

FINANCIAL INFORMATION

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

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

For the purposes of this section, unless the context otherwise requires, references to the years of 2023, 2024 and 2025 refer to the years ended December 31 of such years.

OVERVIEW

XTransfer is the world’s largest B2B cross-border trade payment platform with over US\$60 billion total payment volume (“TPV”) in 2025, according to CIC. Founded in 2017 as one of the first payment platforms worldwide dedicated to B2B cross-border trade, we serve the largest customer base of approximately 897,000 registered SMEs globally as of March 31, 2026.

We deliver resilient performance across economic cycles with robust growth and sustained profitability. During the Track Record Period, TPV on our platform surged from US\$18.6 billion in 2023, to US\$60.5 billion in 2025 at a CAGR of 80.2%, driving revenue growth from US\$114.8 million to US\$248.5 million over the same years at a CAGR of 47.1%. Our gross profit also accelerated from US\$109.7 million to US\$228.6 million at a CAGR of 44.4% from 2023 to 2025, supported by exceptional gross margins consistently above 90% during the Track Record Period. Our operating profit increased from US\$6.5 million in 2023 to US\$44.1 million in 2025, representing a CAGR of 161.4% during the same years and underscoring our ability to achieve profitability.

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the historical financial information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the historical financial information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. See Note 3 to the Accountant’s Report included in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of general factors influencing the overall B2B cross-border trade payment industry, which include: (i) global trade flows and overall macroeconomic conditions, including import and export activities across major economies; (ii) industry development and competitive dynamics in the B2B cross-border trade payment industry; and (iii) global regulatory environment and governmental policies. Any adverse development in these areas can have a negative impact on our results of operations.

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In addition to these general factors, the following specific factors have a more direct impact on our results of operations:

Customer Acquisition, Retention and Engagement

Our results of operations are materially affected by our ability to acquire new customers, retain existing customers, and drive customer transaction volume. Our revenue is primarily generated from payment services, the scale of which depends on both (i) the size of our customer base and (ii) the scope, frequency and transaction volume of our customers. We seek to drive sustainable revenue growth by continuously increasing TPV per active customers, while expanding our customer base across different regions. During the Track Record Period, our annual active customers increased from 82,614 in 2023 to 111,368 in 2024 and further to 148,952 in 2025, and TPV per active customer increased from US\$225,540 in 2023 to US\$292,883 in 2024, and further to US\$406,280 in 2025. The percentage of TPV generated from customers outside Chinese Mainland increased from 24.5% in 2023 to 34.8% in 2024 and further to 44.3% in 2025. In addition, we achieved a high customer net dollar retention rate of 121% in 2025. We believe our continued focus on customer acquisition, retention will remain a key driver of our TPV growth, revenue expansion, and overall financial performance.

Our Ability to Monetize Our Customer Base

Our ability to monetize our customer base, as reflected in our platform monetization rate, is an important factor affecting our results of operations. Our platform monetization rate is influenced by pricing strategy, customer mix, service mix and market competition. During the Track Record Period, our platform monetization rate experienced modest compression despite rapid growth in TPV and revenue, primarily due to volume-based pricing adjustments for certain pay-out and withdrawal services implemented to remain competitive amid an evolving industry landscape and as part of our efforts to attract and retain premium customers. At the same time, revenue from payment services per active customer steadily increased from US\$1,056 in 2023 to US\$1,167 in 2024 and further to US\$1,398 in 2025. Our future results of operations will continue to be affected by our ability to balance pricing competitiveness, customer acquisition and retention, service monetization and TPV growth.

Technology Innovation and R&D Investment

Continuous investment in research and development is critical to the enhancement of our technology infrastructure and the scalability of our platform. We continuously upgrade our proprietary globally unified settlement network and risk management platform as well as digital wallet to improve transaction accessibility, processing efficiency, scalability, reliability and security, and to support the expansion of a larger and more complex settlement network. In addition, we increasingly leverage AI-driven technologies, such as our self-developed vertical AI model TradePilot, to automate transaction processing, enhance risk monitoring and optimize operational efficiency. These ongoing technological enhancements support risk control and customer experience, grow our customer base and transaction volumes and enable us to deliver a secure, efficient and scalable payment platform.

Financial Institution Partnership and Network Expansion

We collaborate with a broad network of business partners to support the operation of our platform and the provision of our payment and value-added services. We support local collection in 56 countries and regions through X-Net as of March 31, 2026; and global collection across more than 200 countries and regions through partnership with international banks leveraging existing networks as of March 31, 2026. As of March 31, 2026, we cooperated with 171 financial institutions that enabled us to operate across multiple jurisdictions to support our cross-border payment services. Our ability to strengthen these partnerships directly affects customer satisfaction, retention and engagement, and consequently our TPV growth, revenue expansion and overall financial performance.

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Cost Controls to Improve Operational Efficiency

Our results of operations are affected by our ability to effectively manage costs and improve operating leverage. Our ability to build and operate a proprietary settlement network and risk management platform allows us to reduce intermediary and service fees to achieve a high gross margin of over 90% during the Track Record Period. As our business scale expands, we expect to further benefit from economies of scale, including improved sales and marketing efficiency, more efficient utilization of technology infrastructure and greater operating leverage over fixed costs. In particular, as our customer base and TPV continue to grow, we benefit from increasing network effects within our platform, generating word-of-mouth referrals that allow us to grow organically with relatively low customer acquisition costs. We are also known for our sales and marketing efficiency, evidenced by our industry leading payback period of 7.6 months in 2025. Our average TPV generated by experienced sales person increased from US\$22.0 million in 2023 to US\$35.9 million in 2024, and further to US\$56.0 million in 2025, demonstrating the increasing efficiency of our sales team. Our total operating expenses, defined as the sum of selling expenses, administrative expenses and research and development expenses, as a percentage of our revenue decreased from 90.2% in 2023 to 74.6% in 2025.

Diversification of Service Offerings

Our results of operations and business prospects are affected by our ability to expand our service offerings that address new and evolving customer needs. While our primary focus remains on our core payment services, we may, from time to time, introduce complementary value-added features to enhance customer experience and engagement. For example, we plan to introduce more types of funds to offer customers of treasury management services a wider range of options. In addition, we plan to leverage our settlement network and risk management platform to explore sharing our network with financial institutions for a fee, further unlocking revenue potential.

KEY PERFORMANCE INDICATORS

TPV

We use TPV to measure the scale and monetization potential of our platform. TPV represents the aggregate value of all funds received from customers into our platform over a given period. Our TPV grew by 75.1% from US\$18.6 billion in 2023 to US\$32.6 billion in 2024, and by 85.5% to US\$60.5 billion in 2025. While we do not directly monetize TPV, we consider TPV the most important operating metric because TPV demonstrates the overall magnitude of our platform and ultimately translates into foreign exchange volume and payout and withdrawal volume, which we actually monetize. For further details on our monetization strategy for payment services, see “Business — Payment Services — Revenue and Pricing.”

Annual Active Customers

We assess annual active customers on our platform over time. Annual active customers for a given year represent the number of unique customers that utilized our pay-in services at least once on our platform during such year. We recorded 82,614, 111,368 and 148,952 annual active customers in 2023, 2024 and 2025, respectively.

For details on our key performance indicators, see “Business — Our Services.”

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MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

The preparation of Historical Financial Information in conformity with IFRS requires the use of certain material accounting policies and estimates. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continuously evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events which are deemed to be reasonable under the circumstances. During the Track Record Period, 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. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

Details of our material accounting policies, estimates and accounting judgment, which are important for understanding our financial condition and operating results, are set forth in Notes 4 and 5 to the Accountant’s Report included in Appendix I to this Document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	114,757	162,100	248,460
Cost of sales	(5,082)	(10,344)	(19,862)
Gross profit	109,675	151,756	228,598
Other income	352	1,310	1,014
Selling expenses	(53,074)	(81,288)	(96,040)
Administrative expenses	(28,501)	(40,777)	(49,808)
Research and development expenses	(21,992)	(34,910)	(39,621)
Operating profit/(loss)	6,460	(3,909)	44,143
Finance income	1,790	1,948	1,420
Finance costs	(127)	(172)	(234)
Fair value changes of convertible and redeemable preferred shares	(161,874)	(352,487)	(523,639)
Other gains and losses	1,007	411	(3,425)
Loss before tax	(152,744)	(354,209)	(481,735)
Income tax (expenses)/credits	(128)	1,157	(1,788)
Loss for the year	(152,872)	(353,052)	(483,523)

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NON-IFRS MEASURES

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

EBITDA is calculated by loss for the year adding back income tax expenses, depreciation and amortization and finance costs. Adjusted EBITDA (non-IFRS measure) is defined as EBITDA further adjusted by adding back (i) fair value changes of convertible and redeemable preferred shares, which were non-cash in nature and the convertible and redeemable preferred shares will be reclassified into equity following the [REDACTED], and (ii) share-based payment expenses, which were non-cash in nature.

We define our adjusted net profit (non-IFRS measure) by adding back (i) fair value changes of convertible and redeemable preferred shares, which were non-cash in nature and the convertible and redeemable preferred shares will be reclassified into equity following the [REDACTED], and (ii) share-based payment expenses, which were non-cash in nature.

We believe that these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that this measure provides useful information to [REDACTED] in understanding and evaluating our consolidated results of operations in the same manner as they help management.

However, presentation of adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measure has limitations as an analytical tool, and [REDACTED] should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs.

The following tables present our non-IFRS financial measures for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Loss for the year	(152,872)	(353,052)	(483,523)
Adjusted for			
Income tax expenses/(credits)	128	(1,157)	1,788
Depreciation and amortization	4,486	4,663	4,123
Finance costs	127	172	234
EBITDA	(148,131)	(349,374)	(477,378)
Fair value changes of convertible and redeemable preferred shares	161,874	352,487	523,639
Share-based payment expenses	2,201	5,836	7,558
Adjusted EBITDA (non-IFRS measure)	15,944	8,949	53,819

	For the year ended December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Loss for the year	(152,872)	(353,052)	(483,523)
Adjusted for			
Fair value changes of convertible and redeemable preferred shares	161,874	352,487	523,639
Share-based payment expenses	2,201	5,836	7,558
Adjusted net profit (non-IFRS measure)	11,203	5,271	47,674

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Our adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) increased generally during the Track Record Period. The decreasing adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) from 2023 to 2024 primarily resulted from increased operating expenses associated with our upfront investment to expand our global operations and sales network. Our adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) subsequently increased significantly in 2025. We expect to further improve our profitability in the near future through continuous revenue growth. In particular, our revenue growth and improved profitability is grounded in several key factors: (i) leveraging X-Net + digital wallet, we will further improve service accessibility to SMEs, unlocking additional revenue potential of a previously undeserved SME customer base to drive TPV and revenue growth, (ii) capitalizing on TradePilot, we will further enhance automatic transaction review rate and reduce fraud rate, improving customer experience, lowering risk management costs and ultimately driving TPV growth and operating efficiency, (iii) supported by our broad geographical reach and local currency collection capabilities globally, we expect to drive revenue contributions from customers outside Chinese Mainland, and (iv) further increase revenue and improve profitability by leveraging powerful flywheel effects. For details on flywheel, see “Business — Our Strengths — Powerful Network and Flywheel Effects.”

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue was primarily derived from providing payment services to SMEs, enabling B2B cross-border trade payment. For details on our revenue model for payment services, see “Business — Payment Services — Revenue and Pricing.” We also generated revenue from interest income on client funds, which arises from client funds temporarily held in accounts pending pay-out/withdrawals or further instructions from customers. Based on our agreements with customers, the customers are not entitled to interest income generated from such accounts. According to CIC, such practice is a well-established industry norm. We strictly distinguish client funds from our own accounts, and open dedicated client reserve fund accounts only with institutions recognized by regulatory authorities. To a lesser extent, we generated revenue from providing value-added services, primarily including treasury management services.

The following table sets forth a breakdown of our revenue, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Payment services	87,234	76.0	129,999	80.2	208,187	83.8
Interest income on client funds	26,728	23.3	29,894	18.4	38,364	15.4
Value-added services	795	0.7	2,207	1.4	1,909	0.8
Total	114,757	100.0	162,100	100.0	248,460	100.0

The following table sets forth a breakdown of our revenue by place of registration of our customers for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	US\$'000	%	US\$'000	%	US\$'000	%
Chinese Mainland	94,624	82.5	122,461	75.5	167,778	67.5
Rest of the world	20,133	17.5	39,639	24.5	80,682	32.5
Total	114,757	100.0	162,100	100.0	248,460	100.0

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Cost of Sales

The following table sets forth a breakdown of our cost of sales, in absolute amounts and as a percentage of our total cost of sales, for the years indicated. Our cost of sales for payment services primarily related to payment channels’ processing fee paid to business partners, and our cost of sales of interest income on client funds and value-added services primarily include employee compensation paid to employees responsible for managing customer balances and operating value-added services.

	For the year ended December 31,					
	2023		2024		2025	
	US\$’000	%	US\$’000	%	US\$’000	%
Payment services	4,689	92.3	9,558	92.4	18,830	94.8
Interest income on client funds	143	2.8	233	2.3	559	2.8
Value-added services	250	4.9	553	5.3	473	2.4
Total	5,082	100.0	10,344	100.0	19,862	100.0

Our cost of sales mainly consists of (i) payment channels’ processing fee, primarily representing processing fees paid to financial institutions; (ii) staff costs representing employee compensation paid to employees; and (iii) service charges, primarily representing commissions to channel partners like trade associations and logistics companies for customer referrals and services. The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as a percentage of our total cost of sales, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	US\$’000	%	US\$’000	%	US\$’000	%
Payment channels’ processing fee	3,098	60.9	6,541	63.2	13,220	66.6
Staff costs	1,401	27.6	2,470	23.9	3,875	19.5
Service charges	583	11.5	1,333	12.9	2,767	13.9
Total	5,082	100.0	10,344	100.0	19,862	100.0

Gross Profit and Gross Margin

Gross profit equals revenue minus cost of sales. The following table sets forth a breakdown of our gross profit and gross margin for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	US\$’000	%	US\$’000	%	US\$’000	%
Payment services	82,545	94.6	120,441	92.6	189,357	91.0
Interest income on client funds	26,585	99.5	29,661	99.2	37,805	98.5
Value-added services	545	68.6	1,654	74.9	1,436	75.2
Total	109,675	95.6	151,756	93.6	228,598	92.0

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Benefiting from our proprietary settlement network and risk management platform, we can effectively reduce payment channels’ processing fee, leading to relatively high gross margins consistently over 90% during the Track Record Period.

Other Income

Our other income consists primarily of (i) government grants, primarily representing incentives provided by local government authorities in the PRC to reward our support and contribution for the development of local economies. There were no unfulfilled conditions or contingencies relating to these grants; (ii) value-added tax refund; and (iii) others. The following table sets forth a breakdown of our other income for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Government grants	250	580	774
Value-added tax refund	–	569	–
Others	102	161	240
Total	352	1,310	1,014

Selling Expenses

Our selling expenses consist of (i) staff costs, which primarily represent employee compensation for our sales and marketing personnel; (ii) marketing expenses; (iii) travelling expenses; (iv) office expenses; and (v) others, primarily including depreciation and amortization. The following table sets forth a breakdown of our selling expenses, in absolute amounts and as a percentage of our total selling expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>US\$'000</i>	%	<i>US\$'000</i>	%	<i>US\$'000</i>	%
Staff costs	44,543	83.9	69,477	85.5	86,726	90.3
Marketing expenses	3,327	6.3	6,330	7.8	4,723	4.9
Travelling expenses	954	1.8	1,602	2.0	1,557	1.6
Office expenses	2,685	5.1	2,403	3.0	1,479	1.5
Others	1,565	2.9	1,476	1.7	1,555	1.7
Total	53,074	100.0	81,288	100.0	96,040	100.0

Our selling expenses generally increased throughout the Track Record Period, primarily due to the increase in staff costs, mainly as a result of the expansion of our sales team to support our business growth. An efficient and large sales and marketing team is essential in B2B cross-border trade payment to educate customer base and drive platform adoption, which ultimately enables us to attract more customers to our platform with relatively low customer acquisition costs. For details, “Business — Sales and Marketing.”

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Administrative Expenses

Our administrative expenses consist of (i) staff costs, primarily representing employee compensation for our administrative personnel; (ii) professional service expenses, primarily representing license application and maintenance and other related activities; (iii) depreciation and amortization; (iv) office expenses; (v) server usage fees, primarily representing cloud infrastructure costs associated with our daily operations; and (vi) others, primarily consisting of traveling expenses. The following table sets forth a breakdown of our administrative expenses, in absolute amounts and as a percentage of our total administrative expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>US\$'000</i>	%	<i>US\$'000</i>	%	<i>US\$'000</i>	%
Staff costs	22,167	77.8	31,642	77.6	39,363	79.0
Professional service expenses	1,069	3.8	2,248	5.5	3,379	6.8
Depreciation and amortization	2,840	10.0	3,005	7.4	2,489	5.0
Office expenses	1,281	4.5	1,681	4.1	1,645	3.3
Server usage fees	86	0.3	500	1.2	1,013	2.0
Others	1,058	3.6	1,701	4.2	1,919	3.9
Total	<u>28,501</u>	<u>100.0</u>	<u>40,777</u>	<u>100.0</u>	<u>49,808</u>	<u>100.0</u>

Our administrative expenses generally increased throughout the Track Record Period, primarily due to an increase in staff costs resulting from both an increase in administrative personnel to support our business growth as well as an increase in average salary paid to administrative personnel as we improved our talent pool by including more senior and experienced personnel.

Research and Development Expenses

Our research and development expenses consist of (i) staff costs, primarily representing employee compensation for our R&D personnel; (ii) server usage fees, primarily representing cloud infrastructure costs and computing costs associated with the development of our platform; (iii) professional service expenses; and (iv) others, primarily consist of depreciation and amortization and traveling expenses. The following table sets forth a breakdown of our research and development expenses, in absolute amounts and as a percentage of our total research and development expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>US\$'000</i>	%	<i>US\$'000</i>	%	<i>US\$'000</i>	%
Staff costs	19,891	90.4	31,007	88.8	33,662	85.0
Server usage fees	1,312	6.0	2,871	8.2	4,834	12.2
Professional service expenses	247	1.1	502	1.4	572	1.4
Others	542	2.5	530	1.6	553	1.4
Total	<u>21,992</u>	<u>100.0</u>	<u>34,910</u>	<u>100.0</u>	<u>39,621</u>	<u>100.0</u>

Our research and development expenses generally increased throughout the Track Record Period, primarily due to the increase in staff costs resulting from an increase in the number and compensation level of our research and development personnel. During the Track Record Period, staff costs remained the vast majority of our research and development expenses.

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Operating Profit/(Loss)

We recorded operating profit of US\$6.5 million and US\$44.1 million in 2023 and 2025, and operating loss of US\$3.9 million in 2024. The general increase in operating profit during the Track Record Period was primarily attributable to our significant revenue growth. We recorded operating loss of US\$3.9 million in 2024, primarily attributable to increased operating expenses associated with our upfront investment to expand our global operations and sales network.

Finance Income

Our finance income, representing interest income from deposits of company funds with financial institutions, amounted to US\$1.8 million, US\$1.9 million and US\$1.4 million in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs consist of (i) interest on lease liabilities; and (ii) interest on bank borrowings. We recorded finance costs of US\$127 thousand, US\$172 thousand and US\$234 thousand in 2023, 2024 and 2025, respectively.

Fair Value Changes of Convertible and Redeemable Preferred Shares

We have completed a series of financing by issuing convertible and redeemable preferred shares since inception, and such convertible and redeemable preferred shares will be reclassified into equity following the [REDACTED]. See Note 33 to the Accountants’ Report in Appendix I to this Document for details. We recorded fair value changes of convertible and redeemable preferred shares of US\$161.9 million, US\$352.5 million and US\$523.6 million in 2023, 2024 and 2025, respectively. The increase in fair value changes of convertible and redeemable preferred shares was primarily attributable to an increase in our valuation as our business grows.

Other Gains and Losses

Our other gains and losses mainly consist of (i) net foreign exchange gains or losses, see “—Year-To-Year Comparison of Results of Operations” for details; (ii) loss on disposal of property and equipment; (iii) gains or losses on early termination of leases; (iv) gain from changes in fair value of financial assets at FVTPL, and (v) others. The following table sets forth a breakdown of our other gains and losses for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net foreign exchange gains/(losses)	478	250	(3,393)
Loss on disposal of property and equipment . . .	–	(81)	(53)
Gain/(loss) on early termination of leases	286	96	(60)
Gain from changes in fair value of financial assets at FVTPL	186	56	7
Others	57	90	74
Total	<u>1,007</u>	<u>411</u>	<u>(3,425)</u>

Income Tax (Expenses)/Credits

We recorded income tax expenses of US\$128 thousand and US\$1.8 million in 2023 and 2025, respectively, while we recorded income tax credits of US\$1.2 million in 2024.

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

Loss for the Year

As a result of the foregoing, we recorded net loss of US\$152.9 million, US\$353.1 million and US\$483.5 million in 2023, 2024 and 2025, respectively.

TAXATION

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operate.

Cayman Islands

We are incorporated as an exempted company with limited liability under the Law of the Cayman Islands and is not subject to Cayman Island income tax.

Hong Kong

Our subsidiaries domiciled in Hong Kong are subject to a two-tiered income tax rate for taxable income earned in Hong Kong. The first 2 million Hong Kong dollars (“**HKD**”) of profits earned by these companies are subject to be taxed at an income tax rate of 8.25%, while the remaining profits will continue to be taxed at the existing tax rate, 16.5%. To avoid abuse of the two-tiered tax regime, each group of connected entities can nominate only one entity to benefit from the two-tiered tax rate. No provision for Hong Kong profit tax was made in the historical financial information as we had no assessable profit subject to Hong Kong profit tax during the Track Record Period.

Chinese Mainland

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the Track Record Period. Our certain subsidiaries operating in Chinese Mainland were approved to be High and New Technology Enterprises (“**HNTE**”) and were entitled to a reduced EIT rate of 15%. The HNTE certificates need to be renewed every three years so as to enable those subsidiaries to enjoy the reduced EIT rate of 15%.

According to the relevant laws and regulations in the PRC, enterprises engaging in research and development activities were entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year and period after September 1, 2022.

Other Countries

Corporate income tax in other jurisdictions had been calculated on the estimated assessable profit for the year at the respective rates prevailing in the relevant jurisdictions, ranging from 9% to 30%. During the Track Record Period, except for Malaysia and Australia, no provision for other countries’ profit tax was made in the historical financial information as our Group had no assessable profit subject to profit tax in these countries.

FINANCIAL INFORMATION

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 53.3% from US\$162.1 million in 2024 to US\$248.5 million in 2025, primarily attributed to the following:

Payment services

Revenue from payment services increased by 60.1% from US\$130.0 million in 2024 to US\$208.2 million in 2025, mainly due to an increase in TPV facilitated by our platform from US\$32.6 billion in 2024 to US\$60.5 billion in 2025. At the same time, the number of active customers increased from 111,368 to 148,952 and TPV per active customer increased from US\$292,883 to US\$406,280. However, our platform monetization rate decreased from 0.40% in 2024 to 0.34% in 2025, which reflected a deliberate, reasoned volume-based pricing adjustment for our pay-out and withdrawal services to remain competitive amidst an evolving industry landscape, especially in terms of attracting and retaining premium customers, partially offset by an increasing revenue contribution from foreign exchange services involving certain minor currencies, which generally carry relatively higher pricing.

Interest income on client funds

Revenue from interest income on client funds increased by 28.3% from US\$29.9 million in 2024 to US\$38.4 million in 2025, mainly due to an increase in cash from our customers held in their collection accounts maintained at our platform resulting from TPV growth, partially offset by a decrease in interest rates globally.

Value-added services

Revenue from value-added services decreased by 13.5% from US\$2.2 million in 2024 to US\$1.9 million in 2025, mainly due to the decrease in revenue from software services, as a result of our strategic adjustment of value-added service offerings.

Cost of sales

Our cost of sales increased by 92.0% from US\$10.3 million in 2024 to US\$19.9 million in 2025, primarily due to an increase in payment channels' processing fee in line with the growth of our payment services.

Gross profit and gross margin

As a result of the foregoing, we recorded gross profit of US\$151.8 million in 2024, compared to US\$228.6 million in 2025. Our gross margins were 93.6% and 92.0% in 2024 and 2025, respectively. The relatively high gross margin record as compared to other cross-border trade payment platforms was primarily attributable to our self-developed settlement network and risk management platform, X-Net, which reduces the reliance on traditional correspondent banking network, effectively lowering the associated fees.

Payment services

Gross profit of payment services increased by 57.2% from US\$120.4 million in 2024 to US\$189.4 million in 2025. Gross margin of payment services slightly decreased from 92.6% in 2024 to 91.0% in 2025, primarily due to (i) the slight decrease in platform monetization rate as detailed above, (ii) higher payment channels' processing fee paid to newly on-boarded financial institutions which typically incur higher initial costs during on-boarding and ramp-up phase, and (iii) increased service fees associated with increased customer referrals payable and service fees to third-party channel partners in line with our global expansion.

FINANCIAL INFORMATION

Interest income on client funds

Gross profit of interest income on client funds increased by 27.5% from US\$29.7 million in 2024 to US\$37.8 million in 2025. Gross margin of interest income on client funds remained relatively stable at 99.2% and 98.5% in 2024 and 2025, respectively.

Value-added services

Gross profit of value-added services decreased by 13.2% from US\$1.7 million in 2024 to US\$1.4 million in 2025. Gross margin of value-added services remained relatively stable at 74.9% and 75.2% in 2024 and 2025, respectively.

Other income

Our other income decreased by 22.6% from US\$1.3 million in 2024 to US\$1.0 million in 2025, primarily due to one-off value-added tax refund in 2024.

Selling expenses

Our selling expenses increased by 18.1% from US\$81.3 million in 2024 to US\$96.0 million in 2025, primarily due to an increase in staff costs from US\$69.5 million to US\$86.7 million, mainly as a result of the expansion of our sales and marketing team to support our business growth.

Administrative expenses

Our administrative expenses increased by 22.1% from US\$40.8 million in 2024 to US\$49.8 million in 2025, primarily due to an increase in staff costs from US\$31.6 million to US\$39.4 million resulting from both the increased number of administrative personnel to support our business growth as well as an increase in average compensation level of administrative personnel.

Research and development expenses

Our research and development expenses increased by 13.5% from US\$34.9 million in 2024 to US\$39.6 million in 2025, primarily due to (i) higher average compensation level of our research and development team, and (ii) an increase in server usage fees to support our research and development activities.

Operating profit/(loss)

We recorded operating loss of US\$3.9 million in 2024 and operating profit of US\$44.1 million in 2025, primarily due to our significant increase in revenue in 2025. See “— Revenue — Payment Services.”

Finance income

Our finance income decreased from US\$1.9 million in 2024 to US\$1.4 million in 2025, primarily due to decrease in interest rate generally, leading to a decrease in the resulting interest income.

Finance costs

Our finance costs increased by 36.0% from US\$172 thousand in 2024 to US\$234 thousand in 2025, primarily due to an increase in interest on lease liabilities.

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Fair value changes of convertible and redeemable preferred shares

Our fair value changes of convertible and redeemable preferred shares increased by 48.6% from US\$352.5 million in 2024 to US\$523.6 million in 2025, primarily due to the increased valuation of our Company as we scaled our business.

Other gains and losses

We recorded other gains of US\$411 thousand in 2024 and other losses of US\$3.4 million in 2025. Such losses in 2025 were mainly attributable to the depreciation of USD against RMB which affected the RMB intra-group transaction balance payable by our Hong Kong subsidiary to our entities in Chinese Mainland. Furthermore, such foreign exchange losses did not affect operating cash flow in the relevant year.

Income tax (expense)/credits

We recorded income tax credits of US\$1.2 million in 2024 and income tax expense of US\$1.8 million in 2025, mainly due to the increase in taxable profit in 2025 driven by increased profitabilities of many subsidiaries.

Loss for the year

As a result of the foregoing, our net loss increased from US\$353.1 million in 2024 to US\$483.5 million in 2025.

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

Revenue

Our revenue increased by 41.3% from US\$114.8 million in 2023 to US\$162.1 million in 2024, primarily attributed to the following:

Payment services

Revenue from payment services increased by 49.0% from US\$87.2 million in 2023 to US\$130.0 million in 2024, mainly due to an increase in TPV facilitated by our platform from US\$18.6 billion in 2023 to US\$32.6 billion in 2024. At the same time, the number of active customers increased from 82,614 to 111,368 and TPV per active customer increased from US\$225,540 to US\$292,883. However, our platform monetization rate decreased from 0.47% in 2023 to 0.40% in 2024, which reflected a deliberate, reasoned volume-based pricing adjustment for our pay-out and withdrawal services to remain competitive amidst an evolving industry landscape, especially in terms of attracting and retaining premium customers, partially offset by an increasing revenue contribution from foreign exchange services involving certain minor currencies, which generally carry relatively higher pricing.

Interest income on client funds

Revenue from interest income on client funds increased by 11.8% from US\$26.7 million in 2023 to US\$29.9 million in 2024, mainly due to an increase in cash from our customers held in their collection accounts maintained at our platform resulting from TPV growth, partially offset by a slight decrease in interest rates.

Value-added services

Revenue from value-added services significantly increased by 177.6% from US\$795 thousand in 2023 to US\$2.2 million in 2024, mainly due to rising customer demands for treasury management services.

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Cost of sales

Our cost of sales significantly increased by 103.5% from US\$5.1 million in 2023 to US\$10.3 million in 2024, primarily due to an increase in payment channels’ processing fee in line with the growth of our payment services.

Gross profit and gross margin

As a result of the foregoing, we recorded gross profit of US\$109.7 million in 2023, compared to US\$151.8 million in 2024. Our gross margins were 95.6% and 93.6% in 2023 and 2024, respectively.

Payment services

Gross profit of payment services increased by 45.9% from US\$82.5 million in 2023 to US\$120.4 million in 2024. Gross margin of payment services slightly decreased from 94.6% in 2023 to 92.6% in 2024, primarily due to (i) the slight decrease in platform monetization rate as detailed above, (ii) higher payment channels’ processing fee paid to newly on-boarded financial institutions which typically incur higher initial costs during on-boarding and ramp-up phase, and (iii) increased service fees associated with increased customer referrals payable and service fees to third-party channel partners in line with our global expansion.

Interest income on client funds

Gross profit of interest income on client funds increased by 11.6% from US\$26.6 million in 2023 to US\$29.7 million in 2024. Gross margin of interest income on client funds remained relatively stable at 99.5% and 99.2% in 2023 and 2024, respectively.

Value-added services

Gross profit of value-added services significantly increased by 203.5% from US\$545 thousand in 2023 to US\$1.7 million in 2024. Gross margin of value-added services increased slightly from 68.6% in 2023 to 74.9% in 2024.

Other income

Our other income increased significantly by 272.2% from US\$352 thousand in 2023 to US\$1.3 million in 2024, primarily due to one-off value-added tax refund in 2024.

Selling expenses

Our selling expenses increased by 53.2% from US\$53.1 million in 2023 to US\$81.3 million in 2024, primarily due to (i) an increase in staff costs from US\$44.5 million to US\$69.5 million, mainly as a result of the expansion of our sales team to support our business growth, as well as their increased average compensation level, and (ii) an increase in marketing expenses to support customer acquisition and generate sales leads for our sales team.

Administrative expenses

Our administrative expenses increased by 43.1% from US\$28.5 million in 2023 to US\$40.8 million in 2024, primarily due to an increase in staff costs from US\$22.2 million to US\$31.6 million resulting from both the increased number of administrative personnel to support our business growth as well as an increase in average compensation level of administrative personnel.

FINANCIAL INFORMATION

Research and development expenses

Our research and development expenses increased by 58.7% from US\$22.0 million in 2023 to US\$34.9 million in 2024, primarily due to (i) an increase in staff costs as a result of both the expansion of our research and development team, as well as their increased average compensation level, and (ii) an increase in server usage fees to support our research and development activities.

Operating profit/(loss)

We recorded operating profit of US\$6.5 million in 2023 and operating losses of US\$3.9 million in 2024. The operating loss in 2024 was mainly due to increased operating expenses associated with our upfront investment to expand our global operations and sales network.

Finance income

Our finance income remained relatively stable at US\$1.8 million and US\$1.9 million in 2023 and 2024.

Finance costs

Our finance costs increased by 35.4% from US\$127 thousand in 2023 to US\$172 thousand in 2024, primarily due to an increase in interest on lease liabilities.

Fair value changes of convertible and redeemable preferred shares

Our fair value changes of convertible and redeemable preferred shares significantly increased by 117.8% from US\$161.9 million in 2023 to US\$352.5 million in 2024, primarily due to the increased valuation of our Company as we scaled our business.

Other gains and losses

Our other gains decreased by 59.2% from US\$1.0 million in 2023 to US\$411 thousand in 2024.

Income tax (expense)/credits

We recorded income tax expense of US\$128 thousand in 2023 and income tax credits of US\$1.2 million in 2024, primarily due to an increase in deferred tax assets recognized in respect of tax losses available for offset in certain subsidiaries.

Loss for the year

As a result of the foregoing, our net loss increased from US\$152.9 million in 2023 to US\$353.1 million in 2024.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Total non-current assets	35,655	14,264	80,823
Total current assets	994,357	1,282,113	2,276,055
Total assets	1,030,012	1,296,377	2,356,878
Total non-current liabilities	(949)	(3,531)	(14,223)
Total current liabilities	(1,423,536)	(2,037,952)	(3,557,923)
Total liabilities	(1,424,485)	(2,041,483)	(3,572,146)
Net liabilities	(394,473)	(745,106)	(1,215,268)
Total equity and liabilities	1,030,012	1,296,377	2,356,878

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

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i> <i>(Unaudited)</i>
Current assets				
Prepayments and other receivables	13,800	32,783	10,915	16,242
Term deposits	–	–	3,217	3,275
Client funds	867,784	1,113,762	2,108,572	2,240,702
Financial assets at FVTPL	2,824	1,391	–	–
Cash and cash equivalents	109,949	134,177	153,351	175,240
Total current assets	994,357	1,282,113	2,276,055	2,435,459
Current liabilities				
Trade and other payables	13,336	20,177	28,988	27,591
Client funds payables	868,112	1,113,925	2,108,770	2,240,877
Borrowings	–	7,952	–	–
Contract liabilities	2,209	3,227	3,241	3,070
Lease liabilities	1,814	2,117	2,641	2,701
Income tax payable	–	2	92	–
Convertible and redeemable preferred shares	538,065	890,552	1,414,191	1,562,497
Total current liabilities	1,423,536	2,037,952	3,557,923	3,836,736
Net current liabilities	(429,179)	(755,839)	(1,281,868)	(1,401,277)

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Our net current liabilities increased from US\$429.2 million as of December 31, 2023 to US\$755.8 million as of December 31, 2024, primarily due to the increase in current liabilities outweighing the increase in current assets. Our current assets increased from US\$994.4 million as of December 31, 2023 to US\$1,282.1 million as of December 31, 2024, primarily due to (i) an increase in client funds from US\$867.8 million as of December 31, 2023 to US\$1,113.8 million as of December 31, 2024 as TPV processed through our platform grew significantly, and (ii) an increase in cash and cash equivalents from US\$109.9 million in 2023 to US\$134.2 million as our business grew. Our current liabilities increased from US\$1,423.5 million as of December 31, 2023 to US\$2,038.0 million as of December 31, 2024, primarily due to (i) an increase in client funds payables from US\$868.1 million as of December 31, 2023 to US\$1,113.9 million as of December 31, 2024 resulting from an increase in TPV processed as we grew and (ii) an increase in convertible and redeemable preferred shares from US\$538.1 million as of December 31, 2023 to US\$890.6 million as of December 31, 2024 resulting from an increase in valuation of our Company.

Our net current liabilities increased from US\$755.8 million as of December 31, 2024 to US\$1,281.9 million as of December 31, 2025, primarily due to the increase in current liabilities outweighing the increase in current assets. Our current assets increased from US\$1,282.1 million as of December 31, 2024 to US\$2,276.1 million as of December 31, 2025, primarily due to an increase in client funds from US\$1,113.8 million as of December 31, 2024 to US\$2,108.6 million as of December 31, 2025 as TPV processed through our platform grew significantly. Our current liabilities increased from US\$2,038.0 million as of December 31, 2024 to US\$3,557.9 million as of December 31, 2025, primarily due to (i) an increase in client funds payables from US\$1,113.9 million as of December 31, 2024 to US\$2,108.8 million as of December 31, 2025 resulting from an increase in TPV processed as we scaled our business and (ii) an increase in convertible and redeemable preferred shares from US\$890.6 million as of December 31, 2024 to US\$1,414.2 million as of December 31, 2025 resulting from an increase in valuation of our Company.

Our net current liabilities increased from US\$1,281.9 million as of December 31, 2025 to US\$1,401.3 million as of February 28, 2026, primarily due to the increase in current liabilities outweighing the increase in current assets. Our current assets increased from US\$2,276.1 million as of December 31, 2025 to US\$2,435.5 million as of February 28, 2026, primarily due to an increase in client funds from US\$2,108.6 million as of December 31, 2025 to US\$2,240.7 million as of February 28, 2026 as TPV processed through our platform grew. Our current liabilities increased from US\$3,557.9 million as of December 31, 2025 to US\$3,836.7 million as of February 28, 2026, primarily due to (i) an increase in client funds payables from US\$2,108.8 million as of December 31, 2025 to US\$2,240.9 million as of February 28, 2026, resulting from an increase in TPV processed and (ii) an increase in convertible and redeemable preferred shares from US\$1,414.2 million as of December 31, 2025 to US\$1,562.5 million as of February 28, 2026 resulting from an increase in valuation of our Company.

We believe our net current liabilities positions can be improved significantly by taking into account of below:

- Our net current liabilities position during the Track Record Period was primarily attributable to our convertible and redeemable preferred shares of US\$538.1 million, US\$890.6 million and US\$1,414.2 million as of December 31, 2023, 2024 and 2025, respectively. This amount will convert to equity after the [REDACTED], thus turning our net current liabilities positions into net current asset positions.
- We have a proven record of profitability, evidenced by our operating profit increasing from US\$6.5 million in 2023 to US\$44.1 million in 2025, representing a CAGR of 161.4% during the same years.
- We have a strong track record of generating net cash from operating activities to provide sufficient working capital for our ongoing operations. In 2023, 2024 and 2025, our net cash generated from operating activities was US\$10.8 million, US\$20.7 million and US\$57.9 million, respectively.

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- We plan to enhance our operating efficiency by streamlining internal workflows and leveraging advanced and emerging technology to drive cost reduction. In particular, we intend to further deploy AI-driven tools and automation technologies across key operational functions, including risk management and customer service, to improve processing efficiency, reduce manual intervention and optimize resource allocation.
- We will regularly review and update our liquidity and funding policies to ensure we have sufficient working capital to support our business plans and financial position. We believe we have sufficient level of working capital to continue our business on a sustainable basis. For details, see “— Liquidity and Capital Resources — Working Capital.”

Assets

Property and Equipment

Our property and equipment consist of electronic equipment, office equipment and leasehold improvements. The following table sets forth a breakdown of our property and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Electronic equipment	1,407	1,646	2,436
Office equipment	34	15	21
Leasehold improvements	577	791	843
Total	<u>2,018</u>	<u>2,452</u>	<u>3,300</u>

The carrying amount of our property and equipment increased from US\$2.0 million as of December 31, 2023 to US\$2.5 million as of December 31, 2024, and further increased to US\$3.3 million as of December 31, 2025, primarily attributed to (i) the increased procurement of electronic equipment as our business expanded and the number of employees increased, and (ii) an increase in leasehold improvements in connection with the expansion of our office premises.

Right-of-Use Assets

Our right-of-use assets represent our leased properties. The carrying amount of our right-of-use assets increased from US\$2.2 million as of December 31, 2023 to US\$4.6 million as of December 31, 2024, primarily attributed to an increase in leases of office premises to support our growth. The carrying amount of our right-of-use assets remained relatively stable at US\$4.6 million as of December 31, 2024 and US\$4.4 million as of December 31, 2025.

Intangible Assets

Our intangible assets consist of software and licenses. Our intangible assets decreased from US\$122 thousand as of December 31, 2023 to US\$96 thousand as of December 31, 2024, primarily due to the amortization of software purchased. Our intangible assets increased significantly to US\$49.7 million as of December 31, 2025, primarily due to the recognition of license intangible assets arising from the acquisition of Shanghai Anxinhui in 2025.

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Prepayments and Other Receivables

Our prepayments and other receivables consist of (i) prepayments, (ii) recoverable value-added tax, (iii) interest receivables, (iv) service guarantee deposits, (v) rental deposits, and (vi) others. The following table sets forth the details of our prepayments and other receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Current assets			
– Prepayments	1,626	30,110	5,203
– Recoverable value-added tax	831	1,083	2,250
– Interest receivables	9,863	646	2,036
– Rental deposits	1,059	429	415
– Others	421	515	1,011
Sub-total	13,800	32,783	10,915
Non-current assets			
– Service guarantee deposits	509	2,580	1,936
– Rental deposits	278	1,044	1,118
– Prepayments	28,238	–	–
Sub-total	29,025	3,624	3,054
Total	42,825	36,407	13,969

Our prepayment and other receivables decreased from US\$42.8 million as of December 31, 2023 to US\$36.4 million as of December 31, 2024, primarily due to the decrease in interest receivables, which fluctuated with the timing of interest settlements by banks and the balance of funds placed with banks. Notably, the non-current portion of our prepayment was reclassified into current portion in 2024, which was in relation to the acquisition of Shanghai Anxinhui based on terms of agreements with the counterparty.

Our prepayments and other receivables subsequently decreased to US\$14.0 million as of December 31, 2025, primarily due to the decrease in our current prepayment, mainly attributable to settlement of aforesaid prepayments in relation to the acquisition of Shanghai Anxinhui.

Goodwill

Goodwill is recognized in connection with business acquisitions. Our goodwill was nil, nil and US\$12.6 million as of December 31, 2023, 2024 and 2025, respectively, primarily due to the acquisition of Shanghai Anxinhui. For details, see Note 20 and 40 to the Accountants’ Report in Appendix I to this Document.

Client Funds

Client funds are funds temporarily held in accounts pending pay-out/withdrawals or further instructions from customers. We hold the client funds in designated accounts in our name for the sole purpose of providing payment services, and such accounts are opened only with institutions recognized by regulatory authorities. Client funds are restricted and cannot be used for our operating expenses or for any other corporate purposes. The following table sets forth the details of our client funds as of the dates indicated.

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	As of December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Client funds in bank institutions	831,937	922,496	1,691,282
Client funds in other financial institutions	35,847	191,266	417,290
Total	867,784	1,113,762	2,108,572

Our client funds increased from US\$867.8 million as of December 31, 2023 to US\$1,113.8 million as of December 31, 2024, and further increased to US\$2,108.6 million as of December 31, 2025, primarily due to an increase in total volume of client funds held on behalf of customers in line with TPV expansion.

Term Deposits

Our term deposits are bank deposits with terms ranging from three months to one year. Our term deposits were nil as of December 31, 2023 and 2024, and subsequently increased to US\$3.2 million as of December 31, 2025, primarily due to our cash management arrangement.

Cash and Cash Equivalents

Our cash and cash equivalents comprise of bank balances of cash. As of December 31, 2023, 2024 and 2025, our cash and cash equivalents amounted to US\$109.9 million, US\$134.2 million and US\$153.4 million, respectively. For more details, see “— Liquidity and Capital Resources.”

Liabilities

Trade and Other Payables

Our trade and other payables consist of (i) staff costs and welfare accruals; (ii) trade payables, primarily outstanding amounts due to partner financial institutions; (iii) payable to suppliers; (iv) guarantee deposits; (v) payable for share repurchase; and (vi) others. The following table sets forth a breakdown of our trade and other payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Staff costs and welfare accruals	9,532	15,358	20,791
Trade payables	664	1,334	3,235
Payable to suppliers	587	697	1,985
Value-added and other tax payables	962	1,211	1,390
Guarantee deposits	380	545	953
Payable for share repurchase	1,018	1,018	–
Others	193	14	634
Total	13,336	20,177	28,988

Our trade and other payables increased from US\$13.3 million as of December 31, 2023 to US\$20.2 million as of December 31, 2024, and further increased to US\$29.0 million as of December 31, 2025, primarily due to (i) an increase in staff costs and welfare accruals in relation to bonus and benefits payables to our employees as we expanded our business, and (ii) an increase in trade payables, which was generally in line with our business.

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The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
0 – 90 days	499	1,254	2,843
91 – 365 days	119	80	392
Over 365 days	46	–	–
Total	664	1,334	3,235

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

	For the year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Trade payables turnover days ⁽¹⁾	50	35	42

Note:

- (1) Trade payables turnover days are based on the average balance of trade payables divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the years ended December 31 is 365 days.

Our trade payables turnover days decreased from 50 days in 2023 to 35 days in 2024, primarily due to improved settlement management, resulting in shorter settlement cycle. Our trade payables turnover days increased to 42 days in 2025, primarily due to a higher proportion of trade payables due to business partners with longer credit terms.

As of February 28, 2026, US\$2.5 million, or 78.5% of our trade payables outstanding as of December 31, 2025, had been subsequently settled.

Client Funds Payables

Our client funds payables consist of client funds temporarily held in accounts pending payout/withdrawals or further instructions from customers. Our client funds payables increased from US\$868.1 million as of December 31, 2023 to US\$1,113.9 million as of December 31, 2024, and further increased to US\$2,108.8 million as of December 31, 2025, primarily due to an increase in TPV processed in line with our business growth resulting in more funds remained at our platform.

Contract Liabilities

Our contract liabilities consist of payment service coupons and customer prepayments for software services. Our contract liabilities, including current and non-current portion, increased from US\$2.8 million as of December 31, 2023 to US\$4.4 million as of December 31, 2024, primarily due to (i) increased purchases of payment service coupons, which were generally in line with the growth of our payment services business, and (ii) the increased customer prepayment for software services driven by growing customer demands. Our contract liabilities subsequently decreased to US\$3.4 million as of December 31, 2025, primarily due to the fulfillment for software services and the corresponding recognition of revenue.

As of February 28, 2026, US\$1.3 million, or 36.4% of our contract liabilities outstanding as of December 31, 2025, had been subsequently settled.

FINANCIAL INFORMATION

LIQUIDITY AND CAPITAL RESOURCES

We maintain a healthy cash position as evidenced by net increase in cash and cash equivalents of US\$12.8 million, US\$24.9 million and US\$16.6 million. The following table sets forth our cash flows for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net cash generated from operating activities . . .	10,753	20,718	57,872
Net cash generated from/(used in) investing activities	5,773	1,108	(29,392)
Net cash (used in)/generated from financing activities	(3,682)	3,116	(11,895)
Net increase in cash and cash equivalents . . .	12,844	24,942	16,585
Cash and cash equivalents at the beginning of the year	98,394	109,949	134,177
Effect of foreign exchange rate changes	(1,289)	(714)	2,589
Cash and cash equivalents at the end of the year	109,949	134,177	153,351

Net cash generated from operating activities

Net cash generated from operating activities in 2025 was US\$57.9 million, which primarily consists of loss before tax of US\$481.7 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) loss on fair value changes of convertible and redeemable preferred shares of US\$523.6 million, and (ii) share-based payment expense of US\$7.6 million; partially offset by interest income of US\$39.8 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in client funds payables of US\$994.8 million, and (ii) an increase in trade and other payables of US\$9.2 million; partially offset by an increase in client funds of US\$994.8 million. The amount further adjusted for certain operating items, which primarily include interest received of US\$37.0 million.

Net cash generated from operating activities in 2024 was US\$20.7 million, which primarily consists of loss before tax of US\$354.2 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include loss on fair value changes of convertible and redeemable preferred shares of US\$352.5 million; partially offset by interest income of US\$31.8 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in client funds payables of US\$245.8 million, and (ii) an increase in trade and other payables of US\$6.8 million; partially offset by an increase in client funds of US\$246.0 million. The amount further adjusted for certain operating items, which primarily include interest received of US\$39.0 million.

Net cash generated from operating activities in 2023 was US\$10.8 million, which primarily consists of loss before tax of US\$152.7 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include loss on fair value changes of convertible and redeemable preferred shares of US\$161.9 million; partially offset by interest income of US\$28.5 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in client funds payables of US\$8.9 million, (ii) an increase in trade and other payables of US\$3.1 million, and (iii) a decrease in prepayments and other receivables of US\$1.6 million; partially offset by a decrease in client funds of US\$8.9 million. The amount further adjusted for certain operating items, which primarily include interest received of US\$19.4 million.

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Net cash generated from/(used in) investing activities

Net cash used in investing activities in 2025 was US\$29.4 million, primarily attributable to (i) net cash outflow on acquisition of a subsidiary of US\$26.3 million, (ii) placement of term deposits of US\$3.2 million, and (iii) purchase of property and equipment of US\$2.4 million; which was partially offset by proceeds from disposal of financial assets at FVTPL of US\$2.8 million.

Net cash generated from investing activities in 2024 was US\$1.1 million, primarily attributable to (i) proceeds from disposal of financial assets at FVTPL of US\$10.1 million, and (ii) interest received of US\$2.0 million; which was partially offset by purchases of financial assets at FVTPL of US\$8.6 million.

Net cash generated from investing activities in 2023 was US\$5.8 million, primarily attributable to (i) proceeds from disposal of financial assets at FVTPL of of US\$37.4 million, and (ii) interest received of US\$1.7 million; which was partially offset by purchases of financial assets at FVTPL of US\$32.9 million.

Net cash generated from/(used in) financing activities

Net cash used in financing activities in 2025 was US\$11.9 million, primarily attributable to (i) repayments of borrowings of US\$7.9 million; (ii) repayment of lease liabilities of US\$2.6 million; and (iii) payments on repurchase of share capital of US\$1.0 million.

Net cash generated from financing activities in 2024 was US\$3.1 million, primarily attributable to new bank loans raised of US\$8.4 million, which was partially offset by (i) repayments of lease liabilities of US\$2.8 million; and (ii) payments on repurchase of share options of US\$1.8 million.

Net cash used in financing activities in 2023 was US\$3.7 million, primarily attributable to (i) repayments of lease liabilities of US\$3.2 million; and (ii) payments on repurchase of share options of US\$0.4 million.

WORKING CAPITAL

Taking into account the financial resources available to us, including anticipated cash flow from our operating activities, existing cash and cash equivalents, available bank facilities and the estimated net [REDACTED] from the [REDACTED], our Directors believe that we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document. After making reasonable inquiries of our management about our working capital, the Joint Sponsors concur with the views of our Directors.

We intend to finance our future working capital requirements and capital expenditures primarily from cash expected to be generated from operating activities, bank facilities and funds raised from financing activities, including the net [REDACTED] we will receive from the [REDACTED].

INDEBTEDNESS

During the Track Record Period, our indebtedness included convertible and redeemable preferred shares, lease liabilities and borrowings. The following table sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i> <i>(Unaudited)</i>
Current:				
Convertible and redeemable preferred shares	538,065	890,552	1,414,191	1,562,497
Lease liabilities	1,814	2,117	2,641	2,701

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	As of December 31,			As of February 28,
	2023	2024	2025	2026
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)
Borrowings	–	7,952	–	–
Non-current:				
Lease liabilities	286	2,363	1,593	1,718
Total	540,165	902,984	1,418,425	1,566,916

Convertible and Redeemable Preferred Shares

We have completed a series of financing by issuing convertible and redeemable preferred shares since inception, and such convertible and redeemable preferred shares will be reclassified into equity following the [REDACTED]. See Note 33 to the Accountants’ Report included in Appendix I to this Document. Our convertible and redeemable preferred shares increased from US\$538.1 million as of December 31, 2023 to US\$890.6 million as of December 31, 2024, to US\$1,414.2 million as of December 31, 2025, and further to US\$1,562.5 million as of February 28, 2026, primarily due to changes in valuation of our Company as we grew.

Borrowings

Our borrowings mainly relate to bank loans. Our borrowings were nil, US\$8.0 million, nil and nil as of December 31, 2023, 2024, 2025 and February 28, 2026, respectively. The borrowings in 2024 were mainly incurred to supplement our working capital and for general corporate purposes, and were fully repaid in March 2025.

As of February 28, 2026, we had unutilized and committed bank facilities of US\$11.6 million.

Our Directors confirm that during the Track Record Period and as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our lease liabilities represent the present value of outstanding lease payments under our lease agreements, primarily relate to our office buildings. Our lease liabilities, including current portion and non-current portion, increased from US\$2.1 million as of December 31, 2023 to US\$4.5 million as of December 31, 2024, primarily due to the newly leased office buildings. Our lease liabilities remained relatively stable at US\$4.2 million as of December 31, 2025 and US\$4.4 million as of February 28, 2026.

Except as discussed above, we had no outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of February 28, 2026 being our indebtedness statement date. After due and careful consideration, our Directors confirm that there had been no material change in our indebtedness since February 28, 2026 and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period mainly consisted of expenditures on purchases of property and equipment, purchases of intangible assets and upfront payments for right-of-use assets. Our capital expenditures amounted to US\$0.8 million, US\$2.3 million and US\$2.6 million for the years ended December 31, 2023, 2024 and 2025, respectively.

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We will continue to make capital expenditures to meet the expected growth of our business and our expansion plan. See “Future Plans and Use of [REDACTED] — Use of [REDACTED].” We intend to fund our future capital expenditures with financial resources available to us, including cash generated from our business operations and the net [REDACTED] from the [REDACTED].

CAPITAL COMMITMENTS

We did not have any capital commitments as of December 31, 2023, 2024 and 2025.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Revenue growth rate	N/A	41.3%	53.3%
Adjusted EBITDA margin (non-IFRS measure) ⁽¹⁾ . .	13.9%	5.5%	21.7%
Adjusted net profit margin (non-IFRS measure) ⁽²⁾ .	9.8%	3.3%	19.2%

Notes:

- (1) Adjusted EBITDA margin (non-IFRS measure) is calculated by dividing adjusted EBITDA (non-IFRS measure) by revenue for the year indicated. For details on adjusted EBITDA (non-IFRS measure), see “— Non-IFRS Measures.”
- (2) Adjusted net profit margin (non-IFRS measure) is calculated by dividing adjusted net profit (non-IFRS measure) by revenue for the year indicated. For details on adjusted net profit (non-IFRS measure), see “— Non-IFRS Measures.”

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 36 to the Accountants’ Report included in Appendix I to this Document.

Our Directors are of the view that each of the related party transactions set out in Note 36 to the Accountants’ 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 ARRANGEMENTS

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

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities as of the Latest Practicable Date.

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FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks, primarily the currency risk, interest risk, credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Risk management is carried out by our senior management. See Note 41 to the Accountant's Report included in Appendix I to this Document for details.

DIVIDENDS

We have never declared or paid regular cash dividends on our Shares. Any declaration and payment as well as the amount of dividends will be subject to our Articles and the Cayman Companies Act. We [have adopted] a dividend policy to guide our dividends declaration or payments. Our Board of Directors has the discretion to pay interim dividends and to recommend to Shareholders to pay final dividends, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. We may by ordinary resolution resolve to declare dividends in any currency and authorize payment of the dividends out of the funds of the Company that are lawfully available, provided that (i) no dividends shall exceed the amount recommended by our Board and (ii) no dividends shall be paid except out of the realized or unrealized profits of the Company, out of the share premium account or as otherwise permitted by law. As advised by our Cayman Islands legal advisors, under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits and/or a share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. In light of our accumulated losses as disclosed in this Document, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. We may, however, pay a dividend out of our share premium account unless the payment of such a dividend would result in our Company being unable to pay our debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year. As advised by our Cayman Islands legal advisors, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of net liabilities does not prohibit us from declaring and paying dividends to our Shareholders, as dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that our memorandum and articles of association do not prohibit such payment and our Company is able to pay its debts as they fall due in the ordinary course of business immediately after such payment.

DISTRIBUTABLE RESERVES

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

[REDACTED] EXPENSES

Our [REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED] and the [REDACTED]. Assuming the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED], we estimate that our [REDACTED] will be approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], including (i) [REDACTED] expenses of approximately HK\$[REDACTED], and (ii) [REDACTED] related expenses, including [REDACTED], of approximately HK\$[REDACTED], comprising (a) fees and expenses of legal advisors and Reporting Accountant of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. Among the total [REDACTED] expenses payable of HK\$[REDACTED], HK\$[REDACTED] is expected to be [REDACTED] through the statement of profit or loss and other comprehensive income and the remaining amount of HK\$[REDACTED] is expected to be deducted from equity. As of December 31, 2025, we did not incur [REDACTED] expenses through the statement of profit or loss and other comprehensive income.

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UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this Document, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.