You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for the Track Record Period, together with the accompanying notes, as included in the Accountants' Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with the IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements as a result of various factors, including but not limited to those discussed in "Risk Factors" and elsewhere in this document.

OVERVIEW

We are a leading product-driven SaaS solution provider in private domain operations, empowering businesses to build, operate and scale their decentralized e-commerce infrastructure. Our cloud-based, all-in-one solution consists of three key modules in e-commerce, digital marketing and CRM, which seamlessly integrates the entire lifecycle of private domain operations, from traffic conversion to customer relationship management, from marketing to transaction facilitation, into a unified system. By eliminating the inefficiencies and fragmentation of traditional tools, we enable businesses to market and transact products in a scalable, data-driven and efficient manner. Our business model continues to evolve alongside the latest technological developments. Recognizing that AI will eventually usher in a paradigm shift in how businesses, especially ecommerce, are conducted, we are embedding AI across our entire platform to help merchants optimize routine workflows and engage customers with greater intelligence, enabling them to focus on strategic growth rather than manual execution. As an early adaptor to the ever-evolving e-commerce landscape pivoting towards interactive marketing, we are well-positioned to capture the significant market upside. We ranked as the top one provider of interactive private domain operations solution and a top three provider of private domain operations solution in China, each in terms of revenue in 2025, according to the CIC Report. We were also the fastest-growing among the top five private domain operations solution providers in China during the Track Record Period, as measured by revenue, according to the same source.

We generate substantially all of our revenue from the provision of our all-in-one SaaS solution. Our total revenue increased from RMB415.1 million in 2023 to RMB607.9 million in 2025 at a CAGR of 20.9%. Our gross profit increased from RMB300.1 million in 2023 to RMB460.0 million in 2025, at a CAGR of 23.8%. In addition, we recorded net cash inflows from operating activities of RMB108.1 million in 2024 and RMB35.0 million in 2025. As of December 31, 2025, we had RMB430.0 million in cash on hand, bank deposits and wealth management products. We recorded adjusted net loss (non-IFRS measure) of RMB31.5 million in 2023, and adjusted net profit (non-IFRS measure) of RMB66.3 million and RMB107.3 million, respectively, in 2024 and 2025. See "—Non-IFRS Measure" for a reconciliation of our profit/loss for the year to adjusted net (loss)/profit (non-IFRS measure).

BASIS OF PREPARATION

Our consolidated financial information has been prepared in accordance with the IFRSs issued by the International Accounting Standards Board. All standards, amendments, interpretations and annual improvements which are effective for the accounting period commencing from January 1, 2025 have been applied by the Group in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair value during the Track Record Period.

The preparation of our consolidated financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our consolidated financial information are disclosed in Note 3 of the Accountants' Report set out in the Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of general factors influencing the private domain operations solution industry in China. These factors include, among others, the overall economic conditions in China, the growth of China's social media ecosystem, the development of China's e-commerce sector, the adoption and acceptance of private domain operations solution across different businesses, changes in consumer behavior and preference, technological advancements, and governmental policies, initiatives and regulations that may affect our industry.

In addition to these general factors, our business, results of operations, and financial condition are affected by the following company-specific factors.

Our Ability to Optimize Our Solution and Explore New Business Initiatives

We empower a variety of businesses with an all-in-one solution that enables them to build, operate and scale their own private domains and commercialize their offerings. We generate revenue primarily from charging subscription fees for our solution, and to a lesser extent, cloud resource consumption fees based on the cloud resources consumed by our customers and order processing fees based on the GMV of transactions facilitated through our solution. Our ability to continuously optimize our solution to drive customer growth is critical to our operational and financial performance.

Guided by a demand-driven innovation model, we will continue to increase R&D investments to strengthen our core technologies and improve overall solution performance. For example, we plan to develop intelligent tools that help customers generate key operational data, such as transaction funnels, product performance metrics and order analytics, enabling them to formulate data-driven strategies and make faster, more accurate business decisions.

Our future growth also relies on our ability to provide superior customer service through our experienced and dedicated customer support, which is committed to delivering high-quality customer services and promptly addressing customers' inquiries and needs. As we serve a large and diverse customer base across multiple industries, we are able to gather valuable feedback and accumulate deep industry-specific knowledge, which helps us further optimize our solution tailored to customer needs and ultimately improve customer satisfaction.

The breadth of our customer base also provides us with strong insight into emerging trends and cross-industry requirements. This enables us to rapidly iterate, launch and scale new features and services that resonate with a wide range of users. By combining continuous solution innovation with high-quality customer support, we aim to improve product performance and customer satisfaction, which in turn supports customer acquisition and retention. Furthermore, our results of operations and growth prospects will be affected by our ability to explore, develop and implement new business initiatives. We are actively diversifying our monetization models and channels, as well as expanding into additional industry verticals and geographical regions.

Our Ability to Expand Our KA Customer Base and Deepen Relationships with KA Customers

We have cultivated a high-quality KA customer base with considerable spending capacity, high stickiness and strong monetization potential. The number of our KA customers increased substantially during the Track Record Period, amounting to 801, 1,421 and 1,689 as of December 31, 2023, 2024 and 2025, respectively, contributing 19.3%, 29.9% and 36.5% of our total revenue in the respective periods. The average revenue per KA customer also increased during the Track Record Period, amounting to approximately RMB102,600, RMB111,600 and RMB123,300 in 2023, 2024 and 2025, respectively.

Our results of operations and growth prospects are particularly sensitive to our ability to attract, serve and retain KA customers with large business scale, as we are tapping into diversified monetization models under our commercially flexible business model and continue to refine the pricing of our all-in-one solution by bundling additional service charges and transaction-based commissions, allowing our revenue to scale in tandem with the growth of transaction volume of our customers.

We aim to further expand our KA customer base and cultivate stable, long-term business relationships with them. To deepen engagement with existing KA customers, we are enhancing our focus on service quality and customer success. We expect to adapt our solution to more application scenarios to better address our KA customers' evolving business needs. We believe that quality solution and excellent services will encourage KA customers to upgrade their current subscription editions and purchase additional services provided by us, driving the increase in the average revenue per KA customer.

Our Ability to Maintain a Stable and Robust Gross Profit Margin

Our ability to maintain a stable and robust gross profit margin is critical to the long-term success of our business. In a dynamic and competitive market environment, gross profit margin serves as a key indicator of our operational efficiency, pricing strategy and cost management capabilities. We remain focused on balancing business expansion with cost discipline. As our business continues to grow, we expect to benefit from a greater effect of economies of scale and improved cost efficiency. We expect these improvements to be driven by optimized resource allocation and ongoing enhancements in internal processes. Our efforts to diversify revenue streams and strengthen brand recognition also contributed to improved revenue quality and margin stability. In 2023, 2024 and 2025, our cost of sales was RMB115.1 million, RMB131.4 million and RMB147.9 million, respectively, accounting for 27.7%, 25.2% and 24.3% of our revenues in the same periods, respectively. This translates into a gross profit margin of 72.3%, 74.8% and 75.7% in the same periods, respectively, reflecting our consistent progress in managing costs and enhancing profitability. We expect to manage our cost of sales as a proportion of revenue by continuing to diversify our revenue base, deepen customer engagement and leverage operational efficiency. We will also invest in technology, talent, and innovation to further strengthen our cost structure and margin resilience. Through these strategic initiatives, we aim to preserve a stable and robust gross profit margin that supports our long-term growth.

Our Ability to Improve Operational Efficiency and Optimize Operating Expenses

Our overall profitability is closely tied to our ability to enhance operational efficiency, which is directly related to our operating expenses. Our operating expenses consist of selling and marketing expenses, administrative expenses and research and development expenses. Selling and marketing expenses historically constituted a relatively large portion of our operating expenses, accounting for 43.4%, 40.9% and 40.0% of our operating expenses in 2023, 2024 and 2025, respectively. As such, our ability to efficiently acquire and retain customers while managing customer acquisition costs will be a key driver of profitability. We expect to further leverage our existing customer base to attract new ones through word-of-mouth referrals. Administrative expenses accounted for 28.3%, 27.9% and 32.6% of our operating expenses in 2023, 2024 and 2025, respectively. We will continue our initiatives to manage and optimize our administrative expenses and keep the cost structure in check. Research and development expenses accounted for 28.3%, 31.2% and 27.5% of our operating expenses in 2023, 2024 and 2025, respectively. We will continue our investments in solution innovations to improve customer experience and solidify our market position, while further improving our research and development efficiency through more cost-effective utilization of our research and development personnel. Through disciplined cost control, enhanced operational efficiency and scalable infrastructure, we aim to drive stronger operating leverage and improve our overall financial performance as we grow.

Our Ability to Maintain and Expand Our Sales Network

Our ability to maintain and expand our sales network is a critical driver of our customer acquisition, and therefore, our business growth. We have strategically focused on organic customer acquisition through word-of-mouth marketing and the inherent virality of our solution, which amplifies brand awareness within our user community. These efforts are complemented by direct outreach from our sales personnel via onsite visits, phone calls and online chats. We also engage channel partners to supplement our sales efforts, leveraging their resources in the local communities to expand our business. We have consistently demonstrated strong customer acquisition and retention capabilities, achieving these outcomes with disciplined management of acquisition costs. In 2023, 2024 and 2025, our selling and marketing expenses were RMB159.6 million, RMB153.0 million and RMB176.1 million, respectively, accounting for 38.5%, 29.4% and 29.0% of our total revenues in the same respective periods. We plan to expand our direct sales network to elevate our sales effectiveness, with an emphasis on direct customer contact with KA customers. By scaling our direct sales force, we aim to strengthen our customer acquisition capabilities, improve conversion rates and drive broader adoption of our all-in-one solution, thereby sustaining long-term revenue growth.

MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements and the understanding of our financial condition and results of operations. We have also made certain accounting judgments and assumptions in the process of applying our accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates and expectations.

Set out below are a summary of the material accounting policies, estimates and judgments which we believe are most important for understanding the results of operations and financial condition of our Group. See Note 2.3 to the Accountants' Report in Appendix I to this document for a detailed description of our material accounting policies, judgments and estimates.

Revenue Recognition

Revenue from contracts with customers

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

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

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

(i) SaaS revenue

We provide all-in-one solution to our customers, including internet-native e-commerce businesses, traditional offline retailers, and other merchants, that enables them to build, operate and scale their own private domains and commercialize their products.

Subscription fee

We primarily generated revenue from charging fixed amount of subscription fees for our solution, based on the various standard editions with differentiated features. We recognized the subscription fees of our solution over the subscription period, generally one year, as customers simultaneously receive and consume the benefits as we provide solution services, and therefore the revenue is recognized over time as services are rendered.

Cloud resources usage fees

Cloud resource usage fees represent service fees charged based on our customers' usage of cloud resources through our SaaS solution. Revenue is recognized overtime when the cloud resources are utilized and consumed.

Order processing service

We provide technical support through the order processing service in its all-in-one solution to enable customers to exhibit and sale their offering items and charge a technical support service fee based on certain percentage of the transaction amounts of the offering items. We recognize the technical support service revenue at the point of time when the transaction is completed.

(ii) Other revenue

Market channel service

We also provide market channel service to offer online promotion channels in third party platform that enable our customers to display and promote their offering items. We recognize market channel service on certain percentage of transaction amounts that are determined by the gross amount for the offering items. We regard ourselves as an agent in providing market channel service and revenue is recognized at the point in time when the transaction is completed and the technical support service is rendered.

Customized solution service

We provide customized solution, based on certain customers' requirements, to develop functions to specifically meet their demands. The revenue of customized solution service is recognized at the point in time when the customized service is provided and accepted by the customers.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Share-based payments

We operate share option schemes. Our employees (including directors) receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 30 to the Historical Financial Information.

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

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

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

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

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either us or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Contract liabilities

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

The following table shows the movement of our contract liabilities, including revenue recognized in relation to our contract liabilities.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Beginning balance	292,374	357,276	382,639
Addition, net of tax	476,691	540,903	579,182
Recognized as SaaS revenue	(411,789)	(515,540)	(604,693)
Ending balance	357,276	382,639	357,128

RESULTS OF OPERATIONS

The following table set forth our consolidated statements of profit or loss and other comprehensive income in absolute amount as a percentage of our total revenue for the periods indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	% of revenue	RMB	% of revenue	RMB	% of revenue
	(RMB in thousands, except for percentages)					
Revenue	**415,106**	**100.0**	**520,808**	**100.0**	**607,918**	**100.0**
Cost of sales	(115,052)	(27.7)	(131,433)	(25.2)	(147,888)	(24.3)
Gross profit	**300,054**	**72.3**	**389,375**	**74.8**	**460,030**	**75.7**
Other income, gains and other expense	12,385	3.0	14,046	2.7	(3,318)	(0.5)
Selling and marketing expenses	(159,644)	(38.5)	(153,015)	(29.4)	(176,119)	(29.0)
Administrative expenses	(103,959)	(25.0)	(104,448)	(20.1)	(143,515)	(23.6)
Research and development expenses	(104,088)	(25.1)	(116,766)	(22.4)	(121,100)	(19.9)
Finance costs	(1,358)	(0.3)	(954)	(0.2)	(501)	(0.1)
Fair value changes of convertible redeemable preferred shares	19,562	4.7	(43,315)	(8.3)	(79,425)	(13.1)
Loss before tax	(37,048)	(8.9)	(15,077)	(2.9)	(63,948)	(10.5)
Income tax expenses	–	–	(6)	–	–	–
Loss for the year	**(37,048)**	**(8.9)**	**(15,083)**	**(2.9)**	**(63,948)**	**(10.5)**
Attributable to:						
Owners of the parent	(37,048)	(8.9)	(15,083)	(2.9)	(63,948)	(10.5)
Other comprehensive income/(loss) for the year, net of tax	(31,433)	(7.6)	(28,344)	(5.4)	58,248	9.6
Total comprehensive income/(loss) for the year	**(68,481)**	**(16.5)**	**(43,427)**	**(8.3)**	**(5,700)**	**(0.9)**
Attributable to:						
Owners of the parent	(68,481)	(16.5)	(43,427)	(8.3)	(5,700)	(0.9)

NON-IFRS MEASURE

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

We define adjusted net (loss)/profit (non-IFRS measure) as loss for the year adjusted for share-based compensation expenses, fair value changes of convertible redeemable preferred shares, [**REDACTED**] and exchange loss resulting from our one-off refund payments to certain preferred shareholders in 2025. Share-based compensation expenses are non-cash expenses arising from granting share awards to our employees. Fair value changes of convertible redeemable preferred shares will be converted into equity of our Company upon [**REDACTED**]. [**REDACTED**] are expenses related to the [**REDACTED**]. The following table sets out a reconciliation from adjusted net (loss)/profit (non-IFRS measure) to profit/loss for the period which is presented in accordance with the IFRSs.

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Loss for the year	**(37,048)**	**(15,083)**	**(63,948)**
Add:			
Share-based compensation expenses	25,135	38,078	61,805
Fair value changes of convertible redeemable preferred shares	(19,562)	43,315	79,425
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Exchange losses	–	–	15,553
Adjusted net (loss)/profit (non-IFRS measure)	**(31,475)**	**66,310**	**107,341**

DESCRIPTION OF KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated substantially all of our revenue from our all-in-one SaaS solution. We generate revenue primarily from charging subscription fees for our solution, and to a lesser extent, cloud resource consumption fees based on the cloud resources consumed by our customers and order processing fees based on the GMV of transactions facilitated through our solution. The following table sets forth our revenue breakdown by nature, both in absolute amounts and as percentages of total revenue, for the periods indicated.

	For the year ended December 31,					
	2023		**2024**		**2025**	
	RMB	**%**	**RMB**	**%**	**RMB**	**%**
			(In thousands, except for percentages)			
SaaS revenue	411,789	99.2	515,540	99.0	604,693	99.5
Revenue from subscription fees	343,784	82.8	383,592	73.7	414,085	68.1
Revenue from cloud resource consumption	68,005	16.4	129,628	24.9	144,952	23.8
Revenue from order processing services	–	–	2,320	0.4	45,656	7.5
Other revenue(1)	3,317	0.8	5,268	1.0	3,225	0.5
Total	**415,106**	**100.0**	**520,808**	**100.0**	**607,918**	**100.0**

(1) Primarily included platform services.

We offer our all-in-one solution to a broad customer base. As of December 31, 2025, we had over 36,000 customers subscribing to our all-in-one solution, including 1,689 KA customers. The following table sets forth a breakdown of our revenue by KA and non-KA customers, both in absolute amounts and as percentages of total revenue, for the periods indicated. The edition-based subscription comprises specific amounts of free allowances in cloud resources consumption.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(In thousands, except for percentages)					
SaaS Revenue						
KA customers	80,140	19.3	155,763	29.9	221,744	36.5
Non-KA customers	331,649	79.9	359,777	69.1	382,949	63.0
Other Revenue	3,317	0.8	5,268	1.0	3,225	0.5
Total	**415,106**	**100.0**	**520,808**	**100.0**	**607,918**	**100.0**

Our revenue increased substantially throughout the Track Record Period, driven by increases in number and average revenue per KA customer and average revenue per non-KA customer, primarily due to (1) an increase in our subscription package price driven by the increased demand for and uses of our solution as we offered more diversifying functionalities of our all-in-one SaaS solution; and (2) an increase in revenue from cloud resource consumption following an increase in cloud resource consumed by our customers. We have been able to record revenue increase and implement price increases for our all-in-one solution amid intense market competition primarily due to our continuous enhancements in product functionality, ecosystem development, and service support. Our ability to increase pricing is supported by consistent and meaningful product upgrades. We regularly introduce new features and refine existing tools to meet evolving customer needs, which enhances the value delivered. For example, we have introduced features to deepen platform integration and operational efficiency. These include (1) enhanced CRM tools such as detailed channel data analytics for optimizing customer acquisition channels and a lead generation assistant integrated with advertising platforms to streamline engagement; and (2) e-commerce logistics upgrades such as one-click shipping and settlement via JD Express and a streamlined returns process with scheduled pick-up services, which significantly improve our customer and end-user experience. We have also expanded knowledge delivery formats, introduced more sophisticated interactive and community management tools, and integrated advanced administrative and operational features that improve customer efficiency and user engagement. Furthermore, we have strengthened our ecosystem by integrating with a wider range of third-party platforms and expanding our suite of supporting services. This development provides our customers with a more seamless and comprehensive solution, increasing their reliance on our platform. For example, we have enabled smoother connectivity with various productivity and promotion tools and broadened our offerings in specialized verticals. Furthermore, our dedicated service and support framework provides customers with timely implementation assistance, operational troubleshooting, and professional consulting. This high-quality, responsive support reduces our customers' operational friction and adds significant value, justifying the revenue increase and pricing adjustments.

The number of our KA customers increased substantially during the Track Record Period, amounting to 801, 1,421 and 1,689 as of December 31, 2023, 2024 and 2025, respectively, contributing 19.3%, 29.9% and 36.5% of our total revenue in the respective periods. The average revenue per KA customer also increased during the Track Record Period, amounting to approximately RMB102,600, RMB111,600 and RMB123,300 in 2023, 2024 and 2025, respectively. The number of our non-KA customers decreased during the Track Record Period, primarily because (1) we implemented a strategic shift focused on increasing average customer spending and strengthening services for our KA customers, in which process, certain non-KA customers ceased to use our solution either due to their own operational difficulties or because the scope of their utilization of our solution was insufficient to justify the increased value proposition offered by us, (2) the operational stability of non-KA customers is weaker compared to KA customers, who are generally more established or larger in scale, and (3) a segment of the existing customer base was categorized from non-KA to KA customers, reflecting a successful migration within our customer structure following our up-selling to existing customers.

Cost of Sales

Our cost of sales mainly consists of cloud server cost and employee costs. In 2023, 2024 and 2025, our cost of sales was RMB115.1 million, RMB131.4 million and RMB147.9 million, respectively, accounting for 27.7%, 25.2% and 24.3% of our total revenue for the same periods. The following table sets forth a breakdown of cost of sales by nature, both in absolute amount and as a percentage of our cost of sales, for the periods indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(In thousands, except for percentages)					
Cloud server cost	93,213	81.0	116,614	88.8	132,478	89.6
Employee costs	21,493	18.7	13,985	10.6	14,043	9.5
Share-based compensation	–	–	171	0.1	86	0.1
Others[1]	346	0.3	663	0.5	1,281	0.9
Total	**115,052**	**100.0**	**131,433**	**100.0**	**147,888**	**100.0**

(1) Primarily included office expenses and depreciation and amortization.

Our cost of sales increased by 14.2% from RMB115.1 million in 2023 to RMB131.4 million in 2024, primarily due to the increase in our cloud server cost associated with the growth of our SaaS solution. Our cost of sales increased by 12.5% from RMB131.4 million in 2024 to RMB147.9 million in 2025, primarily due to the increase in our cloud server cost associated with the growth of our SaaS solution. These technical optimizations specifically included (i) the containerization of cloud services, which serves to increase resource utilization and provide scaling capabilities, and (ii) enhancements to our media transcoding processes through the use of self-built services, on-demand transcoding, and the removal of redundant operations, including an approximate 50% reduction in certain cloud-related unit costs, driven primarily by the strategic partial replacement of cloud service provider. In addition, the adoption of our multi-cloud strategy has yielded tangible cost efficiencies. The implementation of a multi-cloud architecture enables flexible procurement and scheduling of resources across providers.

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit was RMB300.1 million, RMB389.4 million and RMB460.0 million, respectively, primarily due to the increase in gross profit from our SaaS solution. Our gross profit margin was 72.3%, 74.8% and 75.7%, in the same periods, respectively. The increase was primarily due to (1) the pricing increase of our SaaS solution, (2) our ongoing efforts to reduce cloud server costs through multi-cloud deployment and technology optimization, and (3) the improved efficiency in our customer support achieved through the adoption of AI tools.

Other income, gains and other expense

Our other income and gains, net, mainly consists of (1) government grants, (2) interest income on a loan from a related party, (3) bank interest income, and (4) gains on financial assets at FVTPL, net. In 2023 and 2024, we recorded other income and gains, net of RMB12.4 million and RMB14.0 million, respectively, while we recorded a net loss of RMB3.3 million in 2025.

Our other income, gains and other expense, increased by 13.4% from RMB12.4 million in 2023 to RMB14.0 million in 2024, primarily due to the increases in bank interest income from the overall increase of the time deposits for 2024. We recorded a net loss of RMB3.3 million in 2025 for our other income, gains and other expense, compared to a profit of RMB14.0 million in 2024, primarily due to foreign exchange losses and a decrease in government grants and bank interest income.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (1) employee costs related to our sales and marketing personnel, (2) channel marketing expenses, (3) advertising, marketing and promotion expenses, and (4) office expenses. In 2023, 2024 and 2025, our selling and marketing expenses were RMB159.6 million, RMB153.0 million and RMB176.1 million, respectively. The following table sets forth a breakdown of our selling and marketing expenses during the Track Record Period.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(In thousands, except for percentages)					
Employee costs	63,672	39.8	56,273	36.7	69,113	39.2
Share-based compensation	762	0.5	1,480	1.0	4,199	2.4
Channel marketing expenses	64,507	40.4	70,949	46.4	68,251	38.8
Advertising, marketing and promotion expenses	20,123	12.6	14,403	9.4	18,652	10.6
Office expenses	5,863	3.7	4,441	2.9	5,014	2.8
Depreciation and amortization	2,386	1.5	1,789	1.2	739	0.4
Others[1]	2,331	1.5	3,680	2.4	10,151	5.8
Total	**159,644**	**100.0**	**153,015**	**100.0**	**176,119**	**100.0**

(1) Primarily included traveling expenses.

Our selling and marketing expenses decreased slightly from RMB159.6 million in 2023 to RMB153.0 million in 2024, as we decreased the number of our sales and marketing personnel and our marketing and promotion campaigns along with our increased brand awareness. Our selling and marketing expenses increased by 15.1% from RMB153.0 million in 2024 to RMB176.1 million in 2025, primarily due to increases in (1) share-based compensation for our sales and marketing personnel, (2) traveling expenses for our sales and marketing personnel, and (3) employee costs of our sales and marketing personnel.

Administrative Expenses

Our administrative expenses mainly consist of (1) employee costs related to our administrative personnel, (2) share-based compensation, (3) depreciation and amortization, and (4) professional service fees, including [**REDACTED**]. In 2023, 2024 and 2025, our administrative expenses were RMB104.0 million, RMB104.4 million and RMB143.5 million, respectively. The following table sets forth a breakdown of our administrative expenses during the Track Record Period.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(In thousands, except for percentages)					
Employee costs	65,892	63.4	55,274	52.9	56,394	39.3
Share-based compensation	23,410	22.5	33,853	32.4	51,988	36.2
[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Taxes and surcharges	2,938	2.8	3,133	3.0	2,909	2.0
Professional services	1,842	1.8	5,029	4.8	8,420	5.9
Depreciation and amortization	3,460	3.3	3,033	2.9	2,987	2.1
Others[1]	6,417	6.2	4,126	4.0	6,311	4.4
Total	**103,959**	**100.0**	**104,448**	**100.0**	**143,515**	**100.0**

(1) Primarily included office expenses, service fee to payment channels, traveling expenses, training expenses and recruitment expenses.

Our administrative expense increased by 37.4% from RMB104.4 million in 2024 to RMB143.5 million in 2025, primarily due to the increases in (1) professional service fees related to legal and financing-related consulting services including [**REDACTED**], (2) share-based compensation for our administrative personnel, and (3) employee costs of our administrative personnel.

Research and Development Expenses

Our research and development expenses mainly consist of (1) employee costs related to our R&D personnel, (2) office expenses, and (3) share-based compensation. In 2023, 2024 and 2025, our research and development expenses were RMB104.1 million, RMB116.8 million and RMB121.1 million, respectively. The following table sets forth a breakdown of our research and development expenses during the Track Record Period.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(In thousands, except for percentages)					
Employee costs	97,118	93.3	106,879	91.5	109,159	90.1
Office expenses	3,851	3.7	5,430	4.7	4,637	3.8
Share-based compensation	963	0.9	2,574	2.2	5,532	4.6
Others[1]	2,156	2.1	1,883	1.6	1,772	1.5
Total	**104,088**	**100.0**	**116,766**	**100.0**	**121,100**	**100.0**

(1) Primarily included cloud server cost, depreciation and amortization and traveling expenses.

Our research and development expenses increased by 12.2% from RMB104.1 million in 2023 to RMB116.8 million in 2024, and further increased by 3.7% to RMB121.1 million in 2025, primarily due to the increases in (1) employee costs of our R&D personnel, and (2) share-based compensation for our R&D personnel.

Finance Costs

Our finance costs mainly consist of interest on lease liabilities. In 2023, 2024 and 2025, our finance costs were RMB1.4 million, RMB1.0 million and RMB0.5 million, respectively.

Fair Value Gains/(Losses) on Convertible Redeemable Preferred Shares

During the Track Record Period, our fair value gains/losses on convertible redeemable preferred shares represented changes in the fair value of our convertible redeemable preferred shares. See Note 28 to "Appendix I—Accountants' Report," and "History and Corporate Structure—Pre-[**REDACTED**] Investments." We recorded fair value gains on convertible redeemable preferred shares of RMB19.6 million in 2023, and recorded fair value losses on convertible redeemable preferred shares of RMB43.3 million and RMB79.4 million in 2024 and 2025, respectively. They represented the changes in valuation of our Company.

Income Tax Expenses

We recorded income tax expenses of RMB6,000 and nil in 2024 and 2025, respectively. During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there were no matters in dispute or unresolved with the relevant tax authorities.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. The following description sets forth a summary of our major income tax exposures in relevant jurisdictions.

Cayman Islands and BVI

Pursuant to the relevant rules and regulations of the Cayman Islands and BVI, our Company and our subsidiaries are not subject to any income tax in the Cayman Islands and BVI.

Hong Kong

The first HK$2,000,000 of assessable profits of our Hong Kong subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. No provision for Hong Kong profits tax has been made as we did not generate any assessable profits arising in Hong Kong during the Track Record Period.

PRC

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in the PRC are subject to corporate income tax at a rate of 25% on the taxable income. During the Track Record Period, Xiaoe Network was qualified as a "High and New Technology Enterprise" and therefore was entitled to a preferential tax rate of 15%. In addition, certain of our subsidiaries operating in the PRC were entitled to an effective preferential income tax rates of 5%, 5% and 5%, for 2023, 2024 and 2025, respectively, because they were regarded as "Small-scaled Minimal Profit Enterprises" with annual taxable income no more than RMB3,000,000.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 16.7% from RMB520.8 million in 2024 to RMB607.9 million in 2025, primarily due to the increase in our SaaS revenue by 17.3% from RMB515.5 million in 2024 to RMB604.7 million in 2025, driven by (1) an increase in revenue attributable to order processing services driven by the formal launch of such revenue model in late 2024; and (2) an increase in revenue from cloud resource consumption following an increase in cloud resource consumed by our customers. Our revenue from KA customers increased from 2024 to 2025, as the number of our KA customers increased from 1,421 as of December 31, 2024 to 1,689 as of December 31, 2025, and the average revenue per KA customer increased from approximately RMB111,600 in 2024 to approximately RMB123,300 in 2025, as KA customers were more willing to increase their spendings on mission-critical functionalities of our SaaS solution. Additionally, our revenue from non-KA customers increased from 2024 to 2025, as the average revenue per non-KA customer increased from approximately RMB8,500 in 2024 to approximately RMB10,000 in 2025, despite decrease in the number of our non-KA customers as of December 31, 2025 as compared to that as of December 31, 2024. These increases were driven by (1) the increased demand for and deployment of our SaaS solution, and (2) the introduction of our order processing services. We were able to introduce these new revenue models amid intense market competition primarily due to our continuous enhancements in product functionality, ecosystem development, and service support. Our ability to increase pricing is supported by consistent and meaningful product upgrades. We regularly introduce new features and refine existing tools to meet evolving customer needs, which enhances the value delivered. For example, we have expanded knowledge delivery formats, introduced more sophisticated interactive and community management tools, and integrated advanced administrative and operational features that improve customer efficiency and user engagement. Additionally, we have strengthened our ecosystem by integrating with a wider range of third-party platforms and expanding the range of our supporting services. This development provides our customers with a more seamless and comprehensive solution, increasing their reliance on our platform. For example, we have enabled smoother connectivity with various productivity and promotion tools and broadened our offerings in specialized verticals. Furthermore, our dedicated service and support framework provides customers with timely implementation assistance, operational troubleshooting, and professional consulting. This high-quality, responsive support reduces our customers' operational friction and adds significant value to justify our pricing adjustments.

Cost of sales

Our cost of sales increased by 12.5% from RMB131.4 million in 2024 to RMB147.9 million in 2025, primarily due to the increase in our cloud server cost associated with the growth of our SaaS solution.

Gross profit and gross profit margin

Our gross profit increased by 18.1% from RMB389.4 million in 2024 to RMB460.0 million in 2025, primarily due to the growth of our SaaS solution. Our gross profit margin remained relatively stable at 74.8% and 75.7%, respectively, for the same periods.

Other income and gains, net

We recorded a net loss of RMB3.3 million in other income and gains, net in 2025, as compared to a net profit of RMB14.0 million in 2024, primarily due to net foreign exchange losses of RMB16.3 million incurred in 2025, and the decrease in government grants and bank interest income.

Selling and marketing expenses

Our selling and marketing expenses increased by 15.1% from RMB153.0 million in 2024 to RMB176.1 million in 2025, primarily due to increases in (1) share-based compensation for our sales and marketing personnel, (2) traveling expenses for our sales and marketing personnel, and (3) employee costs of our sales and marketing personnel.

Administrative expenses

Our administrative expense increased by 37.4% from RMB104.4 million in 2024 to RMB143.5 million in 2025, primarily due to the increases in (1) professional service fees related to legal and financing-related consulting services including [**REDACTED**], (2) share-based compensation for our administrative personnel, and (3) employee costs of our administrative personnel.

Research and development expenses

Our research and development expenses remained relatively stable at RMB116.8 million in 2024 and RMB121.1 million in 2025.

Finance costs

Our finance costs decreased by 47.5% from RMB1.0 million in 2024 to RMB0.5 million in 2025, primarily due to the decrease in interest on lease liabilities resulting from the expiry of lease terms.

Fair value losses on convertible redeemable preferred shares

We recorded fair value losses on convertible redeemable preferred shares of RMB43.3 million in 2024 and of RMB79.4 million in 2025, respectively, primarily due to the increase in the valuation of our Company as our business continued to grow.

Loss for the period

As a result of the foregoing, we recorded loss for the period of RMB63.9 million in 2025, as compared to loss for the period of RMB15.1 million in 2024.

Adjusted profit for the year (non-IFRS measure) and adjusted net profit margin (non-IFRS measure)

We recorded adjusted profit for the year (non-IFRS measure) of RMB107.3 million in 2025, representing an adjusted net profit margin (non-IFRS measure) of 17.7%, as compared to adjusted profit for the year (non-IFRS measure) of RMB66.3 million in 2024, representing an adjusted net profit margin (non-IFRS measure) of 12.7%.

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

Revenue

Our revenue increased by 25.5% from RMB415.1 million in 2023 to RMB520.8 million in 2024, primarily due to the increase in our SaaS revenue by 25.2% from RMB411.8 million in 2023 to RMB515.5 million in 2024, driven by (1) an increase in our subscription package price driven by the increased demand for and uses of our solution as we offered more extensive functionalities of our all-in-one SaaS solution; and (2) an increase in revenue from cloud resource consumption following an increase in cloud resource consumed by our customers. Our revenue from KA customers increased from 2023 to 2024, as the number of our KA customers increased from 801 as of December 31, 2023 to 1,421 as of December 31, 2024, and the average revenue per KA customer from approximately RMB102,600 in 2023 to approximately RMB111,600 in 2024, as KA customers were more willing to increase their spendings on mission-critical functionalities of our SaaS solution. Additionally, our revenue from non-KA customers increased from 2023 to 2024, as the average revenue per non-KA customer increased from approximately RMB7,300 in 2023 to approximately RMB8,500 in 2024, despite decrease in the number of our non-KA customers as of December 31, 2024 as compared to that as of December 31, 2023. These increases were driven by (1) the increased demand for and deployment of our SaaS solution, and (2) pricing increase of our SaaS solution.

Cost of sales

Our cost of sales increased by 14.2% from RMB115.1 million in 2023 to RMB131.4 million in 2024, primarily due to the increase in our cloud server cost associated with the growth of our SaaS solution, partially offset by the decrease in our employee costs from the improved efficiency in our customer support achieved through the adoption of AI tools.

Gross profit and gross profit margin

Our gross profit increased by 29.8% from RMB300.1 million in 2023 to RMB389.4 million in 2024, primarily due to the increase in gross profit from our SaaS solution. Our gross profit margin increased from 72.3% to 74.8%, primarily due to (1) the pricing increase of our SaaS solution, (2) our ongoing efforts to reduce cloud server costs through multi-cloud deployment and technology optimization, and (3) the improved efficiency in our customer support achieved through the adoption of AI tools.

Other income and gains, net

Our other income and gains, net, increased by 13.4% from RMB12.4 million in 2023 to RMB14.0 million in 2024, primarily due to the increases in bank interest income from the overall increase of the time deposits for 2024.

Selling and marketing expenses

Our selling and marketing expenses decreased by 4.2% from RMB159.6 million in 2023 to RMB153.0 million in 2024, as we decreased the number of our sales and marketing personnel and our marketing and promotion campaigns along with our increased brand awareness.

Administrative expenses

Our administrative expense remained relatively stable at RMB104.0 million and RMB104.4 million in 2023 and 2024, respectively.

Research and development expenses

Our research and development expenses increased by 12.2% from RMB104.1 million in 2023 to RMB116.8 million in 2024, primarily due to the increases in (1) employee costs of our R&D personnel, and (2) share-based compensation for our R&D personnel.

Finance costs

Our finance costs decreased by 29.7% from RMB1.4 million in 2023 to RMB1.0 million in 2024, primarily due to the decrease in interest on lease liabilities resulting from the expiry of lease terms.

Fair value gains/(losses) on convertible redeemable preferred shares

We recorded fair value gains on convertible redeemable preferred shares of RMB19.6 million in 2023 and fair value losses on convertible redeemable preferred shares of RMB43.3 million in 2024, respectively, primarily due to the increase in the valuation of our Company as of December 31, 2024 as our business continued to grow.

Loss for the year

As a result of the foregoing, we recorded loss for the year of RMB15.1 million in 2024, as compared to loss for the year of RMB37.0 million in 2023.

Adjusted profit/(loss) for the year (non-IFRS measure) and adjusted net profit margin (non-IFRS measure)

We recorded adjusted profit for the year (non-IFRS measure) of RMB66.3 million in 2024, representing an adjusted net profit margin (non-IFRS measure) of 12.7%, as compared to adjusted loss for the year (non-IFRS measure) of RMB31.5 million in 2023.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Liabilities

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

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Non-current assets			
Property, plant and equipment	3,299	1,017	1,755
Right-of-use assets	25,260	27,203	19,554
Other intangible assets	916	577	722
Investments in an associate	9,000	–	–
Prepayments, other receivables and other assets	1,731	1,806	2,846
Financial assets at fair value through profit or loss	10,006	40,158	29,961
Certificates of deposit	84,104	–	–
Total non-current assets	**134,316**	**70,761**	**54,838**
Non-current liabilities			
Lease liabilities	21,153	22,113	13,357
Contract liabilities	92,580	71,742	72,183
Total non-current liabilities	**113,733**	**93,855**	**85,540**

Current Assets and Liabilities

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Current assets				
Inventories	591	863	–	–
Trade receivables	87	215	140	160
Prepayments, other receivables and other assets	6,552	7,162	18,489	14,328
Financial assets at fair value through profit or loss	163,019	345,157	354,432	342,993
Certificates of deposit	53,637	108,411	–	–
Cash and cash equivalents	132,511	68,701	45,576	28,337
Total current assets	**356,397**	**530,509**	**418,637**	**385,818**
Current liabilities				
Trade payables	20,453	34,831	28,272	29,616
Other payables and accruals	142,785	146,096	132,311	83,833
Contract liabilities	264,696	310,897	284,945	272,156
Lease liabilities	8,494	8,670	9,013	6,592
Convertible redeemable preferred shares	1,876,085	1,947,803	1,818,697	1,810,197
Total current liabilities	**2,312,513**	**2,448,297**	**2,273,238**	**2,202,394**
Net current liabilities	**1,956,116**	**1,917,788**	**1,854,601**	**1,816,576**

Property and Equipment

Our property and equipment primarily consist of (1) leasehold improvements, (2) electronics equipment, and (3) furniture fixtures and office equipment.

As of December 31, 2023 and 2024, the net book value of our property and equipment was RMB3.3 million and RMB1.0 million. The decreases in our property and equipment were due to the depreciation and amortization of our leasehold improvements, electronic equipment and furniture fixtures and office equipment. The net book value of our property and equipment increased to RMB1.8 million as of December 31, 2025, as we purchased a batch of new electronic equipment.

We assessed the impairment of our non-financial assets, including property and equipment, other intangible assets and right-of-use assets, as at the end of each of the Track Record Period and estimated the recoverable amounts of these assets. The recoverable amounts were determined for the cash-generating unit ("CGU") to which these assets belong.

Throughout the Track Record Period, we were identified as a single cash-generating unit since the majority of our activities, including research and development, sales and etc., were highly centralized managed and governed by us, and our non-financial assets were held by operating entities for the purpose of daily operations which are highly inter-related and cannot be considered to generate cash inflows that are largely independent of each other. Therefore, our non-financial assets were tested for impairment as at the end of each of the Track Record Period based on the recoverable amount of our Group.

The recoverable amount of the CGU is determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by us. The budgeted sales and margins are estimated based on historical information achieved as well as expected market development, and the post-tax discount rate was estimated at 17.0% to reflect risks relating to our Group.

According to the impairment test results, the recoverable amount of the CGU exceeded the carrying amount of our non-financial assets at the end of each of the Track Record Periods and therefore we concluded that no impairment was provided for our non-financial assets as of December 31, 2023, 2024 and 2025.

Other Intangible Assets

Our intangible assets primarily consist of (1) purchased software, (2) trademark, and (3) patents and licenses.

Our other intangible assets decreased from RMB0.9 million as of December 31, 2023 to RMB0.6 million as of December 31, 2024, primarily due to the amortization of our purchased software. Our other intangible assets increased to RMB0.7 million as of December 31, 2025 as we renewed the subscription to an enterprise management system.

Right-of-Use Assets

Our right-of-use assets primarily include the lease contracts for leasehold properties we use in respect of our business operations. We leased properties for our own use, and these lease liabilities were measured at net present value of the lease payments to be paid during the lease terms. Our right-of-use assets increased from RMB25.3 million as of December 31, 2023 to RMB27.2 million as of December 31, 2024, primarily due to extension of lease term of our Shenzhen office. Our right-of-use assets decreased from RMB27.2 million as of December 31, 2024 to RMB19.6 million as of December 31, 2025, primarily due to the depreciation of our right-of-use assets.

Net Current Liabilities

Our net current liabilities decreased from RMB1,917.8 million as of December 31, 2024 to RMB1,854.6 million as of December 31, 2025, primarily due to a decrease in our current liabilities, partially offset by a decrease in our current assets. The decrease in our current assets was mainly due to (1) a decrease in our certificates of deposit of RMB108.4 million, and (2) a decrease in our cash and cash equivalents of RMB23.1 million, partially offset by an increase in our prepayments, other receivables and other assets of RMB11.3 million. The decrease in our current liabilities was mainly due to decreases in (i) convertible redeemable preferred shares of RMB129.1 million, (ii) contract liabilities of RMB26.0 million, and (iii) other payables and accruals of RMB13.8 million.

Our net current liabilities decreased from RMB1,956.1 million as of December 31, 2023 to RMB1,917.8 million as of December 31, 2024, primarily due to the increase in our current assets slightly outpacing the increase in our current liabilities. The increase in our current assets was mainly due to the increases in (1) our financial assets at fair value through profit or loss of RMB182.1 million, and (2) our certificates of deposit of RMB54.8 million, partially offset by a decrease in our cash and cash equivalents of RMB63.8 million primarily as we used more cash balances to purchase certificates of deposits, which was partially offset by the increase in our current liabilities as a result of increases in (i) our convertible redeemable preferred shares of RMB71.7 million, (ii) our trade payables of RMB14.4 million, and (3) our contract liabilities of RMB46.2 million, which represented our customers' advance payments for their purchase of our solution and increased in line with the growth of our business volume.

The decrease in current assets was mainly due to the decrease in financial assets at fair value through profit or loss of RMB219.5 million as we used more cash balances to purchase certificates of deposits, partially offset by increases of (1) cash and cash equivalents of RMB90.9 million, and (2) certificates of deposits of RMB53.6 million. The increase in current liabilities was mainly due to (i) an increase in contract liabilities of RMB47.7 million, which represented our customers' advance payments for their purchase of our solution and increased in line with the growth of our business volume, and (ii) an increase in convertible redeemable preferred shares of RMB11.9 million, partially offset by decreases in (a) trade payables of RMB3.5 million, and (b) other payables and accruals of RMB3.2 million.

We expect to improve our net current liabilities position as (1) we expect to further improve our operating cash flow as a result of our enhanced profitability, and (2) we expect to receive the net [**REDACTED**] from the [**REDACTED**]. Specifically, in 2024, we recorded net cash inflows from operating activities of RMB108.1 million, increased from net cash inflows of RMB30.2 million in 2023, illustrating our improving profitability and operating efficiency. We believe that our efforts to improve profitability will also have positive impacts on our operating cash inflows, which will in turn improve our net current liabilities position.

Inventories

Our inventories primarily consist of (1) purchased goods and (2) contract performance costs for software development.

Our inventories increased from RMB0.6 million as of December 31, 2023 to RMB0.9 million as of December 31, 2024, primarily as a result of increase in contract performance costs as one of our projects proceeded. Our inventories subsequently decreased to nil as of December 31, 2025, primarily due to the recognition of the related contract performance costs as cost of sales upon the satisfaction of the corresponding performance obligations.

Trade receivables

We incur trade receivables from customers who transacted through certain mobile app marketplaces. Our trade receivables remained relatively stable at RMB0.09 million, RMB0.2 million and RMB0.1 million as of December 31, 2023, 2024 and 2025. During the Track Record Period, the majority of our trade receivables were outstanding for less than one month.

As of March 31, 2026, approximately RMB119.3 thousand, or 85.6%, of our trade receivables as of December 31, 2025 had been subsequently settled.

Financial assets at FVTPL

Our financial assets at FVTPL increased from RMB173.0 million as of December 31, 2023 to RMB385.3 million as of December 31, 2024, as we purchased more wealth management products as a result of increased cash balances due to our business growth. Our financial assets at FVTPL remained relatively stable at RMB384.4 million as of December 31, 2025.

We primarily invest in wealth management products with relatively low risks and the proposed investment must not interfere with our daily operation and business prospects. All of these wealth management products are issued by creditworthy banks with no recent history of default. Our investment strategy related to wealth management products aims to minimize the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs, and to generate investment returns for the benefits of our Shareholders. According to our internal policies, the financial department screens suitable financial products in accordance with market conditions and our investment strategy, and follows our internal financial product investment operation procedures to complete the subscription, redemption and other transaction operations of financial products. Our investment in such wealth management products shall be reported and monitored on a monthly basis to the head of the financial department, who possesses sufficient knowledge about such wealth management products. Our investment in such wealth management products after the [**REDACTED**] will be subject to compliance with Chapter 14 of the Listing Rules.

Trade payables

Our trade payables primarily consist of trade payables, primarily representing payables due to our suppliers in respect of procurement of cloud services and other related technology services.

Our trade payables increased from RMB20.5 million as of December 31, 2023 to RMB34.8 million as of December 31, 2024, mainly as a result of the increase in our procurement of cloud services driven by our business growth. Our trade payables decreased from RMB34.8 million as of December 31, 2024 to RMB28.3 million as of December 31, 2025, mainly as a result of the decrease in our outstanding payables for cloud service resources.

Our trade payables are normally settled within 90 days. The following table sets forth the aging analysis of our trade payables as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Within 30 days	6,478	12,105	9,856
31 to 60 days	7,088	11,452	10,663
61 to 90 days	6,501	10,547	7,591
91 to 360 days	386	727	9
Over one year	–	–	153
Total	**20,453**	**34,831**	**28,272**

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

	For the year ended December 31,		
	2023	2024	2025
Trade payables turnover days[(1)]	69.5	75.7	76.8

(1) Calculated using the average of opening and closing balances of the trade payables for such periods divided by the cost of sales for the relevant periods and multiplied by 360/180 days.

Our trade payables turnover days were 69.5 days, 75.7 days and 76.8 days throughout the Track Record Period, which were within the credit terms generally granted by our suppliers.

As of March 31, 2026, approximately RMB21.1 million, or 74.7%, of our trade payables as of December 31, 2025 had been subsequently settled.

Prepayments, other receivables and other assets

Our prepayments, other receivables and other assets primarily consisted of (1) guarantee deposit paid to certain preferred shareholders, (2) prepayments, and (3) deposits. Prepayments primarily represent our prepayment for various supplies, including purchasing cloud resources. Deposits primarily represent refundable security deposits placed with landlords for office leases.

Our prepayments, other receivable and other assets increased from RMB8.3 million as of December 31, 2023 to RMB9.0 million as of December 31, 2024, which was in line with the expansion of our business operations. Our prepayments, other receivable and other assets increased significantly to RMB21.3 million as of December 31, 2025, primarily because we made a deposit to guarantee the refund of certain preferred shareholders based on an agreement executed in 2025, which amounted to RMB9.4 million.

As of March 31, 2026, approximately RMB14.5 million, or 68.1% of our prepayments, other receivables and other assets as of December 31, 2025 had been subsequently settled or utilized. Included in the prepayments, other receivables and other assets, our deposits paid to certain preferred shareholders was RMB9.4 million as of December 31, 2025, which was subsequently collected by us on March 17, 2026.

Contract liabilities

We recognize contract liabilities when we receive or have the unconditional right to receive consideration from customers in advance of the performance of our services. We recorded significant amounts of contract liabilities during the Track Record Period as we require prepayments from customers for the subscription of our all-in-one SaaS solution. Our contract liabilities increased from RMB357.3 million as at December 31, 2023 to RMB382.6 million as at December 31, 2024 was primarily driven by our business growth. Our contract liabilities remained relatively stable at RMB357.1 million as of December 31, 2025. As of March 31, 2026, approximately RMB108.2 million, or 30.3% of our contract liabilities as of December 31, 2025 had been subsequently settled.

Convertible Redeemable Preferred Shares

As of December 31, 2023, 2024 and 2025, our convertible redeemable preferred shares were RMB1,876.1 million, RMB1,947.8 million and RMB1,818.7 million. Our convertible redeemable preferred shares were primarily related to the redemption right granted to Pre-[**REDACTED**] Investors in the Pre-[**REDACTED**] investments, which enables Pre-[**REDACTED**] Investors to redeem all or part of their outstanding convertible redeemable preferred shares under circumstances as specified in the shareholder's agreement, and thus constitutes our redemption liability. We designate the entire instruments of convertible redeemable preferred shares, including the redemption liability, conversion right and other features, as financial liabilities measured as fair value through profit or loss. Changes in the fair value of the convertible redeemable preferred shares were recorded as fair value changes on convertible redeemable preferred shares in the consolidated statements of profit or loss except for the portion attributable to our own credit risk that should be charged to other comprehensive income, and the fair value was determined with reference to the then-current valuation of our Company. The convertible redeemable preferred shares will be reclassified from liabilities to equity as a result of the conversion of convertible redeemable preferred shares into Ordinary Shares upon [**REDACTED**]. See Note 28 to the Accountants' Report in Appendix I to this document. As of December 31, 2025, we recorded RMB9.2 million in other payables as a remittance of the excess subscription payments of preferred shares to our certain preferred shareholders, in accordance with agreement entered in June 2025. As of March 31, 2026, all of the balance had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we had historically funded our cash requirements principally from [**REDACTED**] from our business operations, capital contributions from shareholders, and [**REDACTED**] from Pre-[**REDACTED**] investments. After the [**REDACTED**], we intend to finance our future capital requirements through cash generated from our business operations and the net [**REDACTED**] from the [**REDACTED**]. We do not anticipate any changes in the availability of financing to fund our operations in the future.

As of March 31, 2026, we did not have any unutilized banking facilities.

Cash flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the periods indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows from operating activities	30,183	108,053	35,002
Net cash flows from/(used in) investing activities	71,329	(162,227)	118,195
Net cash flows used in financing activities	(10,657)	(9,695)	(177,700)
Net increase/(decrease) in cash and cash equivalents	90,855	(63,869)	(24,503)
Cash and cash equivalents at beginning of year	41,580	132,511	68,701
Effect of foreign exchange rate changes, net	76	59	1,378
Cash and cash equivalents at end of year	**132,511**	**68,701**	**45,576**

Net cash flows from operating activities

In 2025, we had net cash flows from operating activities of RMB35.0 million, primarily due to loss before tax of RMB63.9 million, as adjusted by (1) fair value losses on convertible redeemable preferred shares of RMB79.4 million, certain non-cash and non-operating items, primarily including share-based payment expenses of RMB61.8 million, and (2) changes in working capital that positively affected our cash flow, primarily including a decrease in other payables and accruals of RMB24.9 million and a decrease in contract liabilities of RMB25.5 million.

In 2024, we had net cash flows from operating activities of RMB108.1 million, primarily due to loss before tax of RMB15.1 million, as adjusted by (1) fair value losses on convertible redeemable preferred shares of RMB43.3 million, certain non-cash and non-operating items, primarily including share-based payment expenses of RMB38.1 million, and depreciation of right-of-use assets of RMB7.8 million, and (2) changes in working capital that positively affected our cash flow, primarily including an increase in contract liabilities of RMB25.4 million, as an increasing number of customers subscribing to our solution and an increase in trade payables of RMB14.4 million mainly as a result of the increase in our procurement of cloud services driven by our business growth.

In 2023, we had net cash flows from operating activities of RMB30.2 million, primarily due to loss before tax of RMB37.0 million, adjusted by (1) certain non-cash and non-operating items, primarily including share-based payment expenses of RMB25.1 million, fair value gains on convertible redeemable preferred shares of RMB19.6 million, depreciation of right-of-use assets of RMB9.2 million, and fair value gains on financial assets at fair value through profit or loss of RMB7.8 million, and (2) changes in working capital that positively affected our cash flow, primarily including an increase in contract liabilities of RMB64.9 million, as an increasing number of customers subscribing to our solution, partially offset by changes in working capital that negatively affected our cash flows, primarily including a decrease in trade payables of RMB3.5 million and a decrease in other payables and accruals of RMB3.5 million.

Net cash flows from/(used in) investing activities

In 2025, our net cash flows from investing activities was RMB118.2 million, which was primarily attributable to (1) proceeds from disposals of financial assets at fair value through profit or loss of RMB1,093.7 million, and (2) receipt from maturity of certificates of deposit with initial terms of over three months of RMB156.4 million, partially offset by payments for acquisition of financial assets at fair value through profit or loss of RMB1,084.0 million.

In 2024, our net cash flows used in investing activities was RMB162.2 million, which was primarily attributable to payments for acquisition of financial assets at fair value through profit or loss of RMB1,238.0 million, partially offset by (1) proceeds from disposals of financial assets at fair value through profit or loss of RMB1,033.6 million, and (2) placement of certificates of deposit with initial terms of over three months of RMB30.0 million.

In 2023, our net cash flows from investing activities was RMB71.3 million, which was primarily attributable to proceeds from disposals of financial assets at fair value through profit or loss of RMB1,234.9 million, partially offset by (1) payments for acquisition of financial assets at fair value through profit or loss of RMB1,017.5 million, and (2) placement of certificates of deposit with initial terms of over three months of RMB136.4 million.

Net cash flows used in financing activities

In 2025, our net cash flows used in financing activities was RMB177.7 million, primarily attributable to (1) refund of investment proceeds to preferred shareholders of RMB156.1 million, and (2) principal portion of lease payments of RMB8.9 million.

In 2024, our net cash flows used in financing activities was RMB9.7 million, primarily attributable to (1) principal portion of lease payments of RMB8.6 million, and (2) interest of lease payments of RMB1.0 million.

In 2023, our net cash flows used in financing activities was RMB10.7 million, primarily attributable to (1) principal portion of lease payments of RMB9.6 million, and (2) interest of lease payments of RMB1.4 million.

WORKING CAPITAL CONFIRMATION

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

INDEBTEDNESS

As of December 31, 2023, 2024 and 2025, our indebtedness comprised lease liabilities and convertible redeemable preferred shares. As of December 31, 2023, 2024 and 2025, our lease liabilities were RMB29.6 million, RMB30.8 million and RMB22.4 million, respectively. Our convertible redeemable preferred shares were RMB1,876.1 million, RMB1,947.8 million and RMB1,818.7 million, as of the same dates, respectively. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Lease liabilities				
– Current portion	8,494	8,670	9,013	6,592
– Non-current portion	21,153	22,113	13,357	21,160
Convertible redeemable preferred shares	1,876,085	1,947,803	1,818,697	1,810,197
Total	**1,905,732**	**1,978,586**	**1,841,067**	**1,837,949**

Contingent Liabilities

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

Indebtedness Statement

Except as disclosed above, as of December 31, 2025, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there had been no material change in our indebtedness since December 31, 2025 and up to the Latest Practicable Date.

Since March 31, 2026 and up to the Latest Practicable Date, there had not been any material change in our indebtedness.

OFF-BALANCE SHEET TRANSACTIONS

We had not entered into any material off-balance sheet transactions or arrangements as of the Latest Practicable Date.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures are primarily used for purchases of property and equipment, and other intangible assets which are summarized as follows.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Property and equipment	132	150	1,302
Other intangible assets	495	173	512
Total	**627**	**323**	**1,814**

In 2023, 2024 and 2025, our capital expenditures were RMB0.6 million, RMB0.3 million and RMB1.8 million, respectively. We funded these expenditures mainly with cash generated from our business operations.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, our Group did not have any significant capital commitments.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. See Note 33 to the Accountants' Report in Appendix I to this document. Our Directors believe that these transactions were conducted in the ordinary and usual course of business, and did not distort our results of operations or make our historical results unreflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the date or for the period indicated:

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin	72.3%	74.8%	75.7%
Net profit margin	(8.9)%	(2.9)%	(10.5)%
Adjusted net profit margin (non-IFRS measure)	–	12.7%	17.7%
Current ratio[1]	0.15	0.22	0.18

(1) Current ratio is calculated based on total current assets divided by total current liabilities as of the date indicated.

Gross Profit Margin and Net Profit Margin

See "—Period-to-Period Comparison of Results of Operations" for a discussion of the factors affecting our gross profit margin and net profit margin during the Track Record Period.

Adjusted Net Profit Margin (non-IFRS Measure)

See "—Non-IFRS Measure" and "—Period-to-Period Comparison of Results of Operations" for a discussion of the factors affecting our adjusted net profit margin (non-IFRS measure) during the Track Record Period.

Current Ratio

Our current ratio increased from 0.15 as of December 31, 2023 to 0.22 as of December 31, 2024, primarily due to the increase in our current assets slightly outpacing the increase in our current liabilities. Our current ratio decreased to 0.18 as of December 31, 2025 primarily due to a decrease in our current assets, partially offset by a decrease in our current liabilities.

FINANCIAL RISKS MANAGEMENT

We are exposed to a variety of financial risks, including credit risk and liquidity risk. Our overall risk management strategy seeks to minimize potential adverse effects of the aforesaid risks on our financial performance. For details, see Note 36 to the Accountant's Report in Appendix I to this document.

Credit Risk

We trade only with recognized and creditworthy parties. In addition, receivable balances are monitored on an ongoing basis. The credit risk of our other financial assets, which comprise cash and cash equivalents, restricted cash, trade receivables, financial assets included in prepayments, other receivables and other assets, with a maximum exposure equal to the carrying amounts of these instruments.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows.

Foreign Currency Risk

Our convertible redeemable preferred shares are denominated in U.S. dollars, which differs from our reporting currency which is RMB. All resulting exchange differences from our convertible redeemable preferred shares are recognized in other comprehensive income or loss, which will not be reclassified to profit or loss in subsequent periods. Except for that, we did not have significant foreign currency risk as we mainly conducted our business in PRC.

DIVIDEND

We did not declare or pay any dividends during the Track Record Period.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries. As a result, we will rely to some extent on any dividends distributed by our PRC subsidiaries. Any dividend distributions from our PRC subsidiaries to us will be subject to PRC withholding tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in the PRC.

Our Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. The Board may in addition from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit. Any declaration and payment as well as the amount of dividends will be subject to our Articles and the Cayman Companies Act. Under the Cayman Islands law, our Company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As advised by our Cayman Islands counsel, subject to the above, there is no restriction under the Cayman Islands law for our Company to declare and pay a dividend despite our accumulated losses. A decision to declare or to pay any dividends in the future, and the amount of any such dividends, will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends and other factors that our Board may consider important. We currently do not have a dividend policy. There can be no assurance that dividends of any amount will be declared or distributed in any period.

DISTRIBUTABLE RESERVES

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

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Unaudited [**REDACTED**] Financial Information" in Appendix II to this document for details of our unaudited [**REDACTED**] adjusted consolidated net tangible assets.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] commission and other fees incurred in connection with the [**REDACTED**]. Assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**]), [**REDACTED**] to be borne by us are estimated to be approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), comprising: (1) [**REDACTED**] fees of RMB[**REDACTED**] million (HK$[**REDACTED**] million); and (2) non-[**REDACTED**]-related expenses of RMB[**REDACTED**] million (HK$[**REDACTED**] million), which are further categorized into: (i) fees and expenses of legal advisors and accountants of RMB[**REDACTED**] million (HK$[**REDACTED**] million); and (ii) other fees and expenses of RMB[**REDACTED**] million (HK$[**REDACTED**] million), approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) of which is expected to be deducted from equity upon the completion of the [**REDACTED**]. The [**REDACTED**] are expected to represent approximately [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**]) and that the [**REDACTED**] is not exercised. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the periods reported on in the Accountants' Report as set out in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information in the Accountants' Report as set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

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