You should read the following discussion and analysis in conjunction with our consolidated financial statements together with the accompanying notes as set out in the Accountants' Report in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which may differ in certain aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

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 assumptions and analysis made by us 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, 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 the sections headed "Risk Factors" and "Business" in this document.

OVERVIEW

We are the largest digital human agent provider in China, providing GJ AI workforces to enterprises across multiple industry verticals. We ranked first among all digital human agent providers in China in terms of revenue generated from provision of digital human agent solutions in 2024, holding a market share of 32.2% in the digital human agent industry in China, according to CIC, demonstrating our market leadership. Among the global digital human agent providers, we secured the second position in terms of revenue generated from provision of digital human agent solutions in 2024, according to the same source.

During the Track Record Period, we generated our revenue from provision of comprehensive and synergistic GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, and GJ AI Real-time Video Agent. Our total revenue increased at a CAGR of 21.9% from RMB530.8 million for the year ended December 31, 2023 to RMB788.8 million for the year ended December 31, 2025. Our gross profit increased at a CAGR of 5.8% from RMB243.2 million for the year ended December 31, 2023 to RMB272.1 million for the year ended December 31, 2025. Our profitability has also significantly improved. We turned profitable on a non-IFRS basis in 2025, recording an adjusted net profit (non-IFRS measure) of RMB13.9 million for the year ended December 31, 2025, compared to adjusted net loss of RMB29.4 million and RMB35.2 million for the years ended December 31, 2023 and 2024, respectively, demonstrating our enhanced commercialization capability and sustainable growth potential. See "— Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Non-IFRS Measure."

BASIS OF PRESENTATION

Our Company was established in the PRC as a limited liability company on August 8, 2017, and was converted into a joint stock company with limited liability on February 18, 2025. For details, please see "History, Development and Corporate Structure." The historical financial information of our Group has been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board. The measurement basis used in the preparation of the historical financial information is the historical cost basis. Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. All effective standards, amendments to standards and interpretation, mandatory for any financial year during the Track Record Period, are consistently applied to our Group throughout the Track Record Period.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3 to the Accountants' Report set out in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, which primarily include the following:

Development of the Digital Human Agent Industry and Its Competition Landscape

Our business, financial performance, results of operations and future growth are affected by the development of the digital human agent industry, including the general factors affecting the digital human agent market, the macroeconomic conditions and regulatory environment, as well as the market acceptance, adoption and demand of AI workforce solutions. In particular, factors including breakthroughs in large model technologies such as natural language understanding, voice interaction, and multimodal generation, as well as the accelerated accumulation of high-quality industry data and scenario-specific demand are expected to further drive the growth of the digital human agent market. See "Industry Overview — Digital Human Agent Industry" for details.

Meanwhile, we operate in a highly competitive market. We face competition primarily from other competitors in the digital human agent market with diverse capabilities. We believe factors including visionary strategic positioning, strong R&D capabilities, breadth and quality of our solutions, solid relationship with our customers, marketing and sales channels, competitive pricing, brand recognition and after-sales services are critical to our competitiveness in this market. We believe we are well-positioned to capture such market opportunity with our strong R&D capabilities as well as extensive solution portfolio. However, increasingly intensified competition or our inability to sustain our competitive advantage could adversely affect our results of operations.

Our Ability to Enhance and Develop Our Solutions

Our solutions are subject to diversified use cases and rapidly evolving customer demands, and the digital human agent industry we operate in is characterized by constant advancements. To maintain our leading position in the digital human agent market and achieve sustainable growth, our ability to efficiently develop and launch new solutions which incorporate and integrate the latest technological advancements and enhance our existing solutions is critical to our growth prospects. We have a solid track record in this regard, as demonstrated by our comprehensive and integrated solutions catering to a wide array of use cases. We aspire to continue to leverage our existing advantages in this regard and strengthen our solution offerings to drive our growth.

Our R&D capabilities are the backbone of our ability to enhance and develop our solutions. We have invested and expect to continue to invest significant resources in our R&D activities. During the Track Record Period, our research and development expenses amounted to RMB129.6 million, RMB150.1 million and RMB163.3 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 24.4%, 22.9% and 20.7% of our total revenue for the same years, respectively. In particular, we believe that the ability to attract and retain a strong R&D team with the relevant knowledge, expertise and acumen is fundamental to our long-term competitiveness. Therefore, we expect to remain committed to our investment in talents. In addition, as similar initiatives in the digital human agent industry are usually associated with uncertainties in the process and outcome, we may experience fluctuations in research and development expenses and we may not predict the results of and return on such investment, which, in turn, may affect our results of operations.

Our Ability to Commercialize our Solutions and Expand Customer Base

We have made proactive efforts in commercialization and market expansion, which has contributed significantly to the expansion of our market reach and customer base. We believe that our sales approach has enabled us to tap into both the benefits of direct sales in customer engagement, and the benefits of distributorship in market outreach and support. Our ability to retain our existing customers, expand our customer base, deepen customer relationships, expand market reach, generate sales, and achieve business growth in the future is crucial to our profitability and will continue to rely on the efficiency and breadth of our sales network.

We rely on the performance of our solutions as well as our sales team and customer support team to initiate and maintain customer relationship. We have devoted, and expect to continue to devote, substantial resources to our sales and marketing initiatives to deepen our market penetration, enlarge our customer base and achieve higher market recognition, for which we may incur higher sales and marketing expenses. During the Track Record Period, our selling and marketing expenses were RMB110.3 million, RMB82.6 million and RMB55.2 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 20.8%, 12.6% and 7.0% of our total revenue for the same years, respectively. As we continue to scale up our business operations, we expect to achieve greater cost efficiency with our sales and marketing initiatives.

Our Brand Positioning and Pricing Ability

We rely on our well-established brand awareness and recognition and our reputation in providing AI workforce solutions. Our ability to maintain our relationship with existing customers and attract new customers depends, to a large extent, on our ability to continue to enhance brand recognition. Our results of operations are also affected by the level of fees we are able to charge. Our ability to price our solutions at the level we desire, while at the same time maintaining competitive, is dependent on a number of factors, including the perspectiveness and competitiveness of our technologies and solutions, existing and potential demand for AI workforce solutions, the supply of similar solutions in the market, prices set by our competitors and the competitive landscape of the digital human agent market in China. To maintain our pricing level, we endeavor to diversify our solutions by offering our solutions to both key account customers as well as other customers. We aim to achieve a balance between pricing our solutions competitively while ensuring an attractive profit margin.

Our Ability to Optimize Cost Structure and Improve Operational Efficiency

While we value and encourage spending on R&D, our ability to achieve and maintain profitability is dependent in part on our ability to control costs. During the Track Record Period, our cost of sales was RMB287.6 million, RMB430.4 million and RMB516.7 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 54.2%, 65.7% and 65.5% of our total revenue for the same years, respectively. Our cost of sales primarily consisted of project fulfillment costs, cost of cloud services, cost of hardware and software as well as staff costs. The largest component of our cost of sales was project fulfillment costs, which amounted to RMB162.1 million, RMB334.6 million and RMB397.6 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 56.3%, 77.7% and 77.0% of our total cost of sales for the same years, respectively. Our ability to effectively control such costs as we expand our operations has affected and will continue to affect our financial results. We aim to deepen our collaborations with suppliers to enhance the stability and affordability of supply and optimize our cost structure.

In addition, our operating efficiency is affected by our ability to control operating expenses. Our research and development expenses may increase and account for a significant portion of our total operating expenses. Our ability to ensure R&D efficiency and maintain research and development expenses at a reasonable level comparable to our revenue scale is critical to our results of operations and financial condition. In addition, during the Track Record Period, our staff costs, which includes staff costs recorded in cost of sales and employee benefit expenses recorded in research and development expenses, selling and marketing expenses as well as administrative and other operating expenses, accounted for 17.7%, 12.8% and 8.1% of our revenue for the years ended December 31, 2023, 2024 and 2025, respectively. As we further increase our revenue, we expect to benefit from economies of scale and further improve our operational efficiency.

Seasonality

Our business and results of operations are affected by seasonality, resulting from seasonal fluctuations in customer purchases. Our enterprise customers adhere to an annual cycle for budget planning and implementation. As we typically recognize revenue upon acceptance by the customer, we had higher revenue from our solutions in the second half of the fiscal year, which is in line with the industry norm, according to CIC. See "Business — Seasonality" for more details. The degree of seasonality may vary from year to year due to conditions in the industry and other factors, which makes it difficult for us to predict the level of demand with precision.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of historical financial statements in conformity with IFRS Accounting Standards requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Such judgments, estimates and assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events, that are believed to be reasonable under the circumstances, from which our actual results may differ. Our material accounting policies, accounting judgments and estimates, which are important for understanding our financial position and results of operations, are set forth in detail in Notes 2 and 3 to the Accountants' Report set out in Appendix I to this document.

DESCRIPTION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth key consolidated statements of profit or loss and comprehensive income items for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Revenue	**530,806**	**655,438**	**788,818**
Cost of sales	(287,645)	(430,359)	(516,747)
Gross profit	**243,161**	**225,079**	**272,071**
Other income	15,976	10,846	2,554
Other net gain/(loss)	38	(678)	717
Selling and marketing expenses	(110,263)	(82,570)	(55,235)
Administrative and other operating expenses	(47,967)	(41,211)	(55,634)
Research and development expenses	(129,569)	(150,129)	(163,342)
Impairment loss on trade and other receivables and contract assets	(11,750)	(21,170)	(27,595)
Loss from operations	**(40,374)**	**(59,833)**	**(26,464)**
Finance income	4,606	2,239	857
Finance costs	(435)	(240)	(144)
Share of loss of associates	(1,104)	(27)	(164)
Accretion of redemption liabilities	(58,660)	(53,838)	—
Loss before taxation	**(95,967)**	**(111,699)**	**(25,915)**
Income tax	60	—	—
Loss for the year	**(95,907)**	**(111,699)**	**(25,915)**
Attributable to:			
Equity shareholders of the Company	(95,907)	(111,699)	(25,915)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of a foreign subsidiary, net of nil tax	—	—	(475)
Total comprehensive income for the year	**(95,907)**	**(111,699)**	**(26,390)**
Attributable to:			
Equity shareholders of the Company	(95,907)	(111,699)	(26,390)

Note:

(1) Represents amount less than RMB1,000.

NON-IFRS MEASURE

We provide adjusted net profit or loss as a non-IFRS measure, which is not required by, or presented in accordance with, the IFRS Accounting Standards. However, our presentation of adjusted net profit or loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The application of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit or loss (non-IFRS measure) as loss for the year adjusted by adding back **[REDACTED]** expenses, equity-settled share-based payments expenses and accretion of redemption liabilities. **[REDACTED]** expenses are expenses relating to the **[REDACTED]**. Accretion of redemption liabilities and equity-settled share-based payments expenses are non-cash in nature. In particular, accretion of redemption liabilities is related to the redemption right granted to our **[REDACTED]** Investors. In November 2024, we entered into a supplemental agreement with our **[REDACTED]** Investors to unconditionally terminate our redemption obligations, pursuant to which, the redemption liabilities were reclassified as equity.

The following table reconciles our adjusted net profit or loss (non-IFRS measure) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Loss for the year	**(95,907)**	**(111,699)**	**(25,915)**
Add:			
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Equity-settled share-based payment expenses	7,835	21,479	21,437
Accretion of redemption liabilities	58,660	53,838	—
Adjusted net (loss)/profit (non-IFRS measure)	**(29,412)**	**(35,242)**	**13,850**

Revenue

For the years ended December 31, 2023, 2024 and 2025, we recorded revenue of RMB530.8 million, RMB655.4 million and RMB788.8 million, respectively. During the Track Record Period, we generated our revenue from provision of comprehensive and synergistic GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, and GJ AI Real-time Video Agent. See "Business — Our Business Model" for more details.

With dedicated efforts in advancing GJ AI workforces and diversifying our solutions, we realized substantial revenue growth during the Track Record Period. Historically, our business primarily focused on providing GJ AI Real-time Voice Agents for key account customers, such as commercial banks and telecom operators, where we adopted a competitive pricing model with lower gross profit margin to secure partnerships with these key account customers. Leveraging our accumulated expertise in AI technology development and pre-emptive technological reserves, we strategically tapped into GJ AI Video Generation Agent and GJ AI Live Streaming Agent, both of which are technological-intensive segments featuring deeper moats, higher added-value, broader scope of target industries, greater growth potential and more opportunities, according to CIC. Our accumulated R&D efforts in digital human agent technology, coupled with growing market awareness of AI solutions, have well-grounded us for accelerated growth in 2023, with particular momentum in GJ AI Live Streaming Agent. Our revenue further increased in 2024, primarily attributable to the launch of GJ AI Real-time Video Agent and the development of DUIX ONE, where we integrated more advanced AI large-model technologies into our solutions and significantly enhanced the interaction ability, naturalness and generation efficiency of the digital human agents to meet the diversified demands of customers. Our revenue remained its steady growth momentum from RMB655.4 million in 2024 to RMB788.8 million in 2025, as (i) we optimized the product model and improved operational efficiency through DUIX ONE to achieve sustained and stable growth; and (ii) we strategically focused more resources on deepening partnerships with key account customers and benefited from the increased revenue derived therefrom.

Revenue by Sales Channels

The following table sets forth a breakdown of our revenue by type of sales channels for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct sales	509,987	96.1	640,570	97.7	782,247	99.2
Distributors	20,819	3.9	14,868	2.3	6,572	0.8
Total	**530,806**	**100.0**	**655,438**	**100.0**	**788,818**	**100.0**

During the Track Record Period, substantially all of our revenue was generated through our direct sales to customers, including key account customers and other customers pursuing trustworthy AI solutions for their business operations. Direct sales to customers accounted for 96.1%, 97.7% and 99.2% of our total revenue in 2023, 2024 and 2025, respectively. Revenue generated from sales to distributors accounted for 3.9%, 2.3% and 0.8% of our total revenue in 2023, 2024 and 2025, respectively. Our revenue derived from sales to distributors declined during the Track Record Period, as we did not renew our agreements with certain distributors upon expiration, based on our evaluation of their market potential and our future business strategies. We established business relationships with certain end customers of such distributors under our direct sales mode, thereby ensuring the consistent quality of our solutions and enhancing our ability to respond to their specific needs in a timely manner. See "Business — Marketing and Promotion — Our Sales Network" for details.

For breakdowns of our revenue by type of deployment, type of digital human agent and industry vertical of customers, see "Business — Key Operating Data."

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Project fulfillment costs	162,070	56.3	334,621	77.7	397,641	77.0
Cost of cloud services	110,367	38.4	84,209	19.6	73,150	14.1
Cost of hardware and software	7,775	2.7	10,314	2.4	45,602	8.8
Staff costs	3,792	1.3	505	0.1	—	—
Others[(1)]	3,641	1.3	710	0.2	354	0.1
Total	**287,645**	**100.0**	**430,359**	**100.0**	**516,747**	**100.0**

Note:

(1) Others primarily comprise taxes and surcharges and telecom line costs for GJ AI Real-time Voice Agent business.

Project fulfillment costs represent implementation costs incurred for the provision of GJ AI workforce solutions to our customers. Being our largest cost component, project fulfillment costs increased during the Track Record Period, which was generally in line with our revenue growth.

Cost of cloud services represents the procurement costs of cloud computing power from third-party cloud service providers for the provision of GJ AI workforce solutions. Cost of cloud services decreased in 2024, mainly due to our decreased reliance on third-party cloud services driven by the completion of key technological upgrades in GJ AI workforce solutions in 2024, where we achieved architectural optimization of DUIX ONE to enable the distributed deployment of certain computing tasks to users' end devices for execution. Cost of cloud services further decreased in 2025, primarily attributable to the growing number of customers possessing their own cloud computing infrastructure and therefore no longer requiring our cloud computing resources.

Cost of hardware and software relates to the procurement of equipment and software for GJ AI Real-time Video Agent. During the Track Record Period, cost of hardware and software exhibited an upward trend, with a notable increase particularly in 2025, aligning with the expansion of GJ AI Real-time Video Agent business.

Staff costs represent salaries, bonuses, pension and other social security and welfare of our full-time product delivery staff engaging in GJ AI Real-time Voice Agent and offline deployment. During the Track Record Period, our staff costs exhibited a downward trend, primarily due to a reduction in headcount and gradual phasing out of our product delivery personnel and offline deployment personnel along with the contraction of GJ AI Real-time Voice Agent, as well as the standardization and productization of our cloud-based solutions and the establishment of standard operating procedures.

Gross Profit

For the years ended December 31, 2023, 2024 and 2025, our gross profit was RMB243.2 million, RMB225.1 million and RMB272.1 million, respectively. For the years ended December 31, 2023, 2024 and 2025, our gross profit margin was 45.8%, 34.3% and 34.5%, respectively.

Our gross profit and gross profit margin recorded decreases in 2024, mainly due to (i) our proactive downward price adjustment for certain earlier version products as a result of our product iteration initiatives; and (ii) more favorable discount terms we offered for our productized GJ AI workforce solutions to support our business expansion in the lower-tier market. Our gross profit increased in 2025 aligning with our revenue growth. Our growth profit margin remained relatively stable in 2024 and 2025.

Other Income

The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Government grants	13,763	86.1	10,185	93.9	2,422	94.8
VAT refund and deduction	2,082	13.0	524	4.8	35	1.4
Others[(1)]	131	0.8	137	1.3	97	3.8
Total	**15,976**	**100.0**	**10,846**	**100.0**	**2,554**	**100.0**

Note:

(1) Others primarily represent the refund of IIT handling fee.

Government grants recognized under other income primarily comprise (i) unconditional government grants as incentives for our contribution to technology R&D and regional economic development; (ii) unconditional government grants as subsidies for the leased properties; and (iii) conditional government grants as subsidies for the leased properties, which are recorded in the consolidated statements of profit or loss when related conditions were satisfied, all of which are generally non-recurring in nature. For the conditional government subsidies for leased properties, we recognize subsidies as government grants under other income pursuant to the amortization over the lease term of the leased properties. For financial assistance received but not yet amortized, we recognize the amount as deferred income.

Our other income decreased during the Track Record Period, mainly due to the decrease in government grants as the one-off and large-sum subsidies initially granted by the relevant government authorities to support our business launch and development have been gradually fully disbursed.

Other Net Gain/(loss)

Our other net gain or loss primarily comprise (i) net gain on disposal of property, plant and equipment in relation to the disposal of computers and office equipment; and (ii) net gain on disposal of associates generated from the disposal of our equity interest in Hangzhou Qianyu Intelligent Technology Co., Ltd. (杭州謙語智能科技有限公司) ("**Hangzhou Qianyu**") and Guiyu (Kunshan) Intelligent Technology Co., Ltd. (硅語(昆山)智能科技有限公司) ("**Guiyu Kunshan**"). The following table sets forth a breakdown of our other net gain or loss for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Net gain on disposal of property, plant and equipment	48	15	—
Net gain on disposal of associates	—	—	801
Others[1]	(10)	(693)	(84)
Total	**38**	**(678)**	**717**

Note:

(1) Others primarily comprise loss of deposits due to early termination of leases and litigation fees incurred in the ordinary course of our business.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee benefit expenses, representing salaries, bonuses and share-based payment expenses relating to the share options granted to our sales and marketing personnel under the **[REDACTED]** Share Option Plan; (ii) marketing service expenses, which mainly represent service fees and referral fees paid or payable to third-party offline marketing service providers, such as our channel partners; (iii) advertising and promotion expenses primarily relating to the online advertising and promotion of our solutions; and (iv) office, utilities and travelling expenses incurred by our sales and marketing personnel.

The following table sets forth a breakdown of our selling and marketing expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	30,540	27.7	30,892	37.4	18,449	33.4
Marketing service expenses	14,132	12.8	28,202	34.2	21,325	38.6
Advertising and promotion expenses	61,067	55.4	17,784	21.5	10,940	19.8
Office, utilities and travelling expenses	3,346	3.0	3,238	3.9	2,398	4.3
Others[1]	1,178	1.1	2,454	3.0	2,123	3.9
Total	**110,263**	**100.0**	**82,570**	**100.0**	**55,235**	**100.0**

Note:

(1) Others primarily comprise depreciation and amortization associated with our leasehold improvements and right-of-use assets and short-term lease expenses incurred by our sales and marketing personnel.

Our selling and marketing expenses decreased in 2024, primarily due to declined advertising and promotion expenses driven by the long-tail effect and improved cost-effectiveness derived from the enhanced brand awareness and initial user acquisition achieved through our previous marketing investments, as well as and our strategic shift towards meticulous operations, moving away from previous reliance on heavy promotional expenditure. Our selling and marketing expenses further decreased in 2025, primarily due to (i) lower employee benefit expenses mainly resulting from our concerted efforts to streamline our sales and marketing team; (ii) decreased marketing service expenses driven by the aforementioned enhanced cost-effectiveness and strategic shift towards meticulous operations; and (iii) declined advertising and promotion expenses driven by the aforementioned long-tail effect and improved cost-effectiveness.

Administrative and Other Operating Expenses

Our administrative and other operating expenses primarily consist of (i) employee benefit expenses, representing salaries, bonuses and share-based payment expenses relating to the share options granted to our administrative personnel under the **[REDACTED]** Share Option Plan; (ii) depreciation and amortization, which comprise depreciation of leasehold improvements and right-of-use assets; (iii) professional service fees, which primarily comprise fees for legal, auditing, consulting and human resources services during our daily operation; (iv) **[REDACTED]** expenses; and (v) office, utilities, traveling and entertainment expenses incurred by our administrative personnel.

The following table sets forth a breakdown of our administrative and other operating expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	24,063	50.2	23,098	56.0	22,267	40.0
Depreciation and amortization	7,636	15.9	4,609	11.2	3,204	5.8
Professional service fees	5,375	11.2	4,958	12.0	4,782	8.6
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Office, utilities, traveling and entertainment expenses	7,978	16.6	5,620	13.6	5,344	9.6
Others[(1)]	2,915	6.1	1,786	4.4	1,709	3.1
Total	**47,967**	**100.0**	**41,211**	**100.0**	**55,634**	**100.0**

Note:

(1) Others primarily comprise short-term lease expenses incurred by our administrative personnel, bank fees, recruitment fees and communication fees.

Our administrative and other operating expenses decreased in 2024, mainly due to (i) decreased employee benefit expenses resulting from our concerted efforts to streamline our administrative team, optimize our labor structure and enhance overall operational efficiency; (ii) decreased depreciation and amortization in line with our downsized office premises; and (iii) lower office, utilities, traveling and entertainment expenses in line with the downsize of our administrative team. Our administrative and other operating expenses increased in 2025, primarily attributable to increased **[REDACTED]** expenses.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses, representing salaries, bonuses and share-based payment expenses relating to the share options granted to our R&D personnel under the **[REDACTED]** Share Option Plan; (ii) cloud service fees, representing fees for utilizing third-party cloud computing services associated with the R&D activities of GJ AI workforce solutions and frontier AI algorithms; and (iii) depreciation and amortization, representing depreciation of equipment and right-of-use assets in connection with our R&D activities and facilities, and amortization in relation to software which are classified as intangible assets used for our R&D activities.

The following table sets forth a breakdown of our research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	45,856	35.4	32,644	21.7	19,281	11.8
Cloud service fees	74,395	57.4	108,237	72.1	136,886	83.8
Depreciation and amortization	7,165	5.5	8,217	5.5	4,806	2.9
Others[1]	2,153	1.7	1,031	0.7	2,369	1.5
Total	**129,569**	**100.0**	**150,129**	**100.0**	**163,342**	**100.0**

Note:

(1) Others primarily comprise office, utilities and traveling expenses incurred by our R&D personnel, and IP right protection expenses relating to our R&D activities.

Our research and development expenses increased during the Track Record Period, primarily attributable to increased cloud service fees in line with our increased R&D activities relating to GJ AI workforce solutions.

Impairment Loss on Trade and Other Receivables and Contract Assets

We recorded impairment loss on trade and other receivables and contract assets of RMB11.8 million, RMB21.2 million and RMB27.6 million for the years ended December 31, 2023, 2024 and 2025, respectively. The fluctuation in the impairment loss on trade and other receivables and contract assets was generally in line with the fluctuation in the balance of trade receivables, other receivables and contract assets. For further details, see Note 30(a) to the Accountants' Report set out in Appendix I to this document.

Finance Income and Costs

The following table sets forth a breakdown of our finance income and costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Finance income			
Interest income on bank deposits	4,606	2,239	857
	4,606	**2,239**	**857**
Finance costs			
Interest expense on lease liabilities	(435)	(240)	(144)
	(435)	**(240)**	**(144)**
Net finance income	**4,171**	**1,999**	**713**

During the Track Record Period, our interest income on bank deposits decreased, which was in line with the decrease in the principal amount of our bank deposits. Our interest expense on lease liabilities also decreased during the Track Record Period resulting from the rent we paid and our downsized office premises following the termination of certain office leases in 2024 and 2025.

Share of Loss of Associates

During the Track Record Period, our share of loss of associates primarily represented losses from our investments in Hangzhou Qianyu, Guiyu Kunshan and Hangzhou Guiyu Intelligent Technology Co., Ltd. (杭州硅羽智能科技有限公司). For details of our interests in theses associates, please see and Notes 2 and 15 to the Accountants' Report set out in Appendix I to this document. We recorded share of loss of associates of RMB1.1 million, RMB27.0 thousand and RMB164.0 thousand for the years ended December 31, 2023, 2024 and 2025, respectively. We expect that our share of results of associates will not have any significant impact on our results of operations in the near future.

Accretion of Redemption Liabilities

Our accretion of redemption liabilities primarily relates to the redemption liabilities from the **[REDACTED]** Investments. We recorded accretion of redemption liabilities of RMB58.7 million, RMB53.8 million and nil for the years ended December 31, 2023, 2024 and 2025, respectively, resulting from the interest expense thereof being included in accretion of redemption liabilities. In November 2024, we entered into a supplemental agreement with our **[REDACTED]** Investors to unconditionally terminate our redemption obligations, pursuant to which, the redemption liabilities were reclassified as equity. For more details, please see "History, Development and Corporate Structure — **[REDACTED]** Investments — Special Rights" and Notes 2 and 26 to the Accountants' Report set out in Appendix I to this document.

Income Tax

Our income tax credit or expense arises from current income tax which comprises provision for PRC corporate income tax for the year and over-provision in respect of prior year. The following table sets forth a breakdown of our income tax credit or expense for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Current tax			
Provision for PRC corporate income tax for the year	—	—	—
Over-provision in respect of prior year	(60)	—	—
Total	**(60)**	**—**	**—**

During the Track Record Period, our subsidiaries in PRC were subject to the statutory EIT rate of 25%, except for our Company which was qualified as a High and New Technology Enterprise (高新技術企業) and enjoyed a preferential income tax rate of 15%.

During the Track Record Period and up to the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no disputes or unresolved tax issues with relevant tax authorities.

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 20.3% from RMB655.4 million for the year ended December 31, 2024 to RMB788.8 million for the year ended December 31, 2025, as (i) we optimized the product model and improved operational efficiency through DUIX ONE to achieve sustained and stable growth; and (ii) we strategically focused more resources on deepening partnerships with key account customers and benefited from the increased revenue derived therefrom.

Cost of Sales

Our cost of sales increased by 20.1% from RMB430.4 million for the year ended December 31, 2024 to RMB516.7 million for the year ended December 31, 2025, primarily attributable to an increase of RMB63.0 million in project fulfillment costs for the provision of GJ AI workforce solutions aligning with our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 20.9% from RMB225.1 million for the year ended December 31, 2024 to RMB272.1 million for the year ended December 31, 2025. Our gross profit margin remained relatively stable at 34.3% for the year ended December 31, 2024 and 34.5% for the year ended December 31, 2025.

Other Income

Our other income decreased by 76.5% from RMB10.8 million for the year ended December 31, 2024 to RMB2.6 million for the year ended December 31, 2025, mainly due to a decrease in government grants of RMB7.8 million, as the one-off and large-sum subsidies initially granted by the relevant government authorities to support our business launch and development have been gradually fully disbursed.

Other Net Gain/(Loss)

We recorded other net loss of RMB0.7 million for the year ended December 31, 2024, while recorded other net gain of RMB0.7 million for the year ended December 31, 2025, mainly because we recorded net gain on disposal of associates of RMB0.8 million generated from the disposal of our equity interest in Hangzhou Qianyu and Guiyu Kunshan.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 33.1% from RMB82.6 million for the year ended December 31, 2024 to RMB55.2 million for the year ended December 31, 2025, primarily due to (i) a decrease of RMB12.4 million in employee benefit expenses resulting from our concerted efforts to streamline our sales and marketing team; (ii) a decrease of RMB6.9 million in marketing service expenses due to our strategic shift towards meticulous operations; and (iii) a decrease of RMB6.8 million in advertising and promotion expenses driven by the long-tail effect and improved cost-effectiveness derived from the enhanced brand awareness and initial user acquisition achieved through our previous marketing investments.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 35.0% from RMB41.2 million for the year ended December 31, 2024 to RMB55.6 million for the year ended December 31, 2025, primarily attributable to an increase of RMB**[REDACTED]** in **[REDACTED]** expenses.

Research and Development Expenses

Our research and development expenses increased by 8.8% from RMB150.1 million for the year ended December 31, 2024 to RMB163.3 million for the year ended December 31, 2025, primarily attributable to an increase of RMB28.6 million in cloud service fees in line with our increased R&D activities relating to GJ AI workforce solutions.

Impairment Loss on Trade and Other Receivables and Contract Assets

Our impairment loss on trade and other receivables and contract assets increased by 30.3% from RMB21.2 million for the year ended December 31, 2024 to RMB27.6 million for the year ended December 31, 2025, which was generally in line with the increase in the balance of trade receivables, other receivables and contract assets.

Finance Income and Costs

Our finance income decreased by 61.7% from RMB2.2 million for the year ended December 31, 2024 to RMB0.9 million for the year ended December 31, 2025, due to a decrease of RMB1.4 million in interest income from bank deposits, which was in line with the decrease in the principal amount of our bank deposits. Our finance costs decreased by 40.0% from RMB0.2 million for the year ended December 31, 2024 to RMB0.1 million for the year ended December 31, 2025, primarily due to a decrease of RMB96.0 thousand in interest expenses on lease liabilities resulting from the rent we paid and our downsized office premises following the termination of certain office leases.

Loss for the Year

As a result of the foregoing, our loss for the year decreased from RMB111.7 million for the year ended December 31, 2024 to RMB25.9 million for the year ended December 31, 2025. Our net loss margin, which represents loss for the year as a percentage of revenue, decreased from 17.0% for the year ended December 31, 2024 to 3.3% for the year ended December 31, 2025.

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

Revenue

Our revenue increased by 23.5% from RMB530.8 million for the year ended December 31, 2023 to RMB655.4 million for the year ended December 31, 2024, primarily attributable to the launch of GJ AI Real-time Video Agent and the development of DUIX ONE, where we integrated more advanced AI large-model technologies into our solutions and significantly enhanced the interaction ability, naturalness and generation efficiency of the digital human agents to meet the diversified demands of customers.

Cost of Sales

Our cost of sales increased by 49.6% from RMB287.6 million for the year ended December 31, 2023 to RMB430.4 million for the year ended December 31, 2024, primarily attributable to an increase in project fulfillment costs of RMB172.6 million for the provision of GJ AI workforce solutions aligning with our revenue growth. Such increase was partially offset by a decrease of RMB26.2 million in cost of cloud services, mainly due to our decreased reliance on third-party cloud services driven by the completion of key technological upgrades in GJ AI workforce solutions, where we achieved architectural optimization of DUIX ONE to enable the distributed deployment of certain computing tasks to users' end devices for execution.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by 7.4% from RMB243.2 million for the year ended December 31, 2023 to RMB225.1 million for the year ended December 31, 2024. Our gross profit margin decreased from 45.8% for the year ended December 31, 2023 to 34.3% for the year ended December 31, 2024, mainly due to (i) our proactive downward price adjustment for certain old products as a result of our product iteration initiatives; and (ii) more favorable discount terms we offered for our productized GJ AI workforce solutions to support our business expansion in the lower-tier market.

Other Income

Our other income decreased by 32.1% from RMB16.0 million for the year ended December 31, 2023 to RMB10.8 million for the year ended December 31, 2024, mainly due to a decrease of RMB3.6 million in government grants, as the one-off and large-sum subsidies initially granted by the relevant government authorities to support our business launch and development have been gradually fully disbursed.

Other Net (Loss)/Gain

We recorded other net gain of RMB38.0 thousand for the year ended December 31, 2023, while we recorded other net loss of RMB0.7 million for the year ended December 31, 2024, mainly because we recorded loss of deposits of RMB0.6 million in 2024 due to early termination of leases, whereas no similar losses were recognized in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 25.1% from RMB110.3 million for the year ended December 31, 2023 to RMB82.6 million for the year ended December 31, 2024, primarily due to a decrease of RMB43.3 million in advertising and promotion expenses driven by the long-tail effect and improved cost-effectiveness derived from the enhanced brand awareness and initial user acquisition achieved through our previous marketing investments, as well as and our strategic shift towards meticulous operations, moving away from previous reliance on heavy promotional expenditure. Such decrease was partially offset by an increase of RMB14.1 million in marketing service expenses relating to development of key account customers.

Administrative and Other Operating Expenses

Our administrative and other operating expenses decreased by 14.1% from RMB48.0 million for the year ended December 31, 2023 to RMB41.2 million for the year ended December 31, 2024, mainly due to (i) a decrease of RMB1.0 million in employee benefit expenses resulting from our concerted efforts to streamline our administrative team, optimize our labor structure and enhance overall operational efficiency; (ii) a decrease of RMB3.0 million in depreciation and amortization in line with our downsized office premises; and (iii) a decrease of RMB2.4 million in office, utilities, traveling and entertainment expenses in line with the downsize of our administrative team.

Research and Development Expenses

Our research and development expenses increased by 15.8% from RMB129.6 million for the year ended December 31, 2023 to RMB150.1 million for the year ended December 31, 2024, primarily attributable to an increase of RMB33.8 million in cloud service fees in line with our increased R&D activities relating to GJ AI workforce solutions. Such increase was partially offset by a decrease in employee benefit expenses of RMB13.2 million, reflecting our focused efforts to streamline our R&D team, optimize our labor structure and enhance overall operational efficiency.

Impairment Loss on Trade and Other Receivables and Contract Assets

Our impairment loss on trade and other receivables and contract assets increased by 80.2% from RMB11.8 million for the year ended December 31, 2023 to RMB21.2 million for the year ended December 31, 2024, which was generally in line with the increase in the balance of trade receivables, other receivables and contract assets.

Finance Income and Costs

Our finance income decreased by 51.4% from RMB4.6 million for the year ended December 31, 2023 to RMB2.2 million for the year ended December 31, 2024, primarily due to a decrease of RMB2.4 million in interest income on bank deposits, which was in line with the decrease in the principal amount of our bank deposits.

Our finance costs decreased by 44.9% from RMB0.4 million for the year ended December 31, 2023 to RMB0.2 million for the year ended December 31, 2024, primarily due to a decrease of RMB0.2 million in interest expense on lease liabilities resulting from the rent we paid and our downsized office premises following the termination of certain office leases.

Income Tax Credit

We recorded income tax credit of RMB60.0 thousand for the year ended December 31, 2023, while did not record any income tax credit or expense for the year ended December 31, 2024, primarily due to the overprovision of income tax in respect of prior year of RMB60.0 thousand recorded for the year ended December 31, 2023.

Loss for the Year

As a result of the foregoing, our loss for the year increased from RMB95.9 million for the year ended December 31, 2023 to RMB111.7 million for the year ended December 31, 2024. Our net loss margin, which represents loss for the year as a percentage of revenue, decreased from 18.1% for the year ended December 31, 2023 to 17.0% for the year ended December 31, 2024.

DISCUSSION OF CERTAIN KEY ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth statements of our financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Non-current assets			
Property, plant and equipment	13,965	9,842	4,746
Right-of-use assets	6,704	3,466	4,887
Intangible assets	713	493	418
Contract assets	1,358	7,137	5,463
Interests in associates	—	173	—
Total non-current assets	**22,740**	**21,111**	**15,514**
Current assets			
Inventories	14,994	42,368	79,208
Trade receivables	146,717	232,475	281,637
Contract assets	4,017	674	14,792
Prepayments, deposits and other receivables	72,327	40,825	81,874
Restricted bank deposits	—	1,412	—
Cash and cash equivalents	256,107	168,838	217,756
Total current assets	**494,162**	**486,592**	**675,267**
Current liabilities			
Trade payables	96,413	115,689	102,487
Other payables and accruals	15,567	23,527	16,374
Contract liabilities	46,497	50,237	75,574
Lease liabilities	5,802	1,220	3,107
Redemption liabilities	912,999	—	—
Total current liabilities	**1,077,278**	**190,673**	**197,542**
Net current (liabilities)/assets	**(583,116)**	**295,919**	**477,725**
Total assets less current liabilities	**(560,376)**	**317,030**	**493,239**

	As of December 31,		
	2023	2024	2025
		RMB'000	
Non-current liabilities			
Lease liabilities	306	1,271	1,961
Deferred income	176	—	—
Total non-current liabilities	**482**	**1,271**	**1,961**
(NET DEFICIT) / TOTAL EQUITY	**(560,858)**	**315,759**	**491,278**

Property, Plant and Equipment

The table below sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Electronic equipment	11,358	7,593	3,485
Leasehold improvements	1,040	1,257	719
Furniture and vehicles	1,567	992	542
Total	**13,965**	**9,842**	**4,746**

The net book value of our property, plant and equipment decreased by 29.5% from RMB14.0 million as of December 31, 2023 to RMB9.8 million as of December 31, 2024, primarily due to the depreciation of electronic equipment. The net book value of our property, plant and equipment further decreased by 51.8% from RMB9.8 million as of December 31, 2024 to RMB4.7 million as of December 31, 2025, primarily due to the continued depreciation of electronic equipment.

Right-of-use Assets

Our right-of-use assets primarily relate to our leased properties for office premises, R&D facilities and employee dormitories, which typically have terms of two to five years. Our right-of-use assets decreased by 47.8% from RMB6.7 million as of December 31, 2023 to RMB3.5 million as of December 31, 2024, primarily due to our downsized office premises following the termination of certain office leases in 2024 and the depreciation provided. Our right-of-use assets increased by 41.0% from RMB3.5 million as of December 31, 2024 to RMB4.9 million as of December 31, 2025, primarily attributable to the renewal of an office lease in 2025.

Intangible Assets

The table below sets forth a breakdown of the net book value of our intangible assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Software	145	—	—
Patents	568	493	418
Total	**713**	**493**	**418**

The net book value of our intangible assets decreased during the Track Record Period due to amortization charged for the relevant year.

Impairment Assessment for Non-financial assets

At each reporting date, we review the carrying amounts of our non-financial assets to determine whether there is any indication of impairment according to the accounting policy as set out in Note 2i(ii) to the Accountants' Report set out in Appendix I to this document.

During the Track Record Period, we were still in net loss position, which was within the expectation of our Directors given our substantial investment in our R&D activities. We expect to narrow our net loss in the foreseeable future. Based on the available internal and external sources of information, we did not identify any impairment indications of our non-financial assets. Therefore, we concluded that no impairment losses were required to be recognized for the non-financial assets during the Track Record Period.

Contract Assets

Our contract assets mainly represent the retention money for providing GJ AI workforce solutions for telecom operators, which may be paid by the telecom operators in full or by part when due at the end of the warranty period. The warranty period for GJ AI workforce solution for telecom operators typically ranged between one to three years. The following table sets forth our contract assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Current	4,017	674	15,285
Non-current	1,586	7,469	5,835
Less:			
Loss allowance	(228)	(332)	(865)
Contract assets, net	**5,375**	**7,811**	**20,255**

The net book value of our contract assets increased during the Track Record Period, which was generally in line with the growth of our GJ AI workforce solutions provided.

As of April 30, 2026, RMB7.9 million, or approximately 39.1% of our contract assets as of December 31, 2025 had been subsequently certified.

Inventories

Inventories primarily represent contract fulfillment cost, mainly representing costs incurred for the provision of GJ AI workforce solutions to our customers, which will be recognized as cost of sales upon our customers' acceptance. Our contract fulfillment period, depending on the complexity of our solutions, typically ranges within one year. The following table sets forth our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Contract fulfillment cost	14,994	42,368	79,208
Less:			
Write-down of inventories	—	—	—
Total	**14,994**	**42,368**	**79,208**

Our inventories continued to increase during the Track Record Period due to the gradual rise in our contract fulfillment cost, which was generally in line with the business expansion of GJ AI workforce solutions.

As all of our inventories are expected to be recovered within one year, we did not record any provision for write-down of inventories during the Track Record Period. Our management monitored our inventories carefully and kept the long-aged inventory at a relatively low level. All of our inventories were aged within 180 days during the Track Record Period.

The following table sets forth the number of our inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days[(1)]	10	24	43

Note:

(1) Calculated as the average of the opening and closing balances of the carrying amount of inventories for the year, divided by cost of sales for the relevant year, multiplied by the number of days for the relevant year (being 365 days of the years ended December 31, 2023, 2024 and 2025).

Our inventory turnover days increased during the Track Record Period, primarily attributable to our increased inventories balances, which was generally in line with our business expansion.

As of April 30, 2026, RMB71.6 million, or approximately 90.4% of our inventories as of December 31, 2025 had been utilized or sold.

Trade Receivables

Our trade receivables mainly represent outstanding balances due from our customers for GJ AI workforce solutions. The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Amounts due from third parties	160,933	269,747	345,971
Amounts due from related parties	2,306	316	316
Less:			
Loss allowance	(16,522)	(37,588)	(64,650)
Trade receivables, net	**146,717**	**232,475**	**281,637**

Our trade receivables increased by 58.5% from RMB146.7 million as of December 31, 2023 to RMB232.5 million as of December 31, 2024 and further increased by 21.1% to RMB281.6 million as of December 31, 2025, primarily attributable to increased balances due from telecom operators arising from our deepened partnerships with key account customers.

For details of our amounts due from related parties, see "— Related Party Transactions" and Note 32(d) to the Accountants' Report set out in Appendix I to this document.

As of December 31, 2023, 2024 and 2025, we recorded loss allowance of trade receivables of RMB16.5 million, RMB37.6 million and RMB64.7 million, respectively. The increases in the loss allowance of trade receivables during the Track Record Period were generally in line with the increase in the balance of trade receivables. We recognize a loss allowance for ECLs on trade receivables. For details regarding the loss allowance for our trade receivables, see Note 2 to the Accountants' Report set out in Appendix I to this document.

The following table sets forth aging analysis of trade receivables, based on invoice date and net of loss allowance, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Within 6 months	116,700	141,902	172,613
Over 6 months but within 1 year	23,599	57,991	70,436
Over 1 year but within 18 months	6,418	21,317	21,127
Over 18 months but within 2 years	—	11,265	17,461
Trade receivables, net	**146,717**	**232,475**	**281,637**

During the Track Record Period, the vast majority of our trade receivables were aged within one year. Our trade receivables aged over one year increased during the Track Record Period, primarily attributable to increased trade receivables due from key account customers, as well as the relatively long project cycles of our GJ AI workforce solutions for key account customers, such as commercial banks, telecom operators and public service providers, where the collection is usually time-consuming involving prolonged internal administrative procedures.

Trade receivables are generally due from the date of billing. We have established a credit risk management policy under which individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. We seek to maintain strict control over our outstanding trade receivables and overdue balances are reviewed closely and regularly by our management. We perform periodic assessment on recoverability of trade receivables, hold periodic meetings to discuss the status of trade receivables, timely communicate with the relevant customers and remind them of due payments, and closely monitor the status of the trade receivables to ensure that follow-up actions are taken to recover overdue debts.

Our exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. Significant concentrations of credit risk primarily arise when we have significant exposure to individual customers. As of December 31, 2023, 2024 and 2025, 56.8%, 77.4% and 62.5% of our total trade receivables was due from Customer A, a leading telecom operator. See Note 29(a) to the Accountants' Report set out in Appendix I to this document for details. The prolonged settlement cycle of our trade receivables due from Customer A primarily stemmed from its acceptance review arrangements for our system integration and software development projects and its internal budget management policy, which is generally in line with the industry norm of telecom operators according to CIC. We have made sufficient loss allowance provisions for our trade receivables due from Customer A in accordance with IFRS Accounting Standards. As of December 31, 2025, trade receivables due from Customer A aged over one year amounted to RMB79.9 million, and we made corresponding loss allowance provisions of RMB41.3 million.

We have assessed the recoverability of our trade receivables, including reviewing customer profiles, assessing the likelihood of collection and considering any subsequent settlement. We measure loss allowances for trade receivables at an amount equal to lifetime ECL based on the customers' historical settlement records and forward-looking information. Sufficient loss allowance provisions for our trade receivables were made in accordance with IFRS Accounting Standards to reflect uncertainties associated with the outstanding balances. Having considered that (i) the trade receivables balances were mainly due from customers with ongoing business relationships with us, (ii) there were no material ongoing disputes with such customers, (iii) these customers had been making continuous subsequent repayment to us and their historical repayment patterns were generally consistent during the Track Record Period, (iv) we have continuously carried out stringent credit management policy, monitored the progress on the recoverability of our trade receivables and increased effort in trade receivables collection, (v) the vast majority of our trade receivables were aged within one year during the Track Record Period, and (vi) the creditworthiness of Customer A as a leading state-owned telecom operator, our Directors are of the view, and the Joint Sponsors concur, that there is no material risk in the recoverability of our trade receivables, and our provisions for loss allowance for trade receivables are sufficient.

The following table sets forth the number of our trade receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days[(1)]	70	106	119

Note:

(1) Calculated as the average of the opening and closing balances of the carrying amount of trade receivables for the year, divided by revenue for the relevant year, multiplied by the number of days for the relevant year (being 365 days of the years ended December 31, 2023, 2024 and 2025).

Our trade receivables turnover days increased from 70 days in 2023 to 106 days in 2024, and further increased to 119 days in 2025, primarily attributable to the increase in the balance of trade receivables, in line with the expansion of our business scale.

We experienced mismatch in longer inventory and trade receivables turnover days together as compared to the trade payables turnover days in 2024 and 2025, primarily attributable to increased trade receivables due from key account customers, as well as the relatively long project cycles of our GJ AI workforce solutions with them. To mitigate such cash flow mismatch, we have established the aforementioned credit management policy and maintained strict control over our outstanding trade receivables. Moreover, we have been strategically standardizing and productizing solution offerings to address the underserved needs of SMBs, which is expected to facilitate the diversification of our customer base and shorten our overall trade receivables turnover days. We are also strategically advancing towards AI Autopilot to capitalize on emerging industry opportunities, which we expect to expedite the project delivery cycle and shorten our inventory turnover days.

As of April 30, 2026, RMB124.6 million, or approximately 44.2% of our trade receivables as of December 31, 2025 were subsequently settled.

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables primarily comprise (i) prepayments, representing advance payments to suppliers for technical services, operational support and system integration for GJ AI workforce solutions; (ii) VAT recoverable, mainly representing deductible input VAT; (iii) deferred cloud services, representing amounts we prepaid for utilizing third-party cloud services; (iv) prepayments for **[REDACTED]** expenses, representing representing **[REDACTED]** expenses which will be recognized as a deduction to equity upon the **[REDACTED]**; (v) other deposits and receivables, primarily comprising deposits we paid for our leased properties, cash advanced to our employees and bid securities; and (vi) amounts due from related parties.

The following table sets forth our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Prepayments	39,470	2,897	6,032
VAT recoverable	2,557	11,531	13,388
Deferred cloud services	24,649	25,485	53,920
Prepayments for **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other deposits and receivables	5,633	712	1,952
Amounts due from related parties	18	200	—
Less:			
Loss allowance	—	—	—
Total	**72,327**	**40,825**	**81,874**

Our prepayments, deposits and other receivables decreased by 43.6% from RMB72.3 million as of December 31, 2023 to RMB40.8 million as of December 31, 2024, primarily due to a reduction of RMB36.6 million in prepayments relating to technical services, mainly because we chose to collaborate with computing power suppliers that offer more favorable payment terms, which alleviated the need for new prepayments for such services. Such decrease was partially offset by an increase of RMB9.0 million in VAT recoverable aligning with our business growth. Our prepayments, deposits and other receivables increased from RMB40.8 million as of December 31, 2024 to RMB81.9 million as of December 31, 2025, primarily attributable to (i) an increase of RMB28.4 million in deferred cloud services resulting from our annual purchase of cloud services and continuous amortization; and (ii) an increase of RMB**[REDACTED]** in prepayments for **[REDACTED]** expenses relating to the **[REDACTED]**.

As of April 30, 2026, RMB22.1 million, or approximately 27.0% of our prepayments, deposits and other receivables as of December 31, 2025 had been settled.

Cash and Cash Equivalents and Restricted Bank Deposits

The restricted bank deposits were primarily in relation to an application for pre-litigation property preservation in respect of certain disputes where our Company was named as the defendant, which was later withdrawn by the plaintiff. The vast majority of our cash and cash equivalents during the Track Record Period were denominated in Renminbi, and to a lesser extent, dominated in U.S. dollars. The following table sets forth a breakdown of our cash and cash equivalents as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Cash at bank	256,107	170,250	217,756
Less:			
Restricted bank deposits	—	(1,412)	—
Cash and cash equivalents	**256,107**	**168,838**	**217,756**

Our cash and cash equivalents decreased by 34.1% from RMB256.1 million as of December 31, 2023 to RMB168.8 million as of December 31, 2024, primarily due to cash used to support daily business operations. Our cash and cash equivalents increased by 29.0% from RMB168.8 million as of December 31, 2024 to RMB217.8 million as of December 31, 2025, primarily attributable to the capital contributions from our **[REDACTED]** Investors.

Trade Payables

Trade payables primarily represent outstanding amounts due to our suppliers of cloud services, hardware and project implementation. All of our trade payables are expected to be settled within one year or repayable on demand. The following table sets forth our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Amounts due to third parties	96,368	115,681	102,453
Amounts due to related parties	45	8	34
Total	**96,413**	**115,689**	**102,487**

Our trade payables increased by 20.0% from RMB96.4 million as of December 31, 2023 to RMB115.7 million as of December 31, 2024, primarily attributable to the increased payables relating to project implementation and cloud services in line with the business expansion of GJ AI workforce solutions. Our trade payables decreased by 11.4% from RMB115.7 million as of December 31, 2024 to RMB102.5 million as of December 31, 2025, mainly due to reduced trade payables for third-party cloud services driven by the growing number of customers possessing their own cloud computing infrastructure and therefore no longer requiring our cloud computing resources.

For details of our amounts due to related parties, see "— Related Party Transactions" and Note 32(d) to the Accountants' Report set out in Appendix I to this document.

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

	As of December 31,		
	2023	2024	2025
		RMB'000	
Within 1 year	94,861	107,928	79,136
Over 1 year but within 2 years	1,447	7,407	18,290
Over 2 years but within 3 years	105	354	5,000
Over 3 years but within 4 years	—	—	61
Total	**96,413**	**115,689**	**102,487**

During the Track Record Period, the vast majority of our trade payables were aged within one year. Our trade payables aged over two years increased during the Track Record Period, primarily attributable to the extension of our payment cycle for project implementation fees in respect of an AI workforce project initiated in 2022, resulting from the prolonged collection cycle we experienced from the relevant large scale customer, due to its internal review and approval procedures. We do not expect to experience any material difficulties to pay such amount.

The following table sets forth the number of our trade payables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days(1)	85	90	77

Note:

(1) Calculated as the average of the opening and closing balances of the trade payables for the year, divided by cost of sales for the relevant year, multiplied by the number of days for the relevant year (being 365 days of the years ended December 31, 2023, 2024 and 2025).

Our trade payables turnover days increased from 85 days in 2023 to 90 days in 2024, primarily attributable to higher balance of trade payables relating to project implementation and cloud services in line with the business expansion of GJ AI workforce solutions. Our trade payables turnover days decreased to 77 days in 2025, mainly due to lower balance of trade payables for third-party cloud services driven by the completion of key technological upgrades in GJ AI workforce solutions.

Our Directors confirm that we had no material defaults in our trade payables during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2026, RMB57.0 million, or approximately 55.6% of our trade payables as of December 31, 2025 had been subsequently settled.

Other Payables and Accruals

Other payables and accruals primarily comprise (i) accrued expenses, primarily comprising amounts due to our suppliers for the **[REDACTED]**, consulting and professional services and promotion and marketing services; (ii) accrued staff costs, representing salary, benefits and bonus payable to our employees and social insurance and housing provident fund contributions to be made for our employees; and (iii) other tax payables, representing VAT and other tax payable.

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

	As of December 31,		
	2023	**2024**	**2025**
		RMB'000	
Accrued expenses	2,246	10,805	6,507
Accrued staff costs	8,529	6,597	5,958
Other tax payables	2,372	993	1,392
Others[(1)]	2,420	5,132	2,517
Total	**15,567**	**23,527**	**16,374**

Note:

(1) Others primarily comprise VAT payables relating to contract liabilities, employee reimbursement payables, and deposits and property management fees payables for our leased properties.

Our other payables and accruals increased by 51.1% from RMB15.6 million as of December 31, 2023 to RMB23.5 million as of December 31, 2024, primarily attributable to an increase of RMB8.6 million in accrued expenses resulting from increased accruals for suppliers of offline marketing services. Our other payables and accruals decreased by 30.4% from RMB23.5 million as of December 31, 2024 to RMB16.4 million as of December 31, 2025, primarily attributable to a decrease of RMB4.3 million in accrued expenses as a result of settlement of the aforementioned marketing service fees.

For details of our amounts due to related parties, see "— Related Party Transactions" and Note 32(d) to the Accountants' Report set out in Appendix I to this document.

Our Directors confirm that we had no material defaults in our other payables and accruals during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2026, RMB10.2 million, or approximately 62.2% of our other payables and accruals as of December 31, 2025 had been settled.

Contract Liabilities

Our contract liabilities represent the non-refundable advance payments made by customers while the underlying services are yet to be provided. Our contract liabilities mainly arise from payments received from customers for GJ AI workforce solutions before acceptance check. Our contract liabilities increased by 8.0% from RMB46.5 million as of December 31, 2023 to RMB50.2 million as of December 31, 2024, and further increased by 50.4% to RMB75.6 million as of December 31, 2025, which was generally in line with the substantial growth of GJ AI workforce solutions.

As of April 30, 2026, RMB72.2 million, or approximately 95.5% of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Redemption Liabilities

Our redemption liabilities arise from the redemption right granted to our **[REDACTED]** Investors. We recorded redemption liabilities of RMB913.0 million, nil and nil as of December 31, 2023, 2024 and 2025, respectively. In November 2024, we entered into a supplemental agreement with our **[REDACTED]** Investors to unconditionally terminate our redemption obligations, pursuant to which, the redemption liabilities were reclassified as equity thereafter. We do not expect to recognize any further accretion of redemption liabilities in the future. For key terms of the above-mentioned redemption liabilities, see Notes 2 and 26 to the Accountants' Report set out in Appendix I to this document.

Lease Liabilities

We leased certain properties for office premises, R&D facilities and employee dormitories during the Track Record Period. Leases of premises generally have lease terms between two and five years. Our lease liabilities mainly represent the amount to be paid for such leases. The following table sets forth the present value of our lease liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Current	5,802	1,220	3,107
Non-current	306	1,271	1,961
Total	**6,108**	**2,491**	**5,068**

Our lease liabilities decreased by 59.2% from RMB6.1 million as of December 31, 2023 to RMB2.5 million as of December 31, 2024, primarily due to the decreases in GFA and rental expense of our office premises following the termination of certain office leases in 2024. Our lease liabilities substantially increased from RMB2.5 million as of December 31, 2024 to RMB5.1 million as of December 31, 2025, primarily attributable to the renewal of an office lease in 2025.

The table below sets forth the maturity profile of our lease liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Within 1 year	5,802	1,220	3,107
After 1 year but within 2 years	306	1,271	1,961
Total	**6,108**	**2,491**	**5,068**

Deferred Income

Our deferred income represents unamortized conditional government grants as subsidies for leased properties. We recognize subsidies for leased properties as government grants under other income pursuant to the amortization over the lease term of the leased properties. For financial assistance received but not yet amortized, we recognize the amount as deferred income. Our deferred income amounted to RMB0.2 million, nil and nil as of December 31, 2023, 2024 and 2025, respectively.

NET CURRENT ASSETS/LIABILITIES

The table below sets forth, as of the dates indicated, our current assets, current liabilities and net current assets or liabilities:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
		RMB'000		*(Unaudited)*
Current assets				
Inventories	14,994	42,368	79,208	70,719
Trade receivables	146,717	232,475	281,637	214,631
Contract assets	4,017	674	14,792	14,792
Prepayments, deposits and other receivables	72,327	40,825	81,874	85,443
Restricted bank deposits	—	1,412	—	—
Cash and cash equivalents	256,107	168,838	217,756	179,259
Total current assets	**494,162**	**486,592**	**675,267**	**564,845**
Current liabilities				
Trade payables	96,413	115,689	102,487	62,917
Other payables and accruals	15,567	23,527	16,374	9,995
Contract liabilities	46,497	50,237	75,574	6,336
Lease liabilities	5,802	1,220	3,107	2,495
Redemption liabilities	912,999	—	—	—
Total current liabilities	**1,077,278**	**190,673**	**197,542**	**101,743**
Net current (liabilities)/assets	**(583,116)**	**295,919**	**477,725**	**463,101**

Our net current assets remain relatively stable at RMB463.1 million as of April 30, 2026 and RMB477.7 million as of December 31, 2025.

We had net current assets of RMB477.7 million as of December 31, 2025, which represented an increase of RMB181.8 million from our net current assets of RMB295.9 million as of December 31, 2024. This increase was primarily attributable to (i) an increase of RMB49.2 million in trade receivables; (ii) an increase of RMB48.9 million in cash and cash equivalents; and (iii) an increase of RMB41.0 million in prepayments, deposits and other receivables. This was partially offset by an increase of RMB25.3 million in contract liabilities.

We had net current assets of RMB295.9 million as of December 31, 2024, representing a turnaround from our net current liabilities position as of December 31, 2023. This was primarily due to (i) a decrease in redemption liabilities of RMB913.0 million arising from the reclassification of redemption liabilities from current liabilities to equity; (ii) an increase in trade receivables of RMB85.8 million; and (iii) an increase in inventories of RMB27.4 million. This was partially offset by (i) a decrease in cash and cash equivalents of RMB87.3 million; and (ii) a decrease in prepayments, deposits and other receivables of RMB31.5 million.

We had net current liabilities of RMB583.1 million as of December 31, 2023, consisting of current assets of RMB494.2 million and current liabilities of RMB1,077.3 million.

LIQUIDITY AND CAPITAL RESOURCES

Our business operations and expansion plans require a significant amount of capital, including cash and cash equivalents as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, capital injection from shareholders and **[REDACTED]** investments. Going forward, we believe that our working capital and other liquidity requirements will be satisfied by using a combination of cash flow from our operating activities and the **[REDACTED]** received from the **[REDACTED]**. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB256.1 million, RMB168.8 million and RMB217.8 million, respectively.

Cash Flows

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Operating (loss)/profit before changes in working capital	(7,870)	(6,368)	30,727
Changes in working capital	(42,998)	(75,848)	(153,114)
Cash used in operations	(50,868)	(82,216)	(122,387)
Tax refunded	60	—	—
Net cash used in operating activities	(50,808)	(82,216)	(122,387)
Net cash generated from/(used in) investing activities	106,117	(1,114)	532
Net cash (used in)/generated from financing activities	(6,243)	(3,939)	171,248
Net increase/(decrease) in cash and cash equivalents	49,066	(87,269)	49,393
Cash and cash equivalents at the beginning of the year	207,041	256,107	168,838
Effect of foreign exchange rate changes	—	—	(475)
Cash and cash equivalents at the end of the year	**256,107**	**168,838**	**217,756**

Net Cash Used in Operating Activities

Our net cash used in operating activities primarily reflects our profit or loss before taxation adjusted for certain non-cash or non-operating activities related items and changes in working capital.

Our net cash used in operating activities was RMB122.4 million for the year ended December 31, 2025, primarily attributable to a loss before taxation of RMB25.9 million, as adjusted to reflect certain non-cash or non-operating activities related items which mainly included (i) impairment loss on trade and other receivables and contract assets of RMB27.6 million, (ii) equity-settled share-based payment expenses of RMB21.4 million, (iii) depreciation of property, plant and equipment of RMB5.2 million, (iv) depreciation of right-of-use assets of RMB3.7 million. Changes in the working capital mainly included (i) an increase in trade receivables of RMB76.2 million; (ii) an increase in prepayments, deposits and other receivables of RMB33.5 million; (iii) an increase in inventories of RMB36.8 million; (iv) a decrease in trade payables of RMB13.2 million; and (v) an increase in contract liabilities of RMB25.3 million.

Our net cash used in operating activities was RMB82.2 million for the year ended December 31, 2024, primarily attributable to a loss before taxation of RMB111.7 million, as adjusted to reflect certain non-cash or non-operating activities related items which mainly included (i) accretion of redemption liabilities of RMB53.8 million, (ii) equity-settled share-based payment expenses of RMB21.5 million, and (iii) impairment loss on trade and other receivables and contract assets of RMB21.2 million.

Changes in the working capital mainly included (i) an increase in trade receivables of RMB106.8 million; (ii) an increase in inventories of RMB27.4 million; (iii) an increase in contract assets of RMB2.5 million; (iv) a decrease in prepayments, deposits and other receivables of RMB31.5 million; and (v) an increase in trade payables of RMB19.3 million.

Our net cash used in operating activities was RMB50.8 million for the year ended December 31, 2023, primarily attributable to a loss before taxation of RMB96.0 million, as adjusted to reflect certain non-cash or non-operating activities related items which mainly included (i) accretion of redemption liabilities of RMB58.7 million, (ii) impairment loss on trade and other receivables and contract assets of RMB11.8 million, and (iii) equity-settled share-based payment expenses of RMB7.8 million. Changes in the working capital mainly included (i) an increase in trade receivables of RMB101.2 million; (ii) an increase in prepayments, deposits and other receivables of RMB12.8 million; (iii) an increase in inventories of RMB14.7 million; (iv) an increase in trade payables of RMB58.9 million; and (v) an increase in contract liabilities of RMB39.7 million.

Net Cash Generated from or Used in Investing Activities

Our cash generated from investing activities mainly comprises proceeds from disposal of property, plant and equipment, proceeds from deregistration of associates, proceeds from disposal of other investments in equity securities, proceeds from certificate of deposits, as well as interest income received. Our cash used in investing activities mainly comprises payment for the acquisition of property, plant and equipment and payment for capital contribution to associates.

Our net cash generated from investing activities was RMB0.5 million for the year ended December 31, 2025, primarily attributable to interest income received of RMB0.9 million. This net cash inflow was partially offset by (i) payment for capital contribution to associates of RMB0.2 million; and (ii) payment for the acquisition of property, plant and equipment of RMB0.1 million.

Our net cash used in investing activities was RMB1.1 million for the year ended December 31, 2024, primarily due to (i) payment for the acquisition of property, plant and equipment of RMB3.2 million; and (ii) payment for capital contribution to associates of RMB0.2 million. This net cash outflow was partially offset by interest income received of RMB2.2 million.

Our net cash generated from investing activities was RMB106.1 million for the year ended December 31, 2023, primarily attributable to (i) proceeds from certificate of deposits of RMB110.0 million; and (ii) interest income received of RMB4.6 million. This net cash inflow was partially offset by (i) payment for the acquisition of property, plant and equipment of RMB7.5 million; and (ii) payment for capital contribution to associates of RMB1.5 million.

Net Cash Used in or Generated from Financing Activities

Our cash inflow from financing activities represents capital contribution from an investor. Our cash flow used in financing activities mainly comprises payment of lease rental.

Our net cash generated from financing activities was RMB171.2 million for the year ended December 31, 2025, primarily attributable to issue of ordinary shares of RMB180.5 million. This net cash inflow was partially offset by payment of **[REDACTED]** expenses to be capitalized of RMB**[REDACTED]** and capital element of lease rental paid of RMB2.5 million.

Our net cash used in financing activities was RMB3.9 million for the year ended December 31, 2024, primarily due to capital element of lease rental paid of RMB3.7 million and interest element of lease rental paid of RMB0.2 million.

Our net cash used in financing activities was RMB6.2 million for the year ended December 31, 2023, primarily due to capital element of lease rental paid of RMB5.8 million and interest element of lease rental paid of RMB0.4 million.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

During the Track Record Period, our indebtedness mainly consisted of redemption liabilities, lease liabilities and amounts due to related parties recorded in other payables and accruals.

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

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
		RMB'000		*(Unaudited)*
Included in current liabilities				
Lease liabilities	5,802	1,220	3,107	2,495
Redemption liabilities	912,999	—	—	—
Sub-total	**918,801**	**1,220**	**3,107**	**2,495**
Included in non-current liabilities				
Lease liabilities	306	1,271	1,961	1,495
Sub-total	**306**	**1,271**	**1,961**	**1,495**
Total	**919,107**	**2,491**	**5,068**	**3,990**

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2026, we had unutilized uncommitted credit facilities of RMB410.0 million. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

As of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any material outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has been no material change in our indebtedness position since April 30, 2026, and up to the Latest Practicable Date.

Contingent Liabilities

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of expenditures on purchases of property, plant and equipment. The following table sets forth our capital expenditures for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
		RMB'000	
Payment for the acquisition of property, plant and equipment	7,451	3,201	135
Total	**7,451**	**3,201**	**135**

We do not expect to incur additional capital expenditure for the year ending December 31, 2026. We intend to fund our planned capital expenditures through a combination of the **[REDACTED]** from the **[REDACTED]** as well as cash generated from operating activities.

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the PRC, the availability of financing on terms acceptable to us and changes in the regulatory environment in the PRC. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

WORKING CAPITAL SUFFICIENCY

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

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet commitments or arrangements. We have not entered into any derivative contracts that are indexed to our equity interest and classified as owners' equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or R&D services with us.

RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the Track Record Period, we had certain transactions with related parties, a summary of which is set forth below.

Purchase of Services from Related Parties

For the years ended December 31, 2024 and 2025, we purchased certain operating services from Nanjing Wanruyi, our former subsidiary and a company controlled by one of our Directors, and we incurred service fees of RMB0.7 million and RMB4.9 million, respectively. Such transaction had been terminated as of the Latest Practicable Date. On November 26, 2025, our Director disposed all her equity interest in Nanjing Wanruyi to an Independent Third Party, and Nanjing Wanruyi was no longer our related party since then.

During the Track Record Period, Tencent Cloud, an associate of one of our **[REDACTED]** Investors Linzhi Tencent, provided technical services for us, and we incurred service fees of RMB1.1 million, RMB0.3 million and RMB0.4 million for the years ended December 31, 2023, 2024 and 2025, respectively. See "Connected Transactions — Fully-exempt Continuing Connected Transactions — 1. Technical Services" for details.

Sale of Goods and Services

For the years ended December 31, 2023, 2024 and 2025, we provided GJ AI workforce solutions for CMB and its branches and subsidiaries ("**CMB Group**"), a substantial shareholder of our Company, with an aggregate amount of RMB4.8 million, RMB0.2 million and RMB9.0 thousand, respectively.

For the year ended December 31, 2025, we entered into advertisement cooperation arrangements with Tencent Computer, an associate of one of our **[REDACTED]** Investors Linzhi Tencent, and we recorded display service income of RMB0.1 million. See "Connected Transactions — Fully-exempt Continuing Connected Transactions — 2. Advertisement Cooperation" for details.

Redemption of Certificate of Deposits

We invested in a certificate of deposits amounted to RMB10.0 million from CMB Group in 2022, which we redeemed in 2023 upon its maturity.

Our Directors believe that our transactions with related parties during the Track Record Period disclosed above (i) were conducted on arm's length basis; and (ii) do not distort our Track Record Period results or make our historical results not reflective of future performance.

Balances with Related Parties

The following table sets forth a breakdown of our balances with related parties as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		RMB'000	
Trade in nature			
Prepayments, deposits and other receivables			
Nanjing Wanruyi	—	189	—
Trade receivables			
CMB Group	2,306	316	316
Trade payables			
Tencent Cloud	45	8	34
Non-trade in nature			
Prepayments, deposits and other receivables			
Nanjing Silicon Life	9	—	—
Jiaxing Silicon Language	9	11	—
	18	**11**	**—**

In 2019, Nanjing Silicon Life, a member of the Single Largest Shareholder Group, granted certain advances to us with an aggregate amount of RMB3.0 million as petty cash, which were non-trade in nature and were repaid by us in 2023. We granted certain de minimis advances to Nanjing Silicon Life as petty cash, which were fully repaid in 2024. As of December 31, 2023, 2024 and 2025, prepayments, deposits and other receivables due from Nanjing Silicon Life amounted to RMB9.0 thousand, nil and nil, respectively, which were non-trade in nature.

During the Track Record Period, we granted certain de minimis advances to Jiaxing Silicon Language, a member of the Single Largest Shareholder Group, for the payment of bank handling fees on its behalf and covering other non-operating expenses. As of December 31, 2023, 2024 and 2025, prepayments, deposits and other receivables due from Jiaxing Silicon Language amounted to RMB9.0 thousand, RMB11.0 thousand and nil, respectively, which were non-trade in nature.

All the non-trade receivables from or payables to related parties as of the relevant dates were unsecured, interest-free and repayable on demand. We had settled all amounts due from related parties in non-trade nature as of the Latest Practicable Date. We will discontinue all non-trade related party transactions after the **[REDACTED]**, except as in compliance with the Listing Rules.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(%)	
Profitability ratios			
Gross profit margin[(1)]	45.8	34.3	34.5
Net loss margin[(2)]	(18.1)	(17.0)	(3.3)
Adjusted net (loss)/profit margin (non-IFRS measure) [(3)]	(5.5)	(5.4)	1.8

	As of December 31,		
	2023	2024	2025
Liquidity ratios			
Current ratio[(4)]	0.5	2.6	3.4
Capital adequacy ratio			
Gearing ratio[(5)]	N/A	<0.1	<0.1

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.

(2) Net loss margin is calculated based on loss for the year divided by revenue and multiplied by 100%.

(3) Adjusted net (loss)/profit margin (non-IFRS measure) is calculated based on adjusted net (loss)/profit (non-IFRS measure) divided by revenue and multiplied by 100%.

(4) Current ratio is calculated based on total current assets divided by total current liabilities.

(5) Gearing ratio is calculated based on total borrowings (including redemption liabilities and lease liabilities) divided by net deficit/total equity as of the end of the relevant year.

FINANCIAL RISKS

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and currency risk, as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. As of the Latest Practicable Date, we did not hedge or consider necessary to hedge any of these risks. For further details, see Note 30 to the Accountants' Report set out in Appendix I to this document.

DIVIDENDS AND DIVIDEND POLICY

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. We do not currently have a fixed dividend policy nor pre-determined dividend payout ratio.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position.

During the Track Record Period, we did not declare or pay any dividend. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutional documents and the relevant laws. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had no distributable reserves available for distribution to our Shareholders.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses primarily include **[REDACTED]** and professional fees paid or payable to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**. The estimated total **[REDACTED]** expenses (based on the mid-point of our indicative **[REDACTED]** range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) (including (i) **[REDACTED]**, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all **[REDACTED]** of approximately HK$**[REDACTED]**; and (ii) non-**[REDACTED]** related expenses of approximately HK$**[REDACTED]**, which consist of (a) fees and expenses of legal advisors and accountants of approximately HK$**[REDACTED]**; and (b) sponsors fee and other fees and expenses of approximately HK$**[REDACTED]**), representing **[REDACTED]**% of the **[REDACTED]** (based on the mid-point of our indicative **[REDACTED]** range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**.

During the Track Record Period, we incurred **[REDACTED]** expenses of RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), of which RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) were recognized as administrative and other operating expenses in the consolidated statements of profit or loss and other comprehensive income and RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as a deduction to equity directly upon the **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), of which approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as administrative and other operating expenses in the consolidated statements of profit or loss and other comprehensive income and approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as a deduction in equity directly upon the **[REDACTED]**.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

See the unaudited pro forma statement of adjusted net tangible assets in Appendix II to this document for details.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material changes to our business model and the general economic and regulatory environment in which we operate, there has been no material adverse change in our financial or **[REDACTED]** position or prospects since December 31, 2025, being the date of the latest audited consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules upon the **[REDACTED]** of the Shares on the Stock Exchange.