before tax** *RMB'000*	**FY2025 Change in profit before tax** *RMB'000*
+15%	(2,182)	(2,106)	(2,757)
+10%	(1,455)	(1,404)	(1,838)
+5%	(727)	(702)	(919)
-5%	727	702	919
-10%	1,455	1,404	1,838
-15%	2,182	2,106	2,757

Our technology infrastructure that supports the operations of our various products is also critical to the stability and proper functioning of our SaaS solutions offerings. We seek to further invest in our research and development efforts by maintaining a dedicated technology team with requisite credentials and expertise and innovating our platform to keep pace with the technological advancements and industrial trends, which could increase our staff costs and may impact our results of operations and financial condition.

Ability to control our traffic acquisition costs related to online marketing solution business

Our traffic acquisition costs related to online marketing solution business amounted to approximately RMB34.9 million in FY2024 and approximately RMB423.8 million in FY2025, which accounted for approximately 35.3% and 82.3% of our total revenue and approximately 97.3% and 94.1% of our revenue derived from online marketing solution business, for FY2024 and FY2025, respectively. Such costs were not incurred FY2023 as we tapped into the online marketing solution business in June 2024. The following table sets forth a sensitivity analysis illustrating the impact of hypothetical fluctuations in traffic acquisition costs related to online marketing solution business costs on our profit before tax for the year indicated:

	FY2024 Change in profit before tax *RMB'000*	**FY2025 Change in profit before tax** *RMB'000*
+15%	(5,236)	(63,572)
+10%	(3,491)	(42,381)
+5%	(1,745)	(21,191)
-5%	1,745	21,191
-10%	3,491	42,381
-15%	5,236	63,572

Decrease in demand for our SaaS solutions due to any downturn or adverse developments in the PRC's live streaming industry

Since our SaaS solutions are mainly offered to industry participants along the live streaming value chain, primarily entertainment and social networks live streaming operators in China, our operational and financial performances are subject to upturns and downturns of the live streaming industry in China. A downturn or any adverse developments in the PRC live streaming market may decrease the demand for our software solutions and diminish our ability to generate profits. Please refer to "Risk Factors — Risks relation to our business and industry — Our SaaS solutions business has a relatively challenging business environment that may not be successful. A downturn or any adverse developments in china's live streaming industry may decrease the demand for our SaaS solutions." in this document for further details.

Development of the online marketing solutions industry

The financial performance and future prospects of our online marketing solutions business are driven by the sustained development and expansion of the overall online marketing solutions industry. According to CIC, the market size of China's online marketing solutions industry expanded from RMB815 billion in 2020 to RMB1,376 billion in 2025 at a CAGR of 11.0%. During FY2024 and FY2025, our revenue generated from our online marketing solutions business amounted to approximately RMB35.9 million (representing approximately 36.3% of our total revenue) and approximately RMB450.3 million (representing approximately 87.5% of our total revenue) for the corresponding period, respectively.

Please refer to "Risk Factors — Risks relating to our business and industry — If the online marketing solutions industry does not continue to develop and expand, or if its growth is slower than anticipated, our profitability and future prospects could be significantly adversely impacted." in this document for further details on risks in relation to uncertainties in market outlook.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions related to accounting items that are not readily apparent from other sources. The estimates and assumptions we use in applying our accounting policies have a significant impact on our financial position and operation results. Our management continuously evaluates such estimates and assumptions based on historical experience and other factors that are considered to be relevant, including industry practices and expectations of future events which are deemed to be reasonable under the circumstances. There had not been any material deviation from our management's estimates or assumptions and actual results, and we had not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

Set forth below are accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of historical financial information of our Group. Our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial position and results of operations, are set forth in further details in Notes 4 and 5 to the Accountant's Report included in Appendix I to this document.

Revenue recognition

Performance obligation for contracts with customers

We recognise revenue from the following businesses:

(a) *SaaS solutions business*

Our Group's revenue from SaaS solution business is generated from provision of software development services and technical support services. Our Group entered into contracts with customers and agreed scope of services according to the customer's specific requirements, of which certain contracts may include (i) single performance obligation, which refers to either software development services or technical support services, or (ii) multiple performance obligations, which refer to both software development services and technical support services. In addition, based on the terms of contracts, in exchange for transferring the services to the customers, our Group is entitled to charge its customers at a fixed price or at a variable consideration calculated as a pre-determined percentage of cash received by the customer from its use of the developed software over a specified period of time.

Depending on the terms of the contracts, control of services mentioned above may be transferred at a point in time or over time. Our Group recognises revenue from the following services:

Software development services:

With respect to the software development services, our Group is typically responsible in assisting customers in developing, installing and testing of the relevant software application. Our Group may either develop the software from scratch or modify, upgrade and/or add new features to the customers' existing software application. Revenue from software development services is recognised at a point in time as the performance obligation is satisfied upon delivery and acceptance of the software by the customers.

For contracts with customers including single performance obligation, the consideration for the provision of software development service is fixed and specified in the sales contract. Our Group issues billings to the customers once they accepted the software and the payment is generally due within 10 days from the invoice date.

Technical support services:

With respect to the technical support services, after customers' launch of the software application (either developed by our Group or by customers themselves), our Group is typically responsible for system updates, development and maintenance of new modules, bug repairs and other software maintenance services. The service period generally ranges from 1 year to 5 years. Revenue from technical support services is recognised over time as the customers simultaneously receive and consume the benefits to the services.

For contracts with customers including single performance obligation, the term generally ranges from one to five years. Our Group is entitled to bill the customers at a fixed amount on a yearly basis and the payment is generally due within ten days from invoice date.

Contracts with multiple performance obligations

Where the contracts include multiple performance obligations, the management of our Group concludes that software development services and technical support services are two distinct services and allocates the transaction price to each performance obligation based on its relative stand-alone selling price of similar services currently charged to respective customers. If the stand-alone selling price is not directly observable, it is estimated using average historical prices charged to customers in the recent years.

Variable consideration

For the contracts with customers where our Group is entitled to charge our customers at a variable consideration calculated as a pre-determined percentage of cash received by the customer from its use of the developed software (either developed by our Group or by customers themselves), the management of our Group concludes that variable consideration is constrained and a high level of uncertainty is surrounding the amount and the timing of recognition. In addition, the period over which our Group can benefit may be much shorter than the service period specified in the contracts with customers and vice versa. Any amount received by our Group at particular point in time may be higher or lower than the relative stand-alone selling price at that point as time and such revenue cannot be deferred or accrued reliably over the service period specified in the contracts or the actual life of the software, whichever is shorter. In this case, revenue is recognised only when settlement record is confirmed with customers which approximate to cash actually received by our Group as it is only the point that the associated uncertainty with the variable consideration is resolved. Our Group issues billings to the customers on a monthly basis and payment is generally due within 10 days from the invoice date.

Details about judgements applied and estimates involved in recognition and measurement of the revenue from contracts with customers including multiple performance obligations or variable consideration are set out in note 5 to the Accountants' Report set out in Appendix I to this document.

(b) Revenue from online marketing solution services

Our Group's revenue from online marketing solutions business is generated from provision of online marketing solution services.

With respect to online marketing solution services, our Group typically offers an overall customised marketing plan which includes (i) setting up tailor-made marketing plan; (ii) designing and production of advertising materials; (iii) collaborating with advertising agents for online traffic acquisition in different online media platforms and placement of advertisements designed and produced by our Group on the designated online media platforms; and (iv) other additional value-added services such as advertisement placements' performance monitoring and analysis.

Our Group acts as the principal to these contracts with customers as it controls the specified advertising traffic resources and the specified advertising strategy and materials before they are displayed to the target users on the designated online media platforms. Accordingly, our Group recognises revenue earned and costs incurred related to the transactions on a gross basis, taking into consideration that (i) our Group is primarily responsible for fulfilling the promise to provide the specified services, (ii) identifying and contracting with individual customers and negotiating with them the contract price, and (iii) identifying and contracting with advertising agents (normally our Group made prepayments to advertising agents for the advertising traffic to be used for a future period of within twelve months).

Revenue is recognised at a point in time when specific services were provided which is measured with reference to the consumption of advertising traffic on the designated online media platforms together with a pre-determined mark-up. The advertising traffic is consumed upon displaying the advertising materials and reactions of the target users on the designated online media platforms. Our Group issues billings to customers on a weekly basis, which are based on previous week's actual advertising traffic consumption plus a pre-determined mark up, and the payment is generally due within 5 days from the billing date.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 "Revenue from Contracts with Customers". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost: (i) the financial asset is held within a business model whose objective is to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest earned on the financial asset and is included in the "other income" line item in profit or loss.

*Impairment of financial assets subject to impairment assessment under HKFRS 9 ("**Financial Instruments**")*

Our Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables, amounts due from an associate and cash and cash equivalents). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on our Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

Our Group always recognises lifetime ECL for trade receivables. For all other instruments, our Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case our Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, our Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, our Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which our Group's debtors operate.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly: (a) an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating; (b) significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor; (c) existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; (d) an actual or expected significant deterioration in the operating results of the debtor; and (e) an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, our Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless our Group has reasonable and supportable information that demonstrates otherwise.

Our Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, our Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including our Group, in full (without taking into account any collaterals held by our Group).

Irrespective of the above, our Group considers that default has occurred when a financial asset is more than 90 days past due unless our Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: (a) significant financial difficulty of the issuer or the borrower; (b) a breach of contract, such as a default or past due event; (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

Our Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under our Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. Generally, the ECL is the difference between all contractual cash flows that are due to our Group in accordance with the contract and the cash flows that our Group expects to receive, discounted at the effective interest rate determined at initial recognition. Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset. Our Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

Our Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by our Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities, including trade and other payables and amounts due to subsidiaries, are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Our Group derecognises financial liabilities when, and only when, our Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss, with corresponding increase in equity (other reserve).

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the Track Record Period as extracted from the Accountants' Report of our Group as set out in Appendix I to this document.

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	50,666	98,951	514,918
Other income	3,823	728	43
Other gains and losses, net	(299)	4,786	(316)
Impairment losses recognised on financial assets at amortised cost under expected credit loss model	—	(1,000)	—
Staff costs	(14,548)	(14,039)	(18,379)
Traffic acquisition costs related to online marketing solution business	—	(34,909)	(423,814)
Depreciation expenses	(84)	(1,495)	(1,415)
Other operating expenses	(4,606)	(5,942)	(9,359)
Finance costs	(176)	(143)	(205)
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Share of result of an associate	(1,083)	—	—
Share of results of joint ventures	(355)	—	—
Profit before tax	29,830	43,195	51,187
Income tax expense	(3,384)	(5,060)	(8,866)
Profit for the year	26,446	38,135	42,321

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Other comprehensive income (expense) for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of a foreign operation	—	111	(336)
Other comprehensive income (expense) for the year	—	111	(336)
Total comprehensive income for the year	26,446	38,246	41,985
Profit (loss) for the year attributable to:			
Owners of our Company	26,924	39,413	42,414
Non-controlling interests	(478)	(1,278)	(93)
	26,446	38,135	42,321
Total comprehensive income (expense) for the year attributable to:			
Owners of our Company	26,924	39,524	42,078
Non-controlling interests	(478)	(1,278)	(93)
	26,446	38,246	41,985

Non-HKFRS Measure

We believe the non-HKFRS measure set out below provides useful information to investors about our operating performance, and enhances the overall understanding of our past performance and future prospects in the same manner as our management. We define adjusted net profit (non-HKFRS measure) as profit for the year adjusted by expenses for the **[REDACTED]**. Given such expenses were incurred for the purpose of the **[REDACTED]**, the adjustment has been consistently made during the Track Record Period.

The non-HKFRS measure shall not be considered in isolation from, or as substitute for analysis of, our consolidated statement of profit or loss or financial condition as reported under HKFRS. In addition, the non-HKFRS measure may be defined separately from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The table below sets forth our adjusted net profit (non-HKFRS measure) during the Track Record Period:

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	26,446	38,135	42,321
Adjustment for: **[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net profit for the year (non-HKFRS measure)	29,954	41,877	52,607

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we derived our revenue from (i) SaaS solutions business (representing software development services and technical support services); and (ii) online marketing solutions business.

SaaS solutions services

We provide customised software development services to cater for our customers' specific requirements. We may assist our customers in developing new applications from scratch, or may be engaged by our customers to modify, upgrade and/or add new features to our customers' existing applications.

We offer ongoing technical support services to ensure optimal performance and reliability. Our services include but are not limited to system updates, development and maintenance of new functional modules, bug repairs and other software maintenance services. By providing continuous technical assistance, we help our customers maintain operational stability, adapt to changing market demands and enhance user experiences.

For FY2023, FY2024 and FY2025, revenue derived from our SaaS solutions business, which comprised software development services and technical support services, amounted to approximately RMB50.7 million, RMB63.1 million and RMB64.6 million, respectively, representing 100%, approximately 63.7% and 12.5% of our total revenue for the corresponding period, respectively.

The following table sets forth breakdown of revenue recognised from our SaaS solutions by business sectors and geographical location for the periods indicated.

	FY2023		**FY2024**		**FY2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Entertainment and social networks						
— Chinese Mainland	48,519	95.8	35,986	57.1	26,901	41.7
— Hong Kong	1,008	2.0	7,737	12.3	7,257	11.2
	49,527	97.8	43,723	69.4	34,158	52.9
Precision marketing						
— Chinese Mainland	254	0.5	9,864	15.6	6,040	9.4
— Hong Kong	—	—	—	—	7,316	11.3
	254	0.5	9,864	15.6	13,356	27.4
Retailing						
— Chinese Mainland	885	1.7	3,938	6.2	15,104	23.4
— Hong Kong	—	—	5,542	8.8	1,952	3.0
	885	1.7	9,480	15.0	17,056	26.4
Total	50,666	100.0	63,067	100.0	64,570	100.0

During the Track Record Period, a significant portion of our revenue from SaaS solutions business was derived from services provided to entertainment and social networks sector, which accounted for approximately 97.8%, 69.4% and 52.9% of our revenue from SaaS solutions business for FY2023, FY2024 and FY2025, respectively. Our SaaS solutions revenue from entertainment and social networks sector in Chinese Mainland decreased from approximately RMB48.5 million in FY2023 to approximately RMB36.0 million in FY2024. Our SaaS solutions revenue from entertainment and social networks sector in Chinese Mainland decreased from approximately RMB36.0 million in FY2024 to approximately RMB26.9 million in FY2025. The decrease in revenue from FY2024 to FY2025 was due to the conclusion of pre-existing contracts, leading to a decrease in number of customers, from which we generated a relatively significant portion of such revenue during FY2024, which was partially set off by the increase of RMB12.2 million in revenue generated from Customer A1 mainly as its application performed well in FY2025 and we received recurring fees under transaction-based sharing pricing model therefrom. Our SaaS solutions revenue from entertainment and social networks sector in Hong Kong increased from approximately RMB1.0 million in FY2023 to approximately RMB7.7 million in FY2024. Our SaaS solutions revenue from entertainment and social networks sector in Hong Kong decreased from approximately RMB7.7 million in FY2024 to approximately RMB7.3 million in FY2025. In FY2023, we provided SaaS solutions to one customer in Hong Kong in respect of an entertainment live streaming platform. We recorded increase in SaaS solutions revenue from entertainment and social networks sector in Hong Kong in FY2024 mainly due to the fact that we entered into agreements with two new customers in Hong Kong in FY2024. The decrease in revenue from FY2024 to FY2025 was because we recognised a one-off fixed upfront software development fee in respect of a customer of over RMB3.2 million in FY2024 for a SaaS product delivered during the period which was partially offset by our expansion in customer base in the entertainment and social networks sector in FY2025.

Our revenue from SaaS solutions business in respect of precision marketing sector accounted for approximately 0.5%, 15.6% and 20.7% of our revenue from SaaS solutions business for FY2023, FY2024 and FY2025, respectively. Our SaaS solutions revenue from precision marketing in Chinese Mainland increased significantly from approximately RMB254,000 for FY2023 to approximately RMB9.9 million for FY2024, and decreased to approximately to RMB6.0 million for FY2025. In FY2024, we have expanded our market footprint in this sector through entering into contracts with nine customers in the PRC, as compared to two customers in FY2023, for precision marketing SaaS solutions. In FY2025, we derived revenue from four customers in Chinese Mainland for precision marketing SaaS solutions. The decrease in revenue from FY2024 to FY2025 reflects the recognition of one off upfront fixed fees in FY2024, whereas revenue from existing customers is largely limited to maintenance fees during FY2025, which is partially offset by revenue recognised from five new contracts entered into during FY2025. We started to recognise SaaS solutions revenue from precision marketing sector in Hong Kong since FY2025 for three new customers in Hong Kong, generating revenue of approximately RMB7.3 million in FY2025.

Our revenue from SaaS solutions business in respect of retailing sector accounted for approximately 1.7%, 15.0% and 26.4% of our revenue from SaaS solutions business for FY2023, FY2024 and FY2025, respectively. We started to recognise SaaS solutions revenue from retailing sector in Chinese Mainland in FY2023 in the amount of approximately RMB885,000, our revenue in this sector significantly increased to approximately RMB3.9 million in FY2024. A major contributing factor for the increase was our expansion in customer base. We provided SaaS solutions services to and recognised revenue from one and 15 retailing customers in Chinese Mainland in FY2023 and FY2024, respectively. Our SaaS solutions revenue from retailing sector in Chinese Mainland increased significantly from approximately RMB3.9 million in FY2024 to approximately RMB15.1 million in FY2025. Such increase was primarily due to the increase in number of customers we generated revenue from, from 15 customers in FY2024 to 18 customers in FY2025, including (i) a new customer engaging in digital human resources solutions services, from which we generated revenue of approximately RMB3.7 million in FY2025; and (ii) Customer E1 (our major customer for online marketing solutions in FY2024 and FY2025), from which we generated SaaS solutions revenue of approximately RMB1.9 million in FY2025. We started to recognise SaaS solutions revenue from retailing sector in Hong Kong in the second half of FY2024 for three new customers in Hong Kong which amounted to approximately RMB5.5 million in FY2024. We derived approximately RMB2.0 million from one customer in FY2025.

The revenue recognised for our SaaS solutions business during the Track Record Period is generally based on the following approaches: (i) transaction-based sharing pricing, which charges on revenue sharing basis generally based on a pre-determined ratio of user top-ups for entertainment or social networks live streaming platforms as stipulated in the contract entered into with our customers with some contracts capping the total payments at a specific amount; and (ii) product buyout and maintenance pricing, which involves fixed upfront fees in respect of software development services, which are payable (a) upon entering into of contract as upfront development fees; (b) upon reaching particular milestone dates; and/or (c) upon completion of the project, and may be coupled with fixed periodic fees for customers who require subsequent ongoing technical support services, which charges based on actual technical support services required from customers during contract term.

The following table sets forth breakdown of revenue from our SaaS solutions business by pricing model of our SaaS solutions for the periods indicated.

	FY2023		**FY2024**		**FY2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Transaction-based sharing pricing	41,062	81.0	29,402	46.6	29,256	45.3
Product buyout and maintenance pricing	9,604	19.0	33,665	53.4	35,314	54.7
Total	50,666	100.0	63,067	100.0	64,570	100.0

Online marketing solutions services

In furtherance of our SaaS solutions business, we have tapped into the online marketing solutions market since June 2024. We provide online marketing solution services to advertising customers which comprise one advertising partner and direct advertisers such as operators in live streaming, retailing and education sectors to optimise their advertisement placements and maximise exposure by advertising on various media platforms as well as traffic acquisition. Since 2024, we worked with Customer E1 (our advertising partner), an established technology solutions provider offering marketing planning and brand management services primarily serving insurance companies and insurance intermediaries, which generated over 80% and over 30% of our revenue from our online marketing solutions business in FY2024 and FY2025, respectively. Our online marketing solutions client portfolio also included clients from the entertainment and social networks live streaming, retailing and education sectors.

The service fee we charge our customers for our online marketing solutions services is primarily based on (a) our advertising customers' actual consumption amount incurred on the designated media publishers' platforms and (b) a pre-determined service premium we marked upon such consumption amount, which varies by agreements. We act as a principal as we control the specified advertising traffic resources and the specified advertising strategy and materials before they are displayed to the target users on the designated online media platforms. Accordingly, we recognise revenue earned and costs incurred related to the transactions on a gross basis, taking into consideration that (i) we are primarily responsible for fulfilling the promise to provide the specified services, (ii) identifying and contracting with individual customers and negotiating with them the contract price, and (iii) identifying and contracting with advertising agencies (normally we make prepayments to advertising agencies for the advertising traffic to be used for a future period of within 12 months).

Since we have only extended our offerings to provide online marketing solution services from June 2024, no revenue has been derived from our online marketing services for FY2023. Revenue derived from our online marketing solutions services for FY2024 and FY2025 was approximately RMB35.9 million and RMB450.3 million, representing 36.3% and 87.5% of our total revenue for the corresponding periods, respectively. The significant increase in revenue from online marketing solutions services from FY2024 to FY2025 was mainly attributable to (i) the full-year effect of revenue recognition in FY2025 given that we only commenced the provision of online marketing solutions services in June 2024; and (ii) the expansion of our customer base during FY2025, with revenue recognised from nine customers and 167 customers for our online marketing solutions services in FY2024 and FY2025, respectively.

The following table sets forth breakdown of revenue recognised from our online marketing solution by business sectors and geographical location for the periods indicated.

	FY2024		**FY2025**	
	RMB'000	%	*RMB'000*	%
Retailing				
— Chinese Mainland	32,108	89.5	421,291	93.5
— Hong Kong	—	—	—	—
	32,108	89.5	421,291	93.5
Education				
— Chinese Mainland	—	—	19,781	4.4
— Hong Kong	—	—	—	—
	—	—	19,781	4.4
Entertainment and social networks				
— Chinese Mainland	3,776	10.5	8,004	1.8
— Hong Kong	—	—	1,272	0.3
	3,776	10.5	9,276	2.1
Total	35,884	100.0	450,348	100.0

During the Track Record Period, a significant portion of our revenue from online marketing solution business was derived from services provided to customers in the retailing sector, which accounted for approximately 89.5% and 93.5% of our revenue from online marketing solution business for FY2024 and FY2025, respectively. Our online marketing solution revenue from retailing sector in Chinese Mainland increased from approximately RMB32.1 million in FY2024 to approximately RMB421.3 million in FY2025. The increase in revenue from FY2024 to FY2025 was primarily attributable to (i) the full-year effect of revenue recognition in FY2025; and (ii) the expansion of our customer base during FY2025, with revenue recognised for retailing sector in Chinese Mainland from six customers in FY2024 to 67 customers in FY2025.

We started to recognise online marketing solution revenue from education sector in Chinese Mainland in FY2025, recognising revenue of approximately RMB19.8 million in the year.

Our online marketing solution revenue from customers in the entertainment and social networks sector in Chinese Mainland increased from approximately RMB3.8 million in FY2024 to approximately RMB8.0 million in FY2025. The increase was primarily due to (i) the full-year effect of revenue recognition in FY2025; and (ii) the increase in transaction-based sharing revenue generated from each customer, mainly driven by improved advertising performance and higher online traffic consumption. We tapped into the Hong Kong market for our online marketing solution business in respect of entertainment and social networks sector in FY2025, generating revenue of approximately RMB1.3 million in the year.

Gross profit

Gross profit is calculated based on our revenue minus direct costs incurred (comprising staff costs, traffic acquisition costs, depreciation expenses and other operating expenses such as technical service fees). Gross profit margin is calculated based on the gross profit for the year divided by our business revenue for the year and multiplied by 100%.

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

	FY2023		FY2024		FY2025	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Type of business						
SaaS solutions	41,617	82.1	49,528	78.5	49,229	76.2
Online marketing solutions	—	—	758	2.1	23,782	5.3

Our gross profit for SaaS solutions business increased by approximately RMB7.9 million or 19.0% from approximately RMB41.6 million in FY2023 to approximately RMB49.5 million in FY2024, which was mainly contributed by the increase in revenue from our SaaS solutions business during FY2024. Please refer to "Description of major components of our results of operations — Revenue" above in this section for futher details. Our gross profit margin for SaaS solutions business decreased from approximately 82.1% in FY2023 to approximately 78.5% in FY2024, primarily due to the increase in the purchase of cloud services from suppliers for our SaaS solutions business. Our gross profit for SaaS solutions business remained relatively stable at approximately RMB49.5 million in FY2024 and approximately RMB49.2 million in FY2025, which was mainly attributable to the increase in revenue and partially offset by the increase in other operating expenses under direct costs which represented technical service fees for our SaaS solution business in FY2025. Our gross profit margin for SaaS solutions business decreased from approximately 78.5% in FY2024 to approximately 76.2% in FY2025, primarily due to the increase in the purchase of cloud services from suppliers for our SaaS solutions business in FY2025.

Our gross profit derived from online marketing solutions business increased by approximately RMB23.0 million or 3,037.5% from approximately RMB758,000 in FY2024 to approximately RMB23.8 million in FY2025, which was mainly contributed by the increase in revenue from this business sector. Please refer to "Description of major components of our results of operations — Revenue" above in this section for futher details. In general, the gross profit margin of online marketing solutions business is significantly lower than that of SaaS solutions business (traffic acquisition costs by itself accounted for approximately 94.1% of our revenue derived from online marketing solutions business in FY2025) which is in line with industry norm. Our gross profit margin for online marketing solutions business increased from approximately 2.1% in FY2024 to approximately 5.3% in FY2025, primarily due to the increase in pricing and the enhancement of cost efficiency after the establishment of our online marketing business in June 2024.

The following table sets forth breakdown of direct costs by nature for the periods indicated.

	FY2023		**FY2024**		**FY2025**	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Traffic acquisition costs related to online marketing solutions business	—	—	34,909	71.7	423,814	95.9
Staff costs	7,509	83.0	10,253	21.1	12,672	2.9
Other operating expenses	1,493	16.5	2,847	5.9	4,616	1.0
Depreciation expenses	47	0.5	656	1.3	805	0.2
Total	9,049	100.0	48,665	100.0	441,907	100.0

In respect of traffic acquisition costs related to online marketing solution business, the increase from approximately RMB34.9 million in FY2024 to approximately RMB423.8 million in FY2025 is in line with the expansion of our online marketing solution business since we first tapped into the business in June 2024. Our staff costs under direct costs represented costs in respect of our project management and operational personnel. The increase in staff costs under direct costs from approximately RMB7.5 million in FY2023 to approximately RMB10.3 million in FY2024 was mainly driven by the expansion of our sales and operation team for SaaS solution business (such as project managers and designers), while the further increase to approximately RMB12.7 million in FY2025 is mainly driven by the expansion of our operation team for online marketing solution business (such as operation managers, producers and multimedia designers), to support our business expansion. Our other operating expenses under direct costs represented technical service fees for our SaaS solution business such as service fees paid to providers of cloud computing and cybersecurity service and SDK. The increase in other operating expenses under direct costs from approximately RMB1.5 million in FY2023 to approximately RMB2.8 million in FY2024 was mainly driven by the increased costs incurred for purchasing cloud services in connection with our SaaS solutions business with the expansion in our customer base, while the further increase to approximately RMB4.6 million in FY2025 is mainly driven by the continued growth of the usage of cloud services and the development of AI capabilities for our SaaS solutions business.

Other income

Our other income consists primarily of government subsidies in the form of immediate refund of certain value-added tax ("**VAT**") levied from the PRC tax authorities in relation to the value-added tax payable for the sale of self-developed and produced software products, and government subsidies related to production and operation in respect of high and new technology development.

The following table sets forth a breakdown of the components of our other income during the Track Record Period.

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Government subsidies	3,769	662	12
Others	54	66	31
	3,823	728	43

During the Track Record Period, our Group received various government subsidies of approximately RMB3.8 million, RMB662,000 and RMB12,000 in FY2023, FY2024 and FY2025, respectively. Among such government subsidies, our Group received (i) government grants in the form of incentives from PRC local government authorities granted to our PRC subsidiaries to encourage local investment, in the amounts of approximately RMB503,000, RMB170,000 and nil for FY2023, FY2024 and FY2025, respectively. These incentives from PRC local government authorities can be categorised into two types: (a) incentives granted on a one-off basis, for which companies are required to submit applications and obtain approval from the relevant PRC local authorities after satisfying specified eligibility criteria; and (b) incentives granted on a one-off basis that are automatically available to companies once they have met the prescribed conditions, without the need to submit any application; and (ii) refund of value-added tax from the PRC tax authorities attributable to certain eligible products sold by the Company's subsidiary in the PRC and refund of individual income tax in the PRC of approximately RMB3.3 million, RMB492,000 and RMB12,000 for FY2023, FY2024 and FY2025, respectively. The requirements and conditions for the eligibility of the government subsidies in the form of immediate refund of VAT are set out in Finance and the State Taxation Administration on Value-added Tax Policies for Software Products (財政部、國家稅務總局關於軟件產品增值稅政策的通知), which was promulgated on 13 October 2011 and became effective on 1 January 2011. The eligibility conditions include being a general VAT taxpayer that sells self-developed and produced software products, or sells imported software products after its localisation and adaptation. There were no unfulfilled conditions or contingencies relating to these grants during the Track Record Period.

Other gains and losses, net

Our other net gains and losses consists primarily of (i) fair value changes on financial assets at FVTPL; (ii) impairment loss recognised in respect of investment in a joint venture; and (iii) gains on disposal of joint ventures. We recognised fair value gain on financial assets at FVTPL of approximately RMB5.0 million in FY2024, which mainly represented fair value gain on our investments in equity securities listed in the PRC. For further details, please refer to "Discussion of selected items of balance sheet — Financial assets at fair value through profit or loss" below in this section.

The following table sets forth a breakdown of the components of our other gains and losses during the Track Record Period.

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Fair value changes on financial assets at FVTPL	(152)	5,030	—
Exchange (loss) gain, net	(5)	8	(196)
Gain on disposal of an associate	—	1	—
Gain on disposal of a joint venture	600	—	—
Impairment loss recognised in respect of investment in a joint venture	(679)	—	—
Loss on written off of property and equipment	(10)	—	—
Loss on early termination of a lease agreement	—	—	(60)
Others	(53)	(253)	(60)
	(299)	4,786	(316)

Impairment losses recognised on financial assets at amortised cost under expected credit loss model

During FY2024, our Group advanced RMB1,000,000 to a customer to assist in facilitating marketing activities in an online platform to which our Group's SaaS product will be operated by the customer to generate income. The customer defaulted the payment on the specified due date. Our Group initiated a legal action after carrying out follow up actions for recovery and certain of the assets of the customer were frozen for further legal proceeding, and had obtained judgment against such customer for the recovery of the advance together with the relevant default interests, liquidated damages and incidental charges. As at the Latest Practicable Date, we had not received repayment from such customer. Our Directors are of the view that full recovery of the amount is highly uncertain and a full impairment for this amount was provided for prudent purpose. Save as above and the prepayments we make to advertising agencies for acquiring online traffic inventory in the ordinary course of our online marketing solutions business, we did not provide advances to other customers during the Track Record Period and up to the Latest Practicable Date and has adopted internal policy governing the requirements and procedures for advances to third parties for prudent financial management.

Staff costs

During the Track Record Period, our staff costs consist of (i) salaries, wages and bonuses; (ii) contributions to social insurance and housing provident funds; and (iii) equity-settled share-based payment expense for our employees. Our staff costs amounted to approximately RMB14.5 million, RMB14.0 million and RMB18.4 million for FY2023, FY2024 and FY2025, respectively.

Traffic acquisition costs related to online marketing solution business

Our traffic acquisition costs related to online marketing solution business amounted to approximately RMB34.9 million and RMB423.8 million for FY2024 and FY2025, respectively. Such costs were not incurred in FY2023 as we tapped into the online marketing solution business in June 2024.

Our traffic acquisition costs are based on the pricing of advertising space quoted from advertising agencies we cooperate with and the quantity of advertising space purchased in different media publisher platforms. The traffic acquisition cost may change from time to time according to demand for the advertising space in the market. During the Track Record Period, we received certain discount from advertising agencies from time to time. Hence, we are able to lower our overall traffic acquisition costs by paying a discounted price for the acquisition of advertising space. To the best of our Director's knowledge, there is no fixed discount rate uniformly applicable to all customers or a stipulated minimum purchase amount communicated to us in order to qualify for discount. Such discounts varied and were determined based on internal policies of the advertising agencies having considered various factors, such as (i) type of customer (such as whether the customer is branded); (ii) business model of the platforms; (iii) whether there was growth in advertising performance compared to the previous period; (iv) the quality of advertising materials; (v) the ROI of the advertisements; and (vi) whether any non-compliance or violation to the rules of the platforms and/or other relevant rules and regulations of the PRC was involved in the advertisement campaigns. According to CIC, it is a common practice for media publisher or advertising agency to have its respective advertising space pricing and discount mechanisms in the online marketing industry, and such mechanisms are usually not directly disclosed to the public for commercial considerations. During the Track Record Period and up to the Latest Practicable Date, we did not receive any cash rebate from advertising agencies we cooperate with.

Depreciation expenses

The depreciation expenses of our Group for FY2023, FY2024 and FY2025 amounted to approximately RMB84,000, RMB1.5 million and RMB1.4 million, respectively. Our depreciation expenses during the Track Record Period consist primarily of (i) depreciation of property and equipment; and (ii) depreciation of right of use asset.

Other operating expenses

During the Track Record Period, our other operating expenses include technical service fee such as service fees paid to providers of cloud computing and cybersecurity service and SDK, and professional service fee.

The following table sets forth a breakdown of our other operating expenses during the Track Record Period:

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Technical service fee	1,493	2,847	4,773
Marketing and entertainment expense	517	731	1,245
Other taxation	618	391	364
Rental expense	740	57	285
Office expense	205	696	957
Professional service fee	437	158	308
Traffic and travel expense	140	514	496
Welfare	226	201	559
Water and Utilities	67	68	102
Others	163	279	270
	4,606	5,942	9,359

Finance costs

Our finance costs, which comprised interest on bank borrowings and interest on lease liability, were approximately RMB176,000, RMB143,000 and RMB205,000 for FY2023, FY2024 and FY2025, respectively.

Share of results of an associate

For FY2023, FY2024 and FY2025, we incurred loss of approximately RMB1.1 million, nil and nil, respectively, as share of loss of an associate, namely GZ Yiqixue which was disposed of by our Group in FY2024. For further details, please refer to "History, Development and Reorganisation — The Reorganisation — (b) Disposal of GZ Tuoke and GZ Yiqixue" in this document.

Share of results of joint ventures

For FY2023, FY2024 and FY2025, we incurred loss of approximately RMB355,000, nil and nil, respectively, as share of loss of joint ventures, namely GZ Tuoke and Hainan Lingyu, which were disposed of by Our Group in FY2024 and FY2023, respectively. For further details, please refer to "History, Development and Reorganisation — The Reorganisation — (b) Disposal of GZ Tuoke and GZ Yiqixue" and "History, Development and Reorganisation — Our corporate development — Disposal of Hainan Lingyu during the Track Record Period" in this document.

Income tax

Our income tax expenses were approximately RMB3.4 million, RMB5.1 million and RMB8.9 million for FY2023, FY2024 and FY2025, respectively.

The following table sets forth a breakdown of our taxation during the Track Record Period.

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
PRC Enterprise Income Tax	3,384	4,856	6,468
Hong Kong Profits Tax	—	29	1,572
Under-provision in prior year	—	226	825
Deferred tax (credit) charge	—	(51)	1
	3,384	5,060	8,866

During the Track Record Period and up to the Latest Practicable Date, Easylive HK did not file its profits tax return for the year of assessment 2024/25 by the stipulated date. Pursuant to correspondence from the Inland Revenue Department of Hong Kong (the "**IRD**"), the IRD will not prosecute Easylive HK under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) for the late filing subject to fulfilment of the following conditions: (a) Easylive HK returning a signed acceptance for such offer; (b) Easylive HK's submission of completed tax return for the year of assessment 2024/25; and (c) payment of penalty fee of HK$1,200. As confirmed by our Directors, conditions (a) and (b) have been fulfilled within the stipulated timeframe and, as at the Latest Practicable Date, Easylive HK has yet to receive the payment notice from the IRD for condition (c). Our Company undertakes to arrange for full settlement of the said penalty fee promptly upon receipt of the payment notice from the IRD and confirms that the above incident does not have material impact on our Group's business operations.

Save for the above, our Directors confirm that we had made all required tax filings in all relevant jurisdictions and that we were not subject to any administrative penalties, dispute or potential dispute with any tax authorities, during the Track Record Period and up to the Latest Practicable Date.

We are subject to various rates of income tax under different jurisdictions. The following summarises major factors affecting our applicable tax rates in the Cayman Islands, Hong Kong and the PRC.

Cayman Islands

Under the current laws of the Cayman Islands, entities incorporated in the Cayman Islands as exempted companies are not subject to tax on income or capital gain. In addition, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong, PRC

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits derived from Hong Kong.

PRC

Under the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) and the Implementation Regulations of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), the tax rate of the PRC subsidiaries of our Group is 25% for FY2023, FY2024 and FY2025, except for certain subsidiaries which are entitled to preferential tax rate or tax incentives as explained below.

In accordance with the Announcement on Corporate Income Tax Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟體產業高品質發展企業所得稅政策的公告》), GZ Suishoubo is qualified as a state-encouraged software enterprise and enjoying a 5-year tax holiday (two years of full exemption followed by three years of half reduction) beginning from 2021 after utilising all prior years' tax losses. The income tax rate for such subsidiary was 0% from 2021 to 2022 and 12.5% from 2023 to 2025. During the Track Record Period, GZ Suishoubo was entitled to the preferential tax rate as it was accredited as a software enterprise with a valid period of three years. GZ Suishoubo met the relevant criteria, including its place of establishment, type of its core business, education background of its employees, its R&D efforts, intellectual property rights that it owns and its compliance with relevant rules and regulations in the PRC, and was therefore eligible for the halved corporate income tax applicable to state-encouraged software enterprises. As at the Latest Practicable Date, neither GZ Suishoubo nor our Group has received any written notice from the SAT that GZ Suishoubo is no longer recognised as a state-encouraged software enterprise.

Pursuant to the tax incentives for small-scale taxpayers as provided in the Provisional Regulations of the People's Republic of China on Value-Added Tax* (《中華人民共和國增值稅暫行條例》), the Announcement on Further Implementing the "Six Taxes and Two Fees" Reduction and Exemption Policy for Small and Micro Enterprises (Ministry of Finance and State Administration of Taxation Announcement No. 10 of 2022) (《關於進一步實施小微企業"六稅兩費"減免政策的公告》(財政部稅務總局公告2022年第10號)), and the Notice on Expanding the Scope of Exemption for Certain Government Funds (Finance and Taxation [2016] No. 12) (《關於擴大有關政府性基金免征範圍的通知》(財稅[2016]12號)), certain subsidiaries of our Group were eligible for a reduced VAT rate for FY2023, FY2024 and FY2025. In FY2023, the annual taxable VAT sales volume of SZ Bullet Screen was less than RMB5,000,000, and it was therefore qualified as a small-scale taxpayer and was eligible for a reduced VAT rate. In FY2024, the annual taxable VAT sales volumes of GD Suishoubo, HEGS Suishoubo and SZ Bullet Screen were each less than RMB5,000,000, and they were therefore each qualified as a small-scale taxpayer and were eligible for a reduced VAT rate. In FY2025, the annual taxable VAT sales volume of GD Suishoubo and SZ Bullet Screen were each less than RMB5,000,000, and they were therefore each qualified as a small-scale taxpayer and were eligible for a reduced VAT rate.

According to the Announcement on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (Ministry of Finance and State Taxation Administration Announcement No. 12 of 2023)* (《關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》(財政部稅務總局公告2023年第12號)), certain enterprises are eligible for partial tax exemption under tax incentives for small and micro enterprises. To qualify as small and micro enterprises, enterprises must be engaging in an industry not restricted or prohibited by the State and satisfy all of the following conditions: (i) an annual taxable income not exceeding RMB3,000,000; (ii) number of employees not exceeding 300; and (iii) total assets not exceeding RMB50,000,000. In FY2023, SZ Bullet Screen satisfied the conditions and qualified as a small and micro enterprise. In FY2024, GD Suishoubo, HEGS Suishoubo and SZ Bullet Screen satisfied the conditions and qualified as small and micro enterprises. In FY2025, GD Suishoubo and SZ Bullet Screen satisfied the conditions and qualified as small and micro enterprises. Hence, these subsidiaries of our Group enjoyed partial tax exemption during the respective financial years.

Under the Notice of the Ministry of Finance and the State Taxation Administration on Value-Added Tax and Consumption Tax Policies for Exported Goods and Services (Cai Shui [2012] No. 39)* (《關於出口貨物勞務增值稅和消費稅政策的通知》(財稅[2012]39號)), certain exported goods and services, including specified software products, are eligible for exemption and refund of VAT. During FY2024, certain software products sold by GZ Suishoubo has been automatically qualified to enjoy such partial VAT exemption.

Based on the Urban Maintenance and Construction Tax Law of the People's Republic of China* (《中華人民共和國城市維護建設稅法》), urban construction tax incentives where the rates of urban maintenance and construction tax shall be 1% are available to township-level taxpayers. Since HEGS Suishoubo was registered and operated in Horgos, the PRC, such preferential tax rate was applicable to HEGS Suishoubo throughout the Track Record Period.

According to the tax incentive policies promulgated by MOF, SAT, and the Ministry of Science and Technology of the PRC, which were effective from 1 January 2018 to 30 September 2022, an additional 75% of qualified R&D expenses incurred would be allowed to be deducted from the taxable income. According to a new tax incentives policy promulgated by MOF, SAT, and the Ministry of Science and Technology of the PRC in September 2022, an additional 100% of qualified expenses incurred from 1 October 2022 to 31 December 2022 is allowed to be deducted from the taxable income. According to Announcement 2023 No. 7 of MOF and SAT, the enterprises entitled to the current additional tax deduction ratio of 100% for R&D expenses during the period from 1 January 2023. ("**Super Deduction**").

Our income tax during the Track Record Period was reconciled to the profit before tax as follows:

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	29,830	43,195	51,187
Tax at domestic income tax rate of 25%	7,458	10,799	12,797
Effect of expenses that are not deductible for tax purpose	1,044	958	2,742
Effect of Super Deduction	(2,189)	(3,136)	(3,934)
Effect of tax concessions and partial tax exemption	(3,713)	(5,128)	(2,835)
Effect of different tax rate of a subsidiary operating in Hong Kong	—	(30)	(810)
Under-provision in prior year	—	226	825
Tax effect of deductible temporary difference not recognised	—	50	—
Tax effect of tax loss not recognised	426	1,321	81
Tax effect of share of results of associates and a joint venture	358	—	—
Income tax for the year	3,384	5,060	8,866

Due to the above-mentioned policies and tax effects, our effective tax rates (calculated as our taxation for the corresponding year divided by our profit before tax for the year) were approximately 11.3%, 11.7% and 17.3% for FY2023, FY2024 and FY2025, respectively.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

FY2025 compared to FY2024

Revenue

Our revenue increased by approximately RMB416.0 million or 420.4% from approximately RMB99.0 million in FY2024 to approximately RMB514.9 million in FY2025, which was attributable to (i) the increase in revenue generated from our SaaS solutions business by approximately RMB1.5 million from FY2024 to FY2025; and (ii) the increase in revenue generated from our online marketing solutions business (which commenced in June 2024) by approximately RMB414.5 million. For details of the reasons for the change in revenue, please refer to "Description of major components of our results of operations — Revenue" above in this section.

Other income

Our other income decreased by approximately RMB685,000 or 94.1% from approximately RMB728,000 in FY2024 to approximately RMB43,000 in FY2025, primarily attributable to the decrease in government subsidies of approximately RMB650,000 from FY2024 to FY2025 mainly as a result of the reduction in refund of VAT from the PRC tax authorities attributable to eligible SaaS products for refund of VAT provided by our subsidiary in the PRC.

Other gains and losses, net

We recorded other net gains of approximately RMB4.8 million and other net losses of approximately RMB316,000 in FY2024 and FY2025, respectively. We recognised net gain arising from fair value changes on financial assets at FVTPL of approximately RMB5.0 million in FY2024 which mainly represented realised gain on our investments in equity securities listed in the PRC.

Staff costs

Our staff costs increased by approximately RMB4.3 million or 30.9% from approximately RMB14.0 million in FY2024 to approximately RMB18.4 million in FY2025. The increase in staff costs was primarily attributable to the increase in the number of staff, which is in line with our expansion in service offerings to provide online marketing solutions services since June 2024.

Traffic acquisition costs related to online marketing solution business

Our traffic acquisition costs related to online marketing solution business increased by approximately RMB388.9 million from approximately RMB34.9 million in FY2024 to approximately RMB423.8 million in FY2025. This is in line with the expansion of our online marketing solution business since we first tapped into online marketing solution business in June 2024.

Depreciation expenses

We recorded depreciation expenses of approximately RMB1.5 million and RMB1.4 million in FY2024 and FY2025, respectively.

Other operating expenses

Our other operating expenses increased by approximately RMB3.4 million or 57.5% from approximately RMB5.9 million in FY2024 to approximately RMB9.4 million in FY2025. The increase in other operating expenses was primarily due to the increase in technical service fee of approximately RMB1.9 million mainly in respect of increased costs incurred for utilisation of cloud computing services to enhance the efficacy of our online marketing solutions and development of AI capabilities for our SaaS solutions business.

Finance costs

Our finance costs increased by approximately RMB62,000 or 43.4% from approximately RMB143,000 in FY2024 to approximately RMB205,000 in FY2025, which was attributable to increase in interest on bank borrowings by approximately RMB97,000 from FY2024 to FY2025.

Profit before tax

As a result of the foregoing, we recorded profit before tax of approximately RMB43.2 million and RMB51.2 million in FY2024 and FY2025, respectively, representing an increase of approximately RMB8.0 million or 18.5% from FY2024 to FY2025.

Income tax

Our income tax expense increased from approximately RMB5.1 million in FY2024 to approximately RMB8.9 million in FY2025, which is generally in line with the increase in profit before tax.

Profit for the year

As a result of the foregoing, we reported a net profit of approximately RMB38.1 million and RMB42.3 million in FY2024 and FY2025, respectively, representing an increase of approximately RMB4.2 million or 11.0% from FY2024 to FY2025.

FY2024 compared to FY2023

Revenue

Our revenue increased by approximately RMB48.3 million or 95.3% from approximately RMB50.7 million in FY2023 to approximately RMB99.0 million in FY2024, which was attributable to (i) the increase in revenue generated from our SaaS solutions business by approximately RMB12.4 million from

FY2023 to FY2024; and (ii) the launch of our online marketing solutions business which generated revenue of approximately RMB35.9 million in FY2024. For details of the reasons for the change in revenue, please refer to "Description of major components of our results of operations — Revenue" above in this section.

Other income

Our other income decreased by approximately RMB3.1 million or 81.0% from approximately RMB3.8 million in FY2023 to approximately RMB728,000 in FY2024, primarily attributable to the decrease in government subsidies of approximately RMB3.1 million from FY2023 to FY2024 as a result of decrease in sales volume of software qualified for the government subsidies in the form of immediate refund of VAT.

Other gains and losses, net

We recorded other net losses of approximately RMB299,000 in FY2023 and other net gains of approximately RMB4.8 million in FY2024. The change from other net losses to other net gains was primarily due to recognition of net gain arising from fair value changes on financial assets at FVTPL of approximately RMB5.0 million in FY2024 which mainly represented realised gain on our investments in equity securities listed in the PRC, as opposed to net loss arising from fair value changes on financial assets at FVTPL of approximately RMB152,000 in FY2023.

Staff costs

Our staff costs decreased slightly by approximately RMB509,000 or 3.5% from approximately RMB14.5 million in FY2023 to approximately RMB14.0 million in FY2024. The slight decrease in staff costs was the combined effect of (i) the increase in number of staff in line with our expansion of service offering into online marketing solution business since June 2024; and (ii) the absence of equity-settled share-based payment during FY2024.

Traffic acquisition costs related to online marketing solution business

We recorded traffic acquisition costs related to online marketing solution business of approximately RMB34.9 million in FY2024. There is no comparable figure for FY2023 since we tapped into the online marketing solution business in June 2024.

Depreciation expenses

Our depreciation expenses increased from approximately RMB84,000 in FY2023 to approximately RMB1.5 million in FY2024. The increase was attributable to the recognition of depreciation on right-of-use assets in respect of a three-year lease entered into in January 2024 for our headquarters located in Guangzhou, PRC. Prior to FY2024, we entered into short-term lease in respect of our leased office and our rental expenses for short-term leases were recognised under other operating expenses.

Other operating expenses

Our other operating expenses increased by approximately RMB1.3 million or 28.3% from approximately RMB4.6 million in FY2023 to approximately RMB5.9 million in FY2024. The increase in other operating expenses was primarily due to the increase in technical service fee of approximately RMB1.4 million mainly in respect of increased costs incurred for provision of SDK (mainly for audio and video services).

Finance costs

Our finance costs remained relatively stable at approximately RMB176,000 and RMB143,000 in FY2023 and FY2024, respectively. Our finance costs in FY2023 comprised interest on bank borrowings, whereas our finance costs in FY2024 mainly comprised interest on lease liability attributable to the three-year lease for our headquarters located in Guangzhou, the PRC.

Share of result of an associate

We did not derive any profit or loss as share of results of an associate in FY2024 as our Group disposed of its interest GZ Yiqixue in FY2024.

Share of results of joint ventures

We did not derive any profit or loss as share of results of joint ventures in FY2024 as our Group disposed of its interest GZ Tuoke in FY2024.

Profit before tax

As a result of the foregoing, we recorded profit before tax of approximately RMB29.8 million and RMB43.2 million in FY2023 and FY2024, respectively, representing an increase of approximately RMB13.4 million or 44.8% from FY2023 to FY2024.

Income tax

Our income tax expense increased from approximately RMB3.4 million in FY2023 to approximately RMB5.1 million in FY2024, which is generally in line with the increase in profit before tax.

Profit for the year

As a result of the foregoing, we reported a net profit of approximately RMB26.5 million and RMB38.1 million in FY2023 and FY2024, respectively, representing an increase of approximately RMB11.7 million or 44.2% from FY2023 to FY2024.

DISCUSSION OF SELECTED ITEMS OF BALANCE SHEET

The table below sets forth selected information from our consolidated statements of financial position as at the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this document.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property and equipment	148	519	630
Right-of-use asset	—	2,564	2,275
Investments in joint ventures	7	—	—
Other receivable	—	236	161
Deferred tax assets	—	51	50
	155	3,370	3,116
Current assets			
Trade and other receivables	7,839	29,938	98,680
Amount due from an associate	1,926	—	—
Financial assets at fair value through profit or loss	24,161	4,000	—
Cash and cash equivalents	19,013	9,884	58,930
	52,939	43,822	157,610
Non-current liability			
Lease liability	—	1,441	1,649
Current liabilities			
Trade and other payables	5,428	6,831	20,275
Contract liabilities	3,620	1,032	53,394
Lease liability	—	1,326	826
Income tax payable	3,384	4,123	7,834
	12,432	13,312	82,329
Net current assets	40,507	30,510	75,281
Total assets less current liabilities	40,662	33,880	78,397

Net current assets

The following table sets forth the details of our current assets and current liabilities as at the dates indicated:

	As at 31 December			As at 31 January
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current Assets				
Trade and other receivables	7,839	29,938	98,680	101,439
Amount due from an associate	1,926	—	—	—
Financial assets at fair value through profit or loss	24,161	4,000	—	—
Cash and cash equivalents	19,013	9,884	58,930	42,767
Total current assets	52,939	43,822	157,610	144,206
Current liabilities				
Trade and other payables	5,428	6,831	20,275	24,434
Contract liabilities	3,620	1,032	53,394	33,956
Lease liability	—	1,326	826	828
Income tax payable	3,384	4,123	7,834	8,803
Total current liabilities	12,432	13,312	82,329	68,021
Net current assets	40,507	30,510	75,281	76,185

Our net current assets decreased from approximately RMB40.5 million as at 31 December 2023 to approximately RMB30.5 million as at 31 December 2024, primarily due to the decrease in financial assets at fair value through profit or loss of approximately RMB20.2 million and the decrease in cash and cash equivalents of approximately RMB9.1 million. The decrease was partially offset by the increase in trade and other receivables of approximately RMB22.1 million.

Our net current assets increased from approximately RMB30.5 million as at 31 December 2024 to approximately RMB75.3 million as at 31 December 2025, primarily due to the increase in trade and other receivables by approximately RMB68.7 million and the increase in cash and cash equivalents by approximately RMB49.0 million. The increase was partially offset by the increase in contract liabilities by approximately RMB52.4 million and the increase in trade and other payables by approximately RMB13.4 million.

Our net current assets remained relatively stable at approximately RMB76.2 million as at 31 January 2026, as compared to approximately RMB75.3 million as at 31 December 2025, which was mainly due to the combined effect of the decrease in cash and cash equivalents by approximately RMB16.2 million and the decrease in contract liabilities by approximately RMB19.4 million.

Trade and other receivables

Our trade receivables represent outstanding amounts due from our customers for SaaS solutions business and online marketing solution services performed in our ordinary course of business. Trade receivables are generally due for settlement within one year and therefore are all classified as current.

Our trade and other receivables amounted to approximately RMB7.8 million, RMB29.9 million and RMB98.7 million as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively.

The following table sets forth our trade and other receivables as at the dates indicated.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
SaaS solution services	5,691	20,174	2,904
Online marketing solution services	—	725	35,667
	5,691	20,899	38,571
Deferred **[REDACTED]** costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Prepayments of **[REDACTED]** costs/**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other prepayments	29	7,559	54,364
Others	1,266	320	1,454
	7,839	29,938	98,680

Our trade and other receivables increased from approximately RMB7.8 million as at 31 December 2023 to approximately RMB29.9 million as at 31 December 2024, and further to approximately RMB98.7 million as at 31 December 2025. The increase in trade and other receivables from 31 December 2023 to 31 December 2024 was primarily due to the increase in trade receivables attributable to our customers in Hong Kong for retailing and precision marketing SaaS solutions services, as we entered into a number of contracts with such customers in the second half of FY2024 which were generally charged on product buyout and maintenance pricing model payable upon entering into of contract as fixed upfront software development fees and upon reaching particular milestone dates such as completion of user acceptance test. The increase in trade and other receivables from 31 December 2024 to 31 December 2025 was primarily due to (i) the expansion of our online marketing solutions services leading to increase in related prepayments and trade receivables; and (ii) increase in deferred **[REDACTED]** cost.

We recorded other prepayments in the amount of approximately RMB29,000, RMB7.6 million and RMB54.4 million as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively. Our other prepayments as at 31 December 2024 and 31 December 2025 mainly represented prepayments to advertising agencies for purchase of advertising traffic to be used in the future. As at 31 January 2026, approximately RMB23.7 million, or 44.2%, of our other prepayments as at 31 December 2025 were subsequently utilised.

We apply the simplified approach permitted by HKFRS 9, which requires the expected lifetime losses to be recognised from initial recognition of the assets. We determine the expected credit loss ("**ECL**") on trade receivables grouped by internal credit risk grading. When there are indicators that the relevant trade receivables may be credit-impaired, the relevant amount will be assessed for ECL individually. As at 31 December 2023, 31 December 2024 and 31 December 2025, our allowance for credit losses for trade receivables were nil. For details of our impairment assessment of trade and other receivables, please refer to Note 30 to the Accountant's Report included in Appendix I to this document.

Ageing analysis of trade receivables presented based on revenue recognition date as at the dates indicated is as follows.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0–90 days	5,691	16,446	25,194
91–180 days	—	4,453	13,364
Over 180 days	—	—	13
	5,691	20,899	38,571

Our Group's policy is to allow a credit period ranging from zero to ten days to our trade customers. A longer credit period may be granted to large or long established customers with good payment history.

The following table sets forth the turnover days of our trade receivables during the Track Record Period.

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables turnover days*(Note)*	29.7	49.0	21.1

Note: Trade receivables turnover days for a period equals to the average of the opening and closing trade receivables balance divided by revenues for the relevant period and multiplied by the number of days in the relevant period.

Our trade receivables turnover days increased from approximately 29.7 days for FY2023 to approximately 49.0 days for FY2024. Our trade receivables turnover days decreased to approximately 21.1 days for FY2025 due to the substantial increase in revenue driven by revenue generated from our online marketing solutions business.

As at the Latest Practicable Date, approximately RMB34.0 million, or 88.2%, of our trade receivables as at 31 December 2025 had been subsequently settled.

Trade and other payables

Our trade and other payables amounted to approximately RMB5.4 million, RMB6.8 million and RMB20.3 million as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively.

The following table sets forth our trade and other payables as at the dates indicated.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payable	—	130	8,898
Other payables	15	441	595
Accrued staff cost	2,573	3,749	3,546
Accrued **[REDACTED]** costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Accrued **[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other tax payables	2,840	1,557	2,849
Total trade and other payables	5,428	6,831	20,275

Our trade and other payables increased from approximately RMB5.4 million as at 31 December 2023 to approximately RMB6.8 million as at 31 December 2024, which was mainly attributable to the increase in accrued staff costs of approximately RMB1.2 million and recognition of accrued **[REDACTED]** costs/**[REDACTED]** of approximately RMB**[REDACTED]**, partially offset by the decrease in other tax payables of approximately RMB1.3 million.

Our trade and other payables increased from approximately RMB6.8 million as at 31 December 2024 to approximately RMB20.3 million as at 31 December 2025, which was mainly attributable to the increase in trade payables of approximately RMB8.8 million attributable to the expansion of our online marketing solutions business and the increase in accrued **[REDACTED]** of approximately RMB**[REDACTED]**.

The average credit period granted by suppliers for our purchase of services are 0 to 180 days. Ageing analysis of trade payables presented based on invoice date as at the dates indicated is as follows.

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0–90 days	—	130	8,856
91–180 days	—	—	21
Over 180 days	—	—	21
	—	130	8,898

As at the Latest Practicable Date, approximately RMB893,000, or 10.0%, of our trade payables as at 31 December 2025 had been subsequently settled.

Amount due from an associate

As at 31 December 2023, we recognised amount due from an associate in the amount of approximately RMB1.9 million. Such amount was non-trade in nature, interest-free, unsecured and repayable on demand. The amount due from an associate as at 31 December 2023 had been fully repaid during FY2024.

Investment in joint ventures

As at 31 December 2023, 31 December 2024 and 31 December 2025, we recognised investment in joint ventures of approximately RMB7,000, nil and nil, respectively, which represented our investments in GZ Tuoke and Hainan Lingyu. At the commencement of the Track Record Period, our Group held 19.2% interest in GZ Tuoke, which was principally engaged in wholesale business, and 60% interest in Hainan Lingyu, which was principally engaged in artist management. During FY2023, our Group disposed of its interest in Hainan Lingyu to an Independent Third Party. During FY2024, our Group disposed of its interest in GZ Tuoke to an Independent Third Party.

Financial assets at fair value through profit or loss

Our financial assets at fair value through profit or loss during the Track Record Period comprised investments in structured deposits and equity securities listed in Chinese Mainland.

Our financial assets at fair value through profit or loss amounted to approximately RMB24.2 million, RMB4.0 million and nil as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively. The following table sets forth a breakdown of our financial assets at fair value through profit or loss as at the dates indicated.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits	22,720	4,000	—
Equity securities listed in the PRC	1,441	—	—
	24,161	4,000	—

Our financial assets at fair value through profit or loss decreased from approximately RMB24.2 million as at 31 December 2023 to approximately RMB4.0 million as at 31 December 2024, as we no longer held interest in any equity securities listed in Chinese Mainland as at 31 December 2024 and we have substantially reduced our investments in structured deposits during FY2024. We recorded nil financial assets at fair value through profit or loss as at 31 December 2025 as we no longer held investments in structured deposits.

The structured deposits we purchased during the Track Record Period were wealth management products issued by banks in Chinese Mainland. The structured deposits were unsecured and with expected rates of return, which was not guaranteed, depending on the market price of underlying financial instruments, including listed shares, bonds, debentures and other financial assets.

During FY2023, our Group invested in equity securities listed in Chinese Mainland in the amount of approximately RMB1.4 million, which represented listed securities that were traded in the Shenzhen Stock Exchange and Shanghai Stock Exchange. We historically invested our available cash in equity securities as alternative investment tools aiming positive returns. However, in preparation for the **[REDACTED]**, our Directors wished to focus more on our core business and the funding needs of our business and its development and therefore our Group disposed of all equity securities in FY2024. As at 31 December 2024, 31 December 2025 and the Latest Practicable Date, our Group did not hold any investment in listed securities. We also have no immediate intention to invest in any listed equity securities and we have adopted treasury policies to closely monitor our investments and their expected returns and to control the associated investment risks.

We invest in structured deposits when we have surplus funds after meeting our operational funding needs. We exclusively select such financial products which are with low risk level issued by well-established commercial banks to ensure the safety of our capital. We do not intend to invest in any listed equity securities. We have also established internal policy to safeguard our exposure to investment risks in connection with the investment in structured deposits. Such measures include: (i) our investment shall be authorised and approved by our financial department and our chief executive officer but does not require approval from our Board, (ii) our financial department is responsible for ensuring that such financial assets are properly recorded in our financial statements and monitoring the performance of our financial assets. After **[REDACTED]**, our investment in the financial assets will be subject to the requirements under Chapter 14 of the Listing Rules.

Contract liabilities

Our contract liabilities represent advances received from our customers prior to provision of services. For details on payment terms, please refer to "Business — Our online marketing solution business — Workflow of our online marketing solutions business" in this document.

We recognised contract liabilities in the amount of approximately RMB3.6 million, RMB1.0 million and RMB53.4 million as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively. The decrease in contract liabilities during FY2024 were mainly due to the decrease in advances from customers for our SaaS solutions services near the end of FY2024. The significant increase in contract liabilities during FY2025 was mainly due to the increase in advances payment from customers for our online marketing solutions services mainly required from new customers, which was in line with the expansion of our online marketing solutions business. As at 31 January 2026, approximately RMB28.1 million, or 52.6%, of our contract liabilities as at 31 December 2025 were subsequently recognised as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to satisfy our working capital needs and capital expenditure requirements, which have been satisfied principally by cash generated from our operating activities. After the **[REDACTED]**, we intend to finance our future capital requirements through cash generated from our operating activities, the **[REDACTED]** from the **[REDACTED]** and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of approximately RMB19.0 million, RMB9.9 million and RMB58.9 million as at 31 December 2023, 31 December 2024 and 31 December 2025 respectively.

Cash flows

The following table sets forth a summary of our cash flows during the Track Record Period:

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Operating cash flows before movements in working capital *(Note 1)*	36,401	40,767	53,050
Changes in working capital *(Note 2)*	2,893	(23,969)	(1,433)
Income tax paid	—	(4,372)	(5,154)
Net cash from operating activities	39,294	12,426	46,463
Net cash (used in) from investing activities	(20,087)	26,568	3,643
Net cash used in financing activities	(826)	(48,234)	(512)
Net increase (decrease) in cash and cash equivalents	18,381	(9,240)	49,594
Cash and cash equivalents at the beginning of the year	632	19,013	9,884
Effect of foreign exchange rate changes	—	111	(548)
Cash and cash equivalents at the end of the year	19,013	9,884	58,930

Notes:

(1) Our operating cash flows before movements in working capital are the total sum of our Group's profit before tax with adjustments made, including fair value changes of financial assets at fair value through profit or loss, equity-settled share-based payment, share of result of an associate, depreciation of right-of-use asset and impairment losses recognised on financial assets at amortised cost under expected credit loss model.

(2) Our changes in working capital are the total sum of our Group's increase in trade and other receivables, increase in trade and other payables, and increase in contract liabilities.

Net cash from operating activities

Net cash from operating activities reflects the profit or loss for the year adjusted for non-cash items and adjusted for changes in working capital. Our Group derived our cash inflow from operating activities primarily through the receipt of service fees from our customers in respect of our SaaS solution business and online marketing solution business. Our cash outflow from operating activities was primarily attributable to payment of service fees to our suppliers, payment of staff costs to our employees and payment of traffic acquisition costs related to online marketing solution business.

For FY2023, we had net cash from operating activities of approximately RMB39.3 million, which was attributable to operating cash flows before movements in working capital of approximately RMB36.4 million and positive movement in working capital of approximately RMB2.9 million. The positive movement in working capital reflected (i) the increase in contract liabilities of approximately RMB3.6 million; (ii) the increase in trade and other payables of approximately RMB2.5 million; and (iii) the increase in trade and other receivables of approximately RMB3.2 million.

For FY2024, we had net cash from operating activities of approximately RMB12.4 million, which was the combined results of operating cash flows before movements in working capital of approximately RMB40.8 million, negative movement in working capital of approximately RMB24.0 million and income tax paid of approximately RMB4.4 million. The negative movement in working capital mainly reflected (i) the increase in trade and other receivables of approximately RMB23.0 million; (ii) the increase in trade and other payables of approximately RMB1.7 million; and (iii) the decrease in contract liabilities of approximately RMB2.6 million.

For FY2025, we had net cash from operating activities of approximately RMB46.5 million, which was the combined results of operating cash flows before movements in working capital of approximately RMB53.1 million, negative movement in working capital of approximately RMB1.4 million and income tax paid of approximately RMB5.2 million. The negative movement in working capital mainly reflected the increase in trade and other receivables of approximately RMB66.3 million, partially offset by the increase in contract liabilities of approximately RMB52.4 million.

Net cash (used in) from investing activities

Our cash inflow from investing activities primarily consisted of redemption of financial assets at FVTPL and repayment from a related company. Our cash outflow from investing activities primarily consisted of purchase of financial assets at FVTPL and advances to a related company.

For FY2023, we had net cash used in investing activities of approximately RMB20.1 million, which was mainly the combined results of (i) purchase of financial assets at FVTPL of approximately RMB23.6 million; (ii) advances to a related company of approximately RMB37.3 million; (iii) repayments from a related company of approximately RMB39.6 million; and (iv) redemption of financial assets at FVTPL of approximately RMB1.4 million.

For FY2024, we had net cash from investing activities of approximately RMB26.6 million, which was mainly the combined results of (i) redemption of financial assets at FVTPL of approximately RMB115.7 million; (ii) purchase of financial assets at FVTPL of approximately RMB90.5 million; (iii) advances to an independent third party of approximately RMB14.0 million; (iv) repayments from an independent third party of approximately RMB14.0 million; and (v) repayment from an associate of approximately RMB1.9 million.

For FY2025, we had net cash from investing activities of approximately RMB3.6 million, which was mainly attributable to the net redemption of financial assets at FVTPL of approximately RMB4.0 million.

Net cash used in financing activities

Our cash inflow from financing activities primarily consisted of new bank borrowings raised, advance from a director pursuant to group reorganisation and advances from a former related company. Our cash outflow from financing activities primarily consisted of repayments of bank borrowings and dividends paid.

For FY2023, we had net cash used in financing activities of approximately RMB826,000, which was mainly attributable to payment of deferred **[REDACTED]** costs of approximately RMB**[REDACTED]**.

For FY2024, we had net cash used in financing activities of approximately RMB48.2 million, which was the combined results of (i) dividend paid of approximately RMB36.6 million; (ii) acquisition of GZ Suishoubo pursuant to group reorganisation of approximately RMB18.8 million; and (iii) receipt of capital injection of approximately RMB9.0 million.

For FY2025, we had net cash used in financing activities of approximately RMB512,000, which was attributable to our payment of **[REDACTED]** costs and repayment of lease liability and its related interest element, partially offset by **[REDACTED]** from issue of shares to the **[REDACTED]** Investor pursuant to the Reorganisation.

INDEBTEDNESS

Save as disclosed below, our Group did not have any loan capital issued and outstanding, and authorised or otherwise created but unissued, terms loans, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptable credits, finance lease commitments, guaranteed, unguaranteed, secured (whether the security is provided by our Group or by third parties) or unsecured borrowings and debt, mortgages, charges, guarantees or other material contingent liabilities as at the close of business on 31 January 2026.

The table below sets forth our indebtedness as at the dates indicated:

	As at 31 December			As as 31 January
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Lease liability	—	2,767	2,475	2,400
	—	2,767	2,475	2,400

Lease liability

As at 31 December 2024, 31 December 2025 and 31 January 2026, we recognised lease liabilities of approximately RMB2.8 million, RMB2.5 million and RMB2.4 million, respectively, which was mainly attributable to our lease for our headquarters located in Guangzhou, PRC, which were unguaranteed and/or secured by rental deposits. The decrease in lease liabilities from 31 December 2024 to 31 December 2025 and 31 January 2026 was mainly attributable to relocation of our headquarters in FY2025.

Our Directors confirm that we did not experience any withdrawal of facilities, default in payment of accounts and other payables, bank loans or breach of financial covenants and had not experienced difficulties in meeting obligations during the Track Record Period and up to the Latest Practicable Date and none of our Group's bank loans and facilities are subject to the fulfilment of covenants relating to financial ratio requirements or any other material covenants which would adversely affect our Group's ability to undertake additional debt or equity financings. Our Directors also confirm that, save as disclosed below, since 31 January 2026 and up to the Latest Practicable Date, there had been no material change in our indebtedness.

As at 31 January 2026, we had unutilised banking facilities of RMB20.0 million. As at 31 January 2026, being the indebtedness date for the purpose of the indebtedness statement, our Group did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. As at the Latest Practicable Date, we had nil bank borrowings and unutilised banking facilities of RMB20.0 million. Save for the above, our Directors have confirmed that there is no material change in our indebtedness since 31 January 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

Our Group did not have any contingent liabilities as at 31 December 2023, 31 December 2024 and 31 December 2025.

KEY FINANCIAL RATIOS

The following table sets forth a summary of our key financial ratios during the Track Record Period and should be read in conjunction with the Accountant's Report.

	FY2023/as at 31 December 2023	FY2024/as at 31 December 2024	FY2025/as at 31 December 2025
Current ratio *(Note 1)*	4.3	3.3	1.9
Debt to assets ratio *(Note 2)*	23.4%	31.3%	52.2%
Return on assets *(Note 3)*	49.8%	80.8%	26.3%
Return on equity *(Note 4)*	65.0%	117.6%	55.1%

Notes:

(1) Current ratio is calculated based on the total current assets divided by the total current liabilities as at the respective year end.

(2) Debt to assets ratio is calculated based on the total liabilities divided by the total assets as at the respective year end.

(3) Return on assets is calculated based on the profit for the respective year divided by the total assets as at the respective year end and multiplied by 100%.

(4) Return on equity is calculated based on the profit for the respective year divided by the total equity as at the respective year end and multiplied by 100%.

Current ratio

During the Track Record Period, our current ratios amounted to approximately 4.3 times, 3.3 times and 1.9 times as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively. The decrease in current ratios from 31 December 2023 to 31 December 2024 was attributable to (i) reduction in our current assets from approximately RMB52.9 million as at 31 December 2023 to approximately RMB43.8 million as at 31 December 2024, primarily due to the decrease in financial assets at fair value through profit or loss of approximately RMB20.2 million and the decrease in cash and cash equivalents of approximately RMB9.1 million; and (ii) increase in our current liabilities as at 31 December 2024 that was primarily due to the increase in trade and other payables of approximately RMB1.4 million and the recognition of lease liability in the amount of approximately RMB1.3 million as at 31 December 2024 (nil as at 31 December 2023). The decrease in current ratios from 31 December 2024 to 31 December 2025 was attributable to the combined effects of (i) the increase in our current assets from approximately RMB43.8 million as at 31 December 2024 to approximately RMB157.6 million as at 31 December 2025, primarily due to the increase in trade and other receivables of approximately RMB68.7 million; and (ii) the increase in our current liabilities from approximately RMB13.3 million as at 31

December 2024 to approximately RMB82.3 million as at 31 December 2025, which was mainly because of the increase in trade and other payables of approximately RMB13.4 million and the increase in contract liabilities of approximately RMB52.4 million.

Debt to assets ratio

Our debt to assets ratio during the Track Record Period which amounted to approximately 23.4%, 31.3% and 52.2% for FY2023, FY2024 and FY2025, respectively. Our debt to assets ratio as at 31 December 2024 was increased to approximately 31.3%, and such increase was principally attributable to the decrease in financial assets at fair value through profit or loss by approximately RMB20.2 millions at 31 December 2024, and we experienced increase in total debt during the Track Record Period. Our debt to assets ratio as at 31 December 2025 was increased to approximately 52.2% and such increase was primarily due to the increase in total liabilities, particularly in trade and other payables and contract liabilities as at 31 December 2025. The increase was partially offset by an increase in total assets by approximately RMB113.5 million in FY2025, which was primarily due to the increase in current assets by approximately RMB113.8 million by FY2025.

Return on assets

We recorded return on assets during the Track Record Period, which amounted to approximately 49.8%, 80.8% and 26.3% for FY2023, FY2024 and FY2025, respectively. The increase in return on assets from FY2023 to FY2024 was principally attributable to dividend paid in the amount of approximately RMB36.6 million as at 31 December 2024 and acquisition pursuant to group reorganisation in the amount of approximately RMB18.8 million as at 31 December 2024, partially offset by the increase in net profit of approximately RMB11.7 million or 44.2% from FY2023 to FY2024. The decrease in return on assets from FY2024 to FY2025 was principally attributable to the increase in total assets by approximately RMB113.5 million in FY2025, particularly in trade and other receivables as at 31 December 2025, partially offset by the increase in net profit from FY2024 to FY2025.

Return on equity

Our return on equity increased from approximately 65.0% in FY2023 to approximately 117.6% in FY2024, primarily due to dividend paid in the amount of approximately RMB36.6 million as at 31 December 2024, partially offset by the increase in net profit by 44.2% from RMB26.4 million in FY2023 to RMB38.1 million during FY2024. Our return on equity decreased from approximately 117.6% for FY2024 to approximately 55.1% for FY2025 and such decrease was primarily due to the increase in total equity by 136.6% from approximately RMB32.4 million as at 31 December 2024 to approximately RMB76.7 million as at 31 December 2025 mainly because of the increase in our current assets, partially offset by the increase in net profit from FY2024 to FY2025.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we conducted our operations primarily through our subsidiaries in the PRC. During the Track Record Period, our principal operating subsidiary in the PRC, GZ Suishoubo, together with other operating subsidiaries such as GZ Mengya and HEGS Suishoubo, had the following transactions with other Group companies and related parties in the PRC and Hong Kong, PRC: (i) provision of business support services by GZ Suishoubo such as sales support and customer relationship services, financial consultancy, legal and risk control consultancy, and other administrative support services, where GZ Suishoubo acts as a service provider with limited risks; (ii) provision of software development, technical support services and etc. by GZ Suishoubo, such as software development, maintenance and update of functional modules etc., where GZ Suishoubo acts as a full fledge service provider while its Hong Kong affiliate acts as a limited risks distributor for the sales of such services; (iii) provision of advertising placement and other promotional services by GZ Mengya to its Hong Kong affiliate under GZ Suishoubo's authorisation, where GZ Mengya acts as a service provider with limited risks; (iv) provision of SaaS solutions services by GZ Suishoubo to other related parties; (v) provision of online marketing solution services by HEGS Suishoubo to a related party; and (vi) inter-company financing transactions (the "**Covered Transaction(s)**").

The OECD, an international organisation of international cooperation, promulgated the OECD Transfer Pricing Guidelines, which is generally followed or referred by the relevant tax jurisdictions involved in the intra-Group transactions including Hong Kong, PRC and the PRC. According to the OECD Transfer Pricing Guidelines, the intra-Group transactions should be at arm's length basis to avoid distorted taxable income in different jurisdictions.

We have engaged an international professional accounting firm as an independent transfer pricing consultant (the "**Transfer Pricing Adviser**") to conduct a transfer pricing review and benchmarking studies on the Covered Transactions during the Track Record Period to assess whether our transfer pricing arrangements were consistent with the arm's length principle from the perspective of the PRC and Hong Kong's transfer pricing regulations.

The Transfer Pricing Adviser selected transactional net margin method ("**TNMM**") as the most appropriate transfer pricing method to assess whether the transfer pricing arrangements related to the Covered Transactions (i), (ii) and (iii) were consistent with the arm's length principle. TNMM compares the operating profit margin of the tested parties involved in the Covered Transactions with the uncontrolled comparable parties.

After a series of independent screening and comparison, the Transfer Pricing Adviser concluded that, during the Track Record Period, the cost aggregated for Covered Transaction (i) and (iii) are reasonable and the mark-up ratio adopted for GZ Suishoubo and GZ Mengya as a service provider with limited risks fell within the arm's length range of the weighted average full cost mark-up ratio of uncontrolled comparable parties. For Covered Transaction (ii), Easylive HK is selected as the tested party with relatively simple functions and risks, and its operating profit margin retained after paying the services fee to GZ Suishoubo fell within the arm's length range of the weighted average operating profit margin of uncontrolled comparable parties. Therefore, it can be reasonably concluded that the pricing policies of Covered Transactions (i), (ii) and (iii) are in compliance with the arm's length principle and the current transfer pricing regulations in the PRC and Hong Kong, PRC.

For Covered Transactions (iv) and (v), the Transfer Pricing Adviser selected comparable uncontrolled price method ("**CUP**") as the most appropriate transfer pricing method to assess whether the transfer pricing arrangements related to the Covered Transactions (iv) and (v) are consistent with the arm's length principle. CUP method compares and achieves that the pricing policies of Covered Transactions (iv) and (v) are consistent with the identical and similar services provided to the unrelated parties. Therefore, it can be reasonably concluded that the pricing policies of Covered Transactions (iv) and (v) are in compliance with the arm's length principle and the current transfer pricing regulations in the PRC and Hong Kong, PRC.

For Covered Transaction (vi) in relation to related party financing, we have performed voluntary upward adjustment based on the market interest rate in our annual tax filling, so as to make sure our Group has not underpaid any corporate income tax and turn-over tax. Therefore, the Transfer Pricing Adviser is of the view that our pricing arrangements have been in compliance with the applicable laws, regulations and guidelines, and the risk of incurring material transfer pricing is remote.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any outstanding enquiries, audit, investigation or challenge by any tax authorities in the PRC and Hong Kong, PRC in relation to our intra-group transactions and transfer pricing arrangements.

We have been and will continue to closely monitor our transfer pricing arrangement including reviewing the reasonableness of the pricing policy of intra-group transactions from time to time. However, similar to other matters relating to tax, we cannot assure that our transfer pricing arrangement will not be subject to review and possible challenge by any tax authorities in future, though our Directors believe that we have reasonable grounds to defend ourselves against such possible challenge. Please refer to "Risk Factors — Risks relating to our business and industry — We may be subject to risk associated with our transfer pricing arrangement" in this document for further details.

CAPITAL EXPENDITURES

We did not have any capital expenditures for FY2023, FY2024 and FY2025.

Our projected capital expenditures are subject to revision based upon any future changes in our business plan, market conditions, and economic and regulatory environment. Please refer to "Future Plans and **[REDACTED]**" in this document for further details.

We expect to fund our capital expenditures principally through the **[REDACTED]** to be received from the **[REDACTED]**, existing cash and cash equivalents, available banking facilities (if any), and cash generated from our operating activities. We believe that these sources of funding will be sufficient to finance our capital expenditure needs for the next 12 months.

CONTRACTUAL OBLIGATIONS

As at 31 December 2023, 31 December 2024 and 31 December 2025, we did not have any capital commitments.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in Note 33 to the Accountant's Report included in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Our overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on our financial performance. For further details, please refer to Note 30 to the Accountant's Report included in Appendix I to this document.

Market risks

Currency risk

Our Group's revenue-generating transactions were mostly transacted in RMB and some were transacted in US$. Our Group is subject to foreign exchange rate risk arising from the assets and liabilities which are denominated in currency other than RMB. Our management closely monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise. Please refer to Note 30 to the Accountants' Report included in Appendix I to this document for details of the sensitivity analysis performed. In the opinion of the management of our Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the relevant year.

Interest rate risk

Our Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances which is mainly concentrated on the fluctuation of benchmark deposit interest rates in the Chinese Mainland and Hong Kong. The management of our Group closely monitors interest rate movement and manages the potential risk. Our Group currently does not have an interest rate hedging policy. However, the management of our Group monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise. No sensitivity analysis is presented as the management of our Group determines that the impact from changes in interest rates is insignificant considering the historical movement in deposit interest rates in the Chinese Mainland and Hong Kong for the Track Record Period.

Credit risk and impairment assessment

Credit risk refers to the risk that our Group's counterparties default on their contractual obligations resulting in financial losses to our Group. Our Group's credit risk exposure are primarily attributable to trade receivables, other receivables and deposits, amount due from an associate and cash and cash equivalents. Our Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables arising from contracts with customers (including trade-related amounts due from related companies)

In order to minimise the credit risk on trade receivables arising from contracts with customers, the management of our Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, our Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of our Group considers that our Group's credit risk is significantly reduced.

In addition, our Group performs impairment assessment under ECL model on trade receivables in respect of contracts with customers individually. Details of the quantitative disclosures are set out below.

Our Group's trade receivables in respect of contracts with customers as at 31 December 2023 and 31 December 2024 primarily arose from software development services and technical support services. Our Group's trade receivables in respect of contracts with customers as at 31 December 2025 primarily arose from software development services and online marketing solution services. Our Group applies simplified approach on these trade receivables to assess for lifetime ECL prescribed by HKFRS 9. To measure ECL of these trade receivables at amortised cost, our Group applied internal credit rating for each of its trade debtors and our Group assessed the relevant trade debtors with reference to their past default record and their current past due exposure and, where applicable, an analysis of their current financial information and/or publicly available information. In calculating the ECL, the loss rates were estimated based on internal credit ratings of the trade debtors, comparable probability of default and recovery rates quoted from an international credit-rating agency and were adjusted for forward-looking information, including but not limited to reviving economic condition and consumption level in the PRC and expected growth in new media and e-commerce in the PRC without undue cost or effort. Such forward-looking information is used by the management of our Group to assess both the current and the forecast direction of conditions at the end of each reporting period.

The ECL loss rate is determined on debtor by debtor basis. The trade receivables in respect of contracts with customers which were credit-impaired have been provided to the extent of the amount that are expected to be unrecoverable.

Other receivables, deposits and amount due from an associate

For other receivables, deposits and amount due from an associate, the management of our Group makes periodic individual assessment on the recoverability of these amounts based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management of our Group believed that, except for a debtor to which a cash advance was made by our Group as at 31 December 2024, there was no significant increase in credit risk of these amounts since initial recognition and the management assessed the loss allowance based on 12m ECL, and considered them to have no material credit risk inherent in our Group's outstanding balance of these balances, and impairment allowance was considered to be insignificant. During FY2024, our Group advanced RMB1,000,000 to a customer to assist for facilitating marketing activities in an online platform to which our Group's software will be operated by the customer to generate income. The customer didn't return the amount on the specified due date. Our Group initiated a legal action after carrying out following up actions and certain of the assets of the customer were frozen for further legal proceeding. Our Directors are of the opinion that the full recovery of the amount is highly uncertain and a full impairment for this amount was recognised in profit or loss.

Cash and cash equivalents

Credit risk on liquid funds is limited because the counterparties are reputable banks with high credit-ratings assigned by credit-rating agencies and our Group has limited exposure to any single financial institution. Our Group assessed 12m ECL on bank balances by reference to the information relating to probably of default and loss given default of respective credit rating grades published by international credit-rating agencies. The management of our Group considers these balances are short-term in nature and, based on the average loss rates, the 12m ECL on these balances is considered to be insignificant.

Liquidity risk

In the management of the liquidity risk, our Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of our Group to finance our Group's operations and mitigate the effects of fluctuations in cash flows. Please refer to Note 30 to the Accountants' Report included in Appendix I to this document for details.

DIVIDENDS

No dividends have been declared or paid by our Company since its incorporation. GZ Suishoubo, a subsidiary of our Company, had declared and paid dividends of nil, approximately RMB36.6 million and nil, to its then shareholders for FY2023, FY2024 and FY2025, respectively. The dividends were declared to reward the then shareholders' investments in our Group. Our Directors consider the level of distribution appropriate and in the best interests of our Group as the portion of the net profits attributable to our Shareholders retained is sufficient to support our Group's operations during the Track Record Period.

Our Group has no formal dividend policy or pre-determined dividend payout ratio. Our Board has absolute discretion as to whether to recommend for declaration of any dividend for any year end and if any, the amount of dividend and the means of payment. Any declaration of final dividend is subject to the applicable laws and regulations including the Companies Act, and our Articles which require also the approval of our Shareholders. The amount of any dividends to be declared and paid in the future will depend on, among other things, our results of operations, cash flows and financial conditions, operating and capital requirements and other relevant factors. There will be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by our Group in the future.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the estimated **[REDACTED]** from the **[REDACTED]** and the expected cash generated from operating activities, we have sufficient working capital for our present requirements and for the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As at 31 January 2026, our Company did not have any distributable reserves.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED [REDACTED]

Please refer to Appendix II to this document for the bases and assumptions in calculating the unaudited **[REDACTED]** adjusted consolidated **[REDACTED]** figure.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]**, and other fees incurred in connection with the **[REDACTED]**. The estimated total **[REDACTED]** (based on the mid-point of the **[REDACTED]** range and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**, representing approximately **[REDACTED]**% of our **[REDACTED]**. Approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) of the estimated **[REDACTED]** is directly attributable to the issue of new Shares to the public and will be accounted for as a deduction from equity upon completion of the **[REDACTED]**. The remaining estimated **[REDACTED]** of approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) was and will be charged to profit or loss, of which, approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**), RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) and RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) were charged in FY2023, FY2024 and FY2025, respectively. Approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) is expected to be charged in profit or loss before or upon completion of the **[REDACTED]**. This calculation is subject to adjustment based on the actual amount incurred or to be incurred.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, save as disclosed in "Summary — Recent developments" in this document and "**[REDACTED]**" above in this section, since 31 December 2025 (being the date on which our latest audited consolidated financial statements were prepared) and up to the date of this document, (i) there has been no material adverse change in the market conditions or the industry and environment in which we operate that materially and adversely affect our financial or operating position; (ii) there was no material adverse change in the trading and financial position or prospects of our Group; and (iii) no event had occurred that would materially and adversely affect the information shown in the Accountant's Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.