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

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

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

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

OVERVIEW

We are a digital service provider for cross-border enterprises in China, dedicated to providing finance, tax, invoice management, and compliance solutions for cross-border enterprises with import and export trade business. To address core industry pain points including lengthy business workflow chains, compliance risks and inefficient data collaboration, we leverage more than 10 years of industry experience and use big data, AI and other advanced information technologies to provide cross-border enterprises with a full range of synergistic solutions covering business, finance and tax. Through a modular product matrix, we drive our customers' business data through our solutions including cross-border enterprises intelligent finance and tax management solutions, invoice document integrated management solutions, and cross-border enterprises risk management and compliance solutions. We aim to empower Chinese enterprises to conduct cross-border trade and enhance their digital capabilities in cross-border business operations.

According to Frost & Sullivan, we ranked first in China's cross-border enterprises intelligent finance and tax management solutions market in 2025, with a market share of 1.6% in terms of revenue and ranked second in China's cross-border enterprises business-finance-taxation digital solutions market in 2025, with a market share of 1.1% in terms of revenue.

Since our establishment, we have cumulatively reached over 430,000 cross-border enterprises and cross-border e-commerce enterprises, including approximately 160,000 users, and completed over 2.2 million service transactions, becoming one of the leading cross-border enterprises digital solution providers in terms of customer base. During the Track Record Period, revenue generated from cross-border enterprises accounted for approximately 97.6%, 90.4% and 90.5% of our total revenue for 2023, 2024 and 2025, respectively. In 2025, we had more than 60,000 active users, including approximately 24,000 paying customers.

Our business operates in Jiangsu, Shanghai, Guangdong, Shandong, Shenzhen, Qingdao, Chongqing and other provinces and cities. In particular, in the Yangtze River Delta region, where more than 314,000 cross-border enterprises reside, our market penetration rate is approximately 7.5% as of December 31, 2025.

During the three years ended December 31, 2025, our revenue was RMB161.1 million, RMB171.4 million and RMB175.9 million, respectively. During the three years ended December 31, 2025, our gross profit was RMB133.7 million, RMB120.0 million and RMB141.0 million, respectively.

BASIS OF PREPARATION

The historical financial information of our Group has been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS") which comprise all standards and interpretations issued by the International Accounting Standards Board ("IASB"). The measurement basis used in the preparation of the historical financial information is the historical cost basis except that the assets and liabilities are stated at their fair value.

The preparation of financial statements 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. 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 5 to the Accountants' Report included in Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATION

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

General factors affecting our results of operations

Our results of operation have been and are expected to continue to be affected by a number of factors including the development of macroeconomic conditions, government policies and regulations in relation to China's cross-border enterprises business-finance-taxation digital solutions industry, international trade policies, geopolitical and trade protection measures, export control and trade sanctions, evolving consumption demand in China and global markets, and intensive industrial competition landscape.

In light of our strategic efforts to empower Chinese enterprises to conduct cross-border trade and enhance their digital capabilities in cross-border business operations, we are increasingly exposed to global trade policy developments and geopolitical tensions. In recent years, the United States government announced a series of tariff increases on imports from China. As of the Latest Practicable Date, it remained uncertain how the China-U.S. and the global trade tension will develop. In the event that our customers reduce their orders, be such due to a decrease in overall demand of our products, replacing us with other suppliers, downturn of the global macro-economy or other reasons, our business, financial conditions and results of operation may be adversely affected. Also, in the event that we are required to adjust our pricing strategies due to the changes of competition dynamics, our business, financial conditions and results of operation will be adversely affected.

Our ability to maintain a strong R&D and technology innovation capabilities

For over a decade, our cross-border enterprises intelligent finance and tax management solutions have remained a leading position in export tax refund informatization area, with a strong technical foundation. We have built a comprehensive technology system covering both foundational and general technologies and proprietary core technologies. Based on technologies such as cloud computing, big data, AI, OCR, low-code, and blockchain, we have developed a highly elastic, reliable, and scalable underlying capability platform.

We operate our business in an industry characterized by continuous technological evolution due to the evolving cross-border financial needs faced by our clients. As a result, our results of operations and long-term growth prospects will largely depend on our ability to develop and adopt technology innovation, which is crucial in keeping our solutions competitive in the market. It also requires unremitting and significant investment in R&D activities and talented R&D personnel. We leverage foundational and general technologies to develop proprietary product technologies for use across different products, primarily including intelligent order matching technology, document recognition and matching technology, invoice automation issuance technology, origin certification technology, exporter classification technology, cross-border enterprises risk control technology. We have dedicated significant resources toward our R&D efforts.

As a technology-driven company, we have dedicated, and will continue to dedicate, significant resources in research and development, to keep pace with technological developments, evolving standards and competition in the market. In 2023, 2024 and 2025, we incurred R&D expenses of RMB32.3 million, RMB34.5 million and RMB35.5 million, accounting for 20.1%, 20.1% and 20.2%, respectively of our revenue for the corresponding periods. Going forward, we will continue to invest resources in R&D to support the long-term growth of our business.

The growth of our business largely depends on our R&D talents. We are supported by a robust R&D team comprising industry veterans with an average of over ten years of experience in the industry. Over the years since our establishment, we have built a professional R&D team that provides a solid foundation for the continuous advancement of our technologies and products. As of December 31, 2025, we had assembled a dedicated product operation and R&D team of 206 members, accounting for approximately 64.8% of our total employees. Among them, 137 are professional R&D personnel, accounting for approximately 43.1% of our total employees. We will continue to invest resources to attract more talented R&D personnel and further improve our capabilities.

Our ability to maintain a comprehensive and diversified product mix to address our customers' needs

We offer a comprehensive range of products, catering to meet customers' full business cycle needs. Our cross-border enterprises intelligent finance and tax management solutions provide end-to-end capabilities from data collection and intelligent document matching to automated discrepancy resolution, bookkeeping, and document filings, — effectively solving the pain points of cross-border enterprises — including difficult traceability, challenging integration, high error propensity, and cumbersome declaration — which arise from the complexity of business documentation and information as well as the fragmentation of data across different platforms. As of the Latest Practicable Date, we have launched multifaceted digital solutions for cross-border enterprises, comprising three main products: cross-border enterprises intelligent finance and tax management solutions, invoice document integrated management solutions and cross-border enterprise risk management and compliance solutions. Through those solutions, we have achieved a full coverage of tax and financial operations for cross-border enterprises for all scenarios. In 2023, 2024 and 2025, our revenue attributable to sales of our cross-border enterprises intelligent finance and tax management solutions amounted to RMB130.1 million, RMB135.3 million and RMB136.3 million, respectively, and accounted for 80.7%, 78.9% and 77.5% of our total revenue for the corresponding periods. In 2023, 2024 and 2025, our revenue attributable to our invoice document integrated management solutions amounted to RMB24.3 million, RMB25.3 million and RMB25.5 million, respectively, and accounted for 15.1%, 14.8% and 14.5% of our total revenue for the corresponding periods. In 2023, 2024 and 2025, our revenue attributable to our cross-border enterprises risk management and compliance solutions amounted to RMB6.7 million, RMB10.8 million and RMB14.1 million, respectively, and accounted for 4.2%, 6.3% and 8.0% of our total revenue for the corresponding periods.

The scale of our business and the growth of our total revenue are largely driven by the expansion, breadth and diversification of our product offerings. Within each product line, we strive to continually expand and upgrade our offerings to provide comprehensive and high-quality solutions for our customers. By leveraging our diversified product offerings and our vertically integrated business model, equipped with end-to-end operational capabilities, we are able to offer customers a variety of product combinations, which we expect to create potential business growth opportunities. We anticipate that our results of operations and profitability will continue to be influenced by the growth and mix of our product offerings.

Our ability to expand customer base

We generate revenue primarily from the provision of multifaceted digital solutions for cross-border enterprises with import and export trade business. Therefore, our growth depends, to a large extent, on our ability to attract customers. Leveraging our comprehensive solutions, strong brand reputation and diversified product and service matrix, we have gradually developed wide and solid customer base during the Track Record Period.

Since our establishment, we have cumulatively reached over 430,000 cross-border enterprises and cross-border e-commerce enterprises, including approximately 160,000 users, and completed over 2.2 million service transactions, becoming the one of the leading cross-border enterprises digital solution providers in terms of customer base. In 2025, we had more than 60,000 active users, including approximately 24,000 paying customers.

Our business operates in Jiangsu, Shanghai, Guangdong, Shandong, Shenzhen, Qingdao, Chongqing and other provinces and cities. During the Track Record Period, our customers included Fortune Global 500 companies, and we have established extensive cooperation with these players.

As we continue to optimize our solution offerings and upgrade and expand solution functions, we believe we are capable of driving customer loyalty and attracting new customers, thereby achieving sustainable growth in the long term.

Seasonality factors

The sales of our products are subject to seasonality impact. During the Track Record Period, we experienced stronger sales during the second half of the financial year, particularly near the end of year, which we believe was due to a substantial portion of our customers who tend to heighten buying activities at certain times of the year, particularly near the end of year. Our marketing activities are also scheduled to follow this market trend which also reinforced this impact.

The seasonality of the market demand of our products results in our sales volume and sales revenue typically being the highest toward the end of our fiscal year. Accordingly, our sales in the second half of our financial year are typically significantly higher than those in the first half of our financial year. For example, for the year ended December 31, 2025, the Group recorded approximately 36.3% and 63.7% of its total revenue in the first half and second half of the year, respectively. It is anticipated that the seasonality patterns will continue for the year 2026 and the near future.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Note 4 and Note 5 to the Accountants' Report in Appendix I to this document.

Revenue Recognition

We recognize revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service that is distinct or a series of distinct goods or services that are substantially the same.

Our revenue stream consists of a series of different services and product offerings to customers, summarized as below:

Cross-border enterprises intelligent finance and tax management solutions

We provide cloud-based financial and tax compliance management solutions in relation to the tax through its cloud-based platforms separately or in combination, with products and services including customized on-premises software sales, SaaS subscription services, value-added services, and supporting hardware devices and software as well as associated maintenance and support services. The transaction price is the price after discount if any, and is a fixed amount upon signing the contract.

The customized on-premises software has standalone functionality and are capable of being distinct and therefore is accounted for a separate performance obligation. We consider the grant of the licenses for the on-premises software as providing the customers the right to use our intellectual property and the performance obligation is satisfied at a point in time when the software products are accepted by the customers.

The SaaS subscription services grant customers the right to access the software functionality in a hosted environment controlled by us during the contractual term where the customers do not take possession of the software. Accordingly, the SaaS subscription services are accounted for as a single performance obligation. Revenue from the SaaS subscription services is recognized over time during the contractual term on a time-based basis. Customers are required to renew their subscriptions on an annual basis in order to maintain continued access.

The value-added service provides customers with a comprehensive package comprising multiple services designed to enhance the utilization of on-premises software and SaaS subscription services. Customers purchase the value-added service package on an annual basis. The individual services included in the service package are not available for separate sale and are highly interdependent and interrelated. As such, they are accounted for as a single performance obligation and the revenue is recognized over time as the customers simultaneously receive and consume the benefits.

Supporting hardware devices and software purchased from third parties and sold in combination with the solutions are accounted for as separate performance obligations because they have standalone functionality and are capable of being distinct. The revenue is recognized at a point in time when the supporting hardware devices and software are accepted by the customers.

We also provide maintenance and support services which mainly include on-demand user support services. The customers pay on a fixed fee rate per period. These services are accounted for as separate performance obligations because they are capable of being distinct. Revenue is recognized over time during the contractual term on a time-based basis.

The transaction price is allocated among the performance obligations within one solution contract on a stand-alone selling price basis.

Invoice document integrated management solutions

We provide customers a comprehensive and integrated invoice management solution through its on-premises software and cloud-based SaaS platforms, enabling efficient invoice generation and management.

Revenue recognition for on-premises software and cloud-based SaaS platforms adheres to the same principles as those applicable to cross-border enterprise intelligent finance and tax management solutions above.

Cross-border enterprises risk management and compliance solutions

We provide a multi-functional and all-scenario services integrating customs, tax, invoicing, and certificate of origin management with risk analysis performed through proprietary software.

We provide customers risk assessment reports and the customers pay usage-based fees at a fixed rate. We consider the performance obligation to be satisfied at a point in time upon acceptance of the reports by the clients.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligation, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which we would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, we estimate it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which we expect to be entitled in exchange for transferring the promised goods or services to the customer.

Principal versus agent

When another party is involved in providing goods or services to a customer, we determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. we are a principal) or to arrange for those goods or services to be provided by the other party (i.e. we are an agent). We are a principal if it controls the specified good or service before that good or service is transferred to a customer.

In this case, we take the control the specified hardware or software provided by another party before that hardware or software is transferred to the customer. We are primarily responsible for fulfilling the promise to provide the specified hardware or software and has inventory risk. We also have discretion in establishing the price for the specified good or service. Therefore, we consider itself is a principal satisfies a performance obligation and recognizes revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred.

Fair value measurement of financial liabilities at FVTPL

We had Shareholders with special rights during Track Record Period. We recorded these financial instruments as financial liabilities at FVTPL for which no quoted prices in an active market exist. The fair value of the financial instruments is established by using valuation techniques, which include market approach and equity allocation model involving various parameters and inputs. Valuation techniques are certified by an independent qualified professional valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. However, it should be noted that some inputs, such as fair value of our paid-in capital, possibilities under different scenarios such as qualified public offering, liquidation, comparable company's entity value to sales ratio and discount for lack of marketability, require management estimates. Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of assumptions change, it may lead to a change in the fair value of the financial liabilities at FVTPL.

Financial instruments

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

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

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

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value is recognized in profit or loss.

Useful lives of intangible assets

Our management determines the estimated useful lives in determining the related depreciation charges for its intangible assets. This estimate is referenced to useful lives of intangible assets of similar nature and functions in the industry. Management will increase the amortization charge where useful lives are expected to be shorter than expected, or will write-off or write-down obsolete assets that have been abandoned or sold.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income, with line items in absolute amounts and as percentages of our revenue for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Revenue	161,084	100.0	171,383	100.0	175,858	100.0
Cost of revenue	(27,392)	(17.0)	(51,365)	(30.0)	(34,874)	(19.8)
Gross profit	133,692	83.0	120,018	70.0	140,984	80.2
Other income	10,062	6.2	9,914	5.8	8,962	5.1
Other gains and losses	839	0.5	294	0.2	672	0.4
Research and development expenses	(32,308)	(20.1)	(34,461)	(20.1)	(35,492)	(20.2)
Selling and marketing expenses	(27,823)	(17.3)	(29,209)	(17.0)	(30,484)	(17.3)

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Administrative expenses	(12,459)	(7.7)	(14,336)	(8.4)	(14,245)	(8.1)
Impairment losses under expected credit loss ("ECL") model, net of reversal	(412)	(0.3)	(266)	(0.2)	(869)	(0.5)
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fair value changes of financial liabilities at FVTPL	86,753	53.9	(788)	(0.5)	–	–
Finance costs	(130)	(0.1)	(74)	(0.0)	(152)	(0.1)
Profit before tax	158,214	98.2	51,092	29.8	61,647	35.1
Income tax expenses	(5,692)	(3.5)	(3,494)	(2.0)	(4,158)	(2.4)
Profit and total comprehensive income for the year	152,522	94.7	47,598	27.8	57,489	32.7
Profit and total comprehensive income attributable to the:						
Owners of the Company	152,917	94.9	47,448	27.7	57,489	32.7
Non-controlling interests	(395)	(0.2)	150	0.1	–	–
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Re-designation of Shares with Special Rights from Financial Liabilities to Equity

Prior to December 20, 2024, the Shares with special rights issued by our Company to certain Pre-[**REDACTED**] Investors carried preferential rights, including redemption rights, anti-dilution rights and liquidation preferences. Such Shares with special rights were initially recognized as financial liabilities and measured at FVTPL during the Track Record Period and up to December 19, 2024.

All preferential rights attached to the Shares with special rights were terminated with effect from December 20, 2024. Immediately following the termination, the Shares with special rights ceased to be financial liabilities, and the carrying amount of the related financial liabilities at FVTPL as at December 20, 2024 of approximately RMB299.0 million was re-designated from financial liabilities at FVTPL to equity. No further fair value remeasurement has been recognized in our profit or loss in respect of these instruments thereafter. Please refer to Note 29 to the Accountants' Report set out in Appendix I to this document for further details.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss and other comprehensive income presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that the presentation of these non-IFRS measures facilitate comparisons of the operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that the presentation of such non-IFRS measures when shown in conjunction with the corresponding IFRS measures provide useful information to potential investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of certain items.

However, the use of non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.

We define adjusted net profit (non-IFRS measure), as profit and total comprehensive income for the year less fair value change of financial liabilities at FVTPL and also adjusted for [**REDACTED**] expenses. The following table reconciles our adjusted net profit (non-IFRS measure) for the periods indicated:

	For the year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit and total comprehensive income for the year	152,522	47,598	57,489
Less:			
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Fair value changes of financial liabilities at FVTPL	86,753	(788)	–
Adjusted net profit (non-IFRS measure)	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

In 2023, 2024 and 2025, we recorded adjusted net profit (non-IFRS measure) of RMB65.8 million, RMB48.4 million and RMB65.2 million, respectively. The decrease in the adjusted net profit from 2023 to 2024 was primarily attributable to a decrease of our gross profit and gross profit margin in 2024, as we incorporated certain supporting hardware into our product offerings as ancillary or value-added service to our customers from time to time at approximately cost price or with low mark-up in order to deliver customized integrated solutions to our customers. While this product strategy enhanced the overall value proposition to our customers, it also resulted in a higher total cost of revenue attributable to the supporting hardware costs. The increase in the adjusted net profit from 2024 to 2025 was primarily attributable to an increase of our gross profit and gross profit margin in 2025, as we recorded an increase in our revenue with a decrease in our supporting hardware costs. Since July 2025, we have strategically adjusted our product strategies and focuses on the development and delivery of our software products and solutions, while the extent to which supporting hardware is incorporated into our integrated solutions has been reduced. Further, in order to achieve long-term sustainable growth and profitability, we strive to take the following measures: (i) broaden our market coverage through an expanded sales network, and promote more standardized, high-margin solutions and products to our customers; (ii) deepening relationships with existing customers by providing better services; and (iii) develop a more comprehensive product portfolio by applying technologies such as AI in practical scenarios so as to better address customers' diversified commercial needs.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue primarily from the sales of our products and solutions. Our revenue increased from RMB161.1 million in 2023 to RMB171.4 million in 2024, and further increased to RMB175.9 million in 2025.

Revenue by Product Type

During the Track Record Period, we had three major types of products and solutions, namely (i) cross- border enterprises intelligent finance and tax management solutions, (ii) invoice document integrated management solutions, and (iii) cross-border enterprises risk management and compliance solutions. The following table sets forth a breakdown of our revenue by product type in absolute amounts and as a percentage of our total revenue for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Cross-border enterprises intelligent finance and tax management solutions	130,073	80.7	135,259	78.9	136,292	77.5
Invoice document integrated management solutions	24,277	15.1	25,291	14.8	25,508	14.5
Cross-border enterprises risk management and compliance solutions	6,734	4.2	10,833	6.3	14,058	8.0
Total	**161,084**	**100.0**	**171,383**	**100.0**	**175,858**	**100.0**

Cross-border enterprises intelligent finance and tax management solutions. Our cross-border enterprises intelligent finance and tax management solutions primarily comprise of the Agile Cloud and Export Trade Document Management System. The sales of cross-border enterprises intelligent finance and tax management solutions represent our primary source of revenue. For the three years ended December 31, 2025, our revenue attributable to cross-border enterprises intelligent finance and tax management solutions amounted to RMB130.1 million, RMB135.3 million and RMB136.3 million respectively, representing 80.7%, 78.9% and 77.5% of our total revenue for the corresponding periods. The growth of our revenue from cross-border enterprises intelligent finance and tax management solutions during the Track Record Period was mainly attributable to the increase in numbers of large customers.

Driven by favorable government policies, some clients had the needs to digitalize their financial and taxation system, for which our products can cater to the increasingly expanding market demands and provide comprehensive support. As a result, we established an extensive customer base, particularly medium customers which contributed revenue of RMB3,000 or more but less than RMB5,000 per year and large customers which contributed revenue of RMB5,000 or more per year. In 2023, 2024 and 2025, the total number of medium customers which contributed revenue for our cross-border enterprises intelligent finance and tax management solutions was 2,796, 6,305 and 3,202, respectively, and the total number of large customers which contributed revenue for our cross-border enterprises intelligent finance and tax management solutions was 4,867, 4,568 and 5,325, respectively. Our large customers increased from 4,867 in 2023 to 5,325 in 2025, reversing the decline in 2024, primarily driven by our focus on serving large enterprises with complex operational and compliance needs. Our medium customers increased from 2,796 in 2023 to 6,305 in 2024, and subsequently adjusted to 3,202 in 2025. This fluctuation reflects our proactive tiered operations: the increase in 2024 was due to our expansion of medium enterprises paying base, while the decline in 2025 was resulted from the re-categorization of certain medium customers to large customers as their increases in purchases with us. The reported numbers for each period only include customers who contributed revenue during that period, in accordance with our revenue recognition policy.

Cross-border enterprises intelligent finance and tax management solutions represent our core product offerings. We will continue to enhance product functionalities and provide a rich portfolio of solutions. By integrating advanced technologies such as artificial intelligence, we aim to deliver innovative customer experiences and expects to maintain stable growth in this segment.

Invoice document integrated management solutions. Our invoice document integrated management solutions primarily consist of the Acumen Invoice Management Cloud and Digitalized Electronic Invoice Management Cloud. For the three years ended December 31, 2025, our revenue attributable to the invoice document integrated management solutions amounted to RMB24.3 million, RMB25.3 million and RMB25.5 million respectively, representing 15.1%, 14.8% and 14.5% of our total revenue for the same periods.

The revenue attributable to the sale of the invoice document integrated management solutions remained relatively stable in 2023, 2024 and 2025.

Cross-border enterprise risk management and compliance solutions. For the three years ended December 31, 2025, our revenue attributable to the cross-border enterprise risk management and compliance solutions amounted to RMB6.7 million, RMB10.8 million and RMB14.1 million respectively, representing 4.2%, 6.3% and 8.0% of our total revenue for the same periods.

Cross-border enterprise risk management and compliance solutions primarily constitute value-added services offered to clients. These products cover a wide range of categories, including (i) Zumoo Enterprises Compliance Service Platform, (ii) Smart Cert FTA Digital Platform, (iii) Cross-border Enterprise Risk Analysis, (iv) Tax Risk Self-Assessment Tool and (vi) Big Data Transfer Platform. Compared to the cross-border enterprises intelligent finance and tax management solutions and invoice document integrated management solutions, our cross-border enterprise risk management and compliance solutions are at a relatively early stage of development. We are continuously optimizing products functionalities and experimenting with different models to identify potential incremental growth opportunities. Accordingly, in the short term, this business segment is subject to fluctuations. Nevertheless, our revenue of cross-border enterprise risk management and compliance solutions increased from RMB6.7 million in 2023 to RMB14.1 million in 2025, mainly attributable to our continuous development of the products and solutions under this business segment.

Cost of Revenue

Our cost of revenue comprises (i) labor costs, (ii) supporting hardware, which involves hardware we procured to be integrated as part of our integrated solution, such as invoice scanner, data entry devices and mobile office terminals, (iii) purchased software and services, and (iv) others. The following table sets forth a breakdown of our cost of revenue by nature in absolute amount and as a percentage of our total cost of revenue for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Labor costs	13,896	50.7	12,790	24.9	12,825	36.8
Supporting hardware	4,499	16.4	32,627	63.5	18,637	53.4
Purchased software and services	7,343	26.8	4,302	8.4	1,392	4.0
Others[1]	1,654	6.1	1,646	3.2	2,020	5.8
Total	**27,392**	**100.0**	**51,365**	**100.0**	**34,874**	**100.0**

Note:

(1) Other costs mainly include taxes and surcharges.

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB133.7 million, RMB120.0 million and RMB141.0 million in 2023, 2024 and 2025, respectively. Our gross profit margin for 2023, 2024 and 2025, was 83.0%, 70.0% and 80.2% respectively.

The decrease in our gross profit margin from 2023 to 2024 was primarily due to an increase in supporting hardware costs incurred. In order to deliver customized integrated solutions to our customers, we offered supporting hardwares, such as mobile office terminals, invoice scanners and data entry devices, as ancillary or value-added service to our customers from time to time at approximately cost price or with low mark-up. While this product strategy enhanced the overall value proposition to our customers, it also resulted in a higher total cost of revenue attributable to the supporting hardware costs. The increase in our gross profit margin from 2024 to 2025 was primarily due to the increase in our revenue and the decrease in our supporting hardware costs.

Other Income

Other income consists of (i) tax refund, (ii) government grants related to income, (iii) interest income on bank deposits, and (iv) others. The following table sets forth a breakdown of the components of our other income in absolute amounts and as a percentage of total for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Tax refund	7,505	74.6	5,011	50.5	6,569	73.3
Government grants related to income	695	6.9	490	4.9	266	3.0
Interest income on bank deposits	1,729	17.2	4,373	44.1	2,082	23.2
Others	133	1.3	40	0.5	45	0.5
Total	**10,062**	**100.0**	**9,914**	**100.0**	**8,962**	**100.0**

Other Gains and Losses

Our other gains and losses consist of (i) gain on fair value changes on financial assets at FVTPL, (ii) gain on disposal of equipment, and (iii) others. The following table sets forth the breakdown of our other gains and losses for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gain on fair value changes on financial assets at FVTPL	903	190	729
Gain on disposal of equipment	–	53	–
Others	(64)	51	(57)
Total	**839**	**294**	**672**

Our gain on fair value changes on financial assets at FVTPL was principally influenced by the fair value of our wealth management products. It decreased from RMB0.9 million in 2023 to RMB0.2 million in 2024 and subsequently increased to RMB0.7 million in 2025.

Selling and Marketing Expenses

Our selling and marketing expenses consist of (i) labor costs, (ii) marketing expenses, (iii) rental and utilities expenses for properties, (iv) depreciation, and (v) other expenses. Our selling and marketing expenses amounted to RMB27.8 million, RMB29.2 million and RMB30.5 million in 2023, 2024 and 2025, respectively, representing 17.3%, 17.0% and 17.3% of our revenue in the corresponding period.

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Labor costs	10,082	36.2	12,444	42.6	14,368	47.1
Marketing expenses	12,080	43.4	11,848	40.6	10,647	34.9
Rental and utilities expenses for properties	789	2.8	745	2.6	1,708	5.6
Depreciation	2,049	7.4	1,877	6.4	1,056	3.5
Others[1]	2,823	10.2	2,295	7.8	2,705	8.9
Total	**27,823**	**100.0**	**29,209**	**100.0**	**30,484**	**100.0**

Note:

(1) Other expenses mainly include miscellaneous expenses such as office expenses and conference expenses.

Administrative Expenses

Our administrative expenses consist of (i) labor costs, (ii) rental and utilities expenses for properties, (iii) amortization and depreciation of assets, and (iv) other expenses. Our administrative expenses amounted to RMB12.5 million, RMB14.3 million and RMB14.2 million in 2023, 2024 and 2025, respectively, representing 7.7%, 8.4% and 8.1% of our revenue in the corresponding period.

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Labor costs	8,057	64.7	10,018	69.9	9,632	67.6
Rental and utilities expenses for properties	138	1.1	166	1.2	322	2.3
Amortization and depreciation of assets	3,213	25.8	3,094	21.6	2,871	20.2
Other expenses[1]	1,051	8.4	1,058	7.3	1,420	10.0
Total	**12,459**	**100.0**	**14,336**	**100.0**	**14,245**	**100.0**

Notes:

(1) Other expenses include overheads such as the travelling expenses and office expenses.

Research and Development Expenses

Our research and development expenses consist of (i) labor costs; (ii) software verification and testing service expenses; (iii) rental and utilities expenses for properties; (iv) depreciation; and (v) other expenses. Our research and development expenses amounted to RMB32.3 million, RMB34.5 million and RMB35.5 million in 2023, 2024 and 2025, respectively, representing 20.1%, 20.1% and 20.2% of our revenue in the corresponding period.

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Labor costs	30,060	93.0	32,206	93.5	33,497	94.4
Software verification and testing service expenses[(1)]	286	0.9	333	1.0	82	0.2
Rental and utilities expenses for properties	482	1.5	484	1.4	1,200	3.4
Depreciation	719	2.2	723	2.1	–	–
Other expenses[(2)]	761	2.4	715	2.0	713	2.1
Total	**32,308**	**100.0**	**34,461**	**100.0**	**35,492**	**100.0**

Notes:

(1) Software verification and testing service expenses include payments made to third parties for cloud services, testing services, and verification services and others.

(2) Other expenses include office expenses, travelling expenses and others.

Impairment Losses Under ECL Model, Net of Reversal

Our net impairment losses under ECL model primarily relate to the impairment losses of trade receivables. We recorded impairment losses under ECL model of RMB0.4 million, RMB0.3 million and RMB0.9 million in 2023, 2024 and 2025, respectively. We continuously monitor our trade receivables such that our net impairment losses under ECL model were kept at a relatively low level. We believe we have adopted effective credit management strategies to monitor and assess the collectability of our trade receivables and other receivables.

Fair Value Changes of Financial Liabilities at FVTPL

During the Track Record Period, we recognized the financial instruments issued to some investors as financial liabilities, because they were granted with the preferential rights to require us to redeem all of the instruments at a predetermined amount upon certain redemption or liquidation events, which are not all within our control. For additional information, see Note 29 to the Accountants' Report included in Appendix I to this document, and the section headed "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments." The change in fair value of financial liabilities decreased to nil in 2025 primarily due to the termination of preferential rights with effect from December 20, 2024.

Finance Costs

Our finance costs primarily comprise interest on bank loans and lease liabilities. Our finance costs amounted to RMB0.1 million, RMB74 thousand and RMB0.2 million in 2023, 2024, and 2025, respectively.

Income Tax Expenses

We recorded income tax expenses of RMB5.7 million, RMB3.5 million and RMB4.2 million in 2023, 2024 and 2025, respectively.

PRC

As our subsidiaries are all incorporated in Chinese Mainland, they are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008, except for these subject to tax preferential set out below:

Our Company was granted the qualification of High and New Technology Enterprises and was entitled to a preferential corporate income tax rate of 15% during the Track Record Period.

Pursuant to the tax incentive policy issued by the Ministry of Finance and the State Taxation Administration in April 2012, enterprises recognized as nationally encouraged key software enterprises are eligible for a five-year exemption from income tax since the first profitable year, followed by a reduced tax rate of 10%. Our Company achieved profitability since 2013. Our Company was recognized as a nationally encouraged key software enterprise and benefited from a preferential income tax rate of 10% during the Track Record Period.

Further, pursuant to the relevant laws and regulations in the PRC, our Company enjoyed a deduction of 100% on qualified research and development expenditures for the Track Record Period.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our total revenue increased by 2.6% from RMB171.4 million in 2024 to RMB175.9 million in 2025, primarily due to an increase in revenue from our cross-border enterprise risk management and compliance solutions and, to a lesser extent, slight increases in revenue from our cross-border enterprises intelligent finance and tax management solutions and invoice document integrated management solutions.

Cross-border enterprises intelligent finance and tax management solutions

Revenue from our cross-border enterprises intelligent finance and tax management solutions remained relatively stable at RMB135.3 million in 2024 and RMB136.3 million in 2025. The slight increase was primarily driven by the increases in purchases by our large customers and the number of our large customers from 4,568 in 2024 to 5,325 to 2025, as we continued to broaden our product lines and enhance product maturity and user experience, partially offset by a decrease in the number of our medium customers from 6,305 in 2024 to 3,202 in 2025, as we shifted our sales focus and resources towards large customers, which resulted in the migration of certain medium customers to our large customer category as their increases in purchase volumes.

Invoice document integrated management solutions

Revenue from our invoice document integrated management solutions remained relatively stable at RMB25.3 million in 2024 and RMB25.5 million in 2025, the slight increase was primarily driven by an increase in the number of our customers from 1,043 in 2024 to 1,102 in 2025 as our products gained broader market recognition.

Cross-border enterprise risk management and compliance solutions

Revenue from our cross-border enterprise risk management and compliance solutions increased by 29.8% from RMB10.8 million in 2024 to RMB14.1 million in 2025. The increase was primarily driven by (i) the increasing market acceptance of our Zumoo Enterprises Compliance Service Platform and Smart Cert FTA Digital Platform and (ii) the growing compliance needs of cross-border enterprises driven by changes in the regulatory environment, both of which contributed to a substantial increase in the number of customers from 208 in 2024 to 641 in 2025.

Cost of Revenue

Our cost of revenue decreased by 32.1% from RMB51.4 million in 2024 to RMB34.9 million in 2025, primarily due to (i) a decrease of RMB14.0 million in supporting hardware costs, mainly as a result of a decrease in the delivery of customized integrated solutions to our customers from the second half of 2025, as we reduced our offering of supporting hardware to our customers, and (ii) a decrease of RMB2.9 million in purchased software and services costs as we relied on our in-house product team to deliver the relevant technical support in response to customer preference in 2025.

Gross Profit and Gross Profit Margin

Our gross profit increased by 17.5% from RMB120.0 million in 2024 to RMB141.0 million in 2025. Our overall gross profit margin increased from 70.0% in 2024 to 80.2% in 2025, primarily due to the increase in our revenue and the decrease in our supporting hardware costs.

Impairment Losses Under ECL Model, Net of Reversal

Our impairment losses under ECL model, net of reversal increased from RMB0.3 million in 2024 to RMB0.9 million in 2025, primarily due to the increase in our trade receivables as certain of our customers fully utilizing the credit periods granted to them under their contracts.

Other Income

Our other income decreased by 9.6% from RMB9.9 million in 2024 to RMB9.0 million in 2025, primarily due to a decrease of RMB2.3 million in interest income on bank deposits, mainly as a result of the maturity of certain large-denomination certificates of deposit in 2025, partially offset by an increase of RMB1.6 million in tax refund.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 4.4% from RMB29.2 million in 2024 to RMB30.5 million in 2025, primarily due to an increase of RMB1.9 million in labor costs, mainly as a result of the increase in the number of our sales and marketing personnel in line with the expansion of our business, partially offset by a decrease of RMB1.2 million in marketing expenses as a result of fewer marketing and training events we held in 2025.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB14.3 million in 2024 and RMB14.2 million in 2025.

Research and Development Expenses

Our research and development expenses increased by 3.0% from RMB34.5 million in 2024 to RMB35.5 million in 2025, primarily due to an increase of RMB1.3 million in labor costs, mainly driven by an increase in the number of our research and development personnel together with an increase in the average annual salary of our research and development personnel.

Other Gains and Losses

Our other gains increased from RMB0.3 million in 2024 to RMB0.7 million in 2025, primarily due to an increase of RMB0.5 million in gain on fair value changes of financial assets at FVTPL as a result of the redemption of certain wealth management products.

Finance Costs

Our finance costs increased from RMB74 thousand in 2024 to RMB0.2 million in 2025, primarily due to an increase in interest on bank loans as a result of a new RMB10.0 million bank loan we applied in 2025.

Fair Value Changes of Financial Liabilities at FVTPL

We did not record any fair value change in financial liabilities at FVTPL in 2025, as compared to a fair value loss of RMB0.8 million in 2024, primarily due to the special rights attached to certain of our Shares were terminated with effect from December 20, 2024. See Note 29 to the Accountants' Report in Appendix I for details regarding the financial liabilities at FVTPL.

Income Tax Expenses

Our income tax expenses increased by 19.0% from RMB3.5 million in 2024 to RMB4.2 million in 2025, primarily due to the increase in our profit before tax in 2025.

Profit for the Year

As a result of the foregoing, our net profit increased by 20.8% from RMB47.6 million in 2024 to RMB57.5 million in 2025.

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

Revenue

Our total revenue increased by 6.4% from RMB161.1 million in 2023 to RMB171.4 million in 2024, primarily due to an increase in revenue from our cross-border enterprises intelligent finance and tax management solutions and cross-border enterprise risk management and compliance solutions and, to a lesser extent, an increase in revenue from our invoice document integrated management solutions.

Cross-border enterprises intelligent finance and tax management solutions

Revenue from our cross-border enterprises intelligent finance and tax management solutions increased by 4.0% from RMB130.1 million in 2023 to RMB135.3 million in 2024. For the year ended December 31, 2024, the number of medium customers of our cross-border enterprises intelligent finance and tax management solutions was 6,305, representing an increase of 125.5% as compared to 2,796 in 2023, as more small customers have been re-categorized into medium customers in 2024 given their increases in spending with us, partially offset by the decreases in the number of our small customers from 23,478 in 2023 to 16,243 in 2024 for the same reason. The increase in our medium customers for cross-border enterprises intelligent finance and tax management solutions was the main driver of our revenue increase for the corresponding period.

Invoice document integrated management solutions

Revenue from our invoice document integrated management solutions increased by 4.2% from RMB24.3 million in 2023 to RMB25.3 million in 2024, primarily due to the widespread adoption of digital invoices by cross-border enterprises in Chinese Mainland brought strong market demand for our invoice document integrated management solutions.

Cross-border enterprise risk management and compliance solutions

Revenue from our cross-border enterprise risk management and compliance solutions increased by 60.9% from RMB6.7 million in 2023 to RMB10.8 million in 2024. The increase was primarily driven by our FTA certification business in collaboration with Customer I. In particular, we completed the delivery of the certificate of origin application management system and related services to Customer I under a contract with a total contract value of RMB3.4 million in 2024.

Cost of Revenue

Our cost of revenue increased by 87.5% from RMB27.4 million in 2023 to RMB51.4 million in 2024, primarily due to an increase of RMB28.1 million in supporting hardware costs as we procured more hardware as part of our integrated solution to meet the demand of certain customers.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 10.2% from RMB133.7 million in 2023 to RMB120.0 million in 2024. Our overall gross profit margin decreased from 83.0% in 2023 to 70.0% in 2024, primarily because our supporting hardware costs increased. In order to deliver customized integrated solutions to our customers, we offered supporting hardware to our customers, such as mobile office terminals, invoice scanners and data entry devices, as ancillary or value-added service to our customers from time to time at approximately cost price or with low mark-up. While this product strategy enhanced the overall value proposition to our customers, it also resulted in a higher total cost of revenue attributable to the supporting hardware costs.

Impairment Losses Under ECL Model, Net of Reversal

Our impairment losses under ECL model, net of reversal decreased from RMB0.4 million in 2023 to RMB0.3 million in 2024, primarily due to the decrease in our trade receivables.

Other Income

Our other income slightly decreased by 1.5% from RMB10.1 million in 2023 to RMB9.9 million in 2024, primarily due to a decrease of RMB2.5 million in tax refund, partially offset by an increase of RMB2.6 million in interest income on bank deposits as we placed an aggregate of RMB90.0 million in large-denominated deposit between 2023 and 2024, which resulted in the interest income increase in 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 5.0% from RMB27.8 million in 2023 to RMB29.2 million in 2024, primarily due to an increase of RMB2.4 million in labor costs as a result of our enhanced marketing efforts to expand our business.

Administrative Expenses

Our administrative expenses increased by 15.1% from RMB12.5 million in 2023 to RMB14.3 million in 2024, primarily due to an increase of RMB2.0 million in labor costs as a result of the increase in the number of our administrative personnel.

Research and Development Expenses

Our research and development expenses increased by 6.7% from RMB32.3 million in 2023 to RMB34.5 million in 2024, primarily due to an increase of RMB2.1 million in our labor costs as a result of the increase in the number of our research and development personnel.

Other Gains and Losses

Our other gains decreased from RMB0.8 million in 2023 to RMB0.3 million in 2024, primarily due to a decrease of RMB0.7 million in gain on fair value changes of financial assets at FVTPL as a result of fewer redemptions of wealth management products and accordingly we recognized lower investment gains on financial assets at FVTPL.

Finance Costs

Our finance costs decreased from RMB0.1 million in 2023 to RMB74 thousand in 2024, primarily due to the decrease in our interest on lease liabilities.

Fair Value Changes of Financial Liabilities at FVTPL

We recorded a fair value loss of financial liabilities at FVTPL of RMB0.8 million in 2024, as compared to a fair value gain of financial liabilities at FVTPL of RMB86.8 million in 2023. The fair value changes of financial liabilities at FVTPL was primarily influenced by the fair value of our Shares with special rights and the termination of the special rights with effect from December 20, 2024. See Note 29 to the Accountants' Report in Appendix I for details regarding the financial liabilities at FVTPL.

Income Tax Expenses

Our income tax expenses decreased by 38.6% from RMB5.7 million in 2023 to RMB3.5 million in 2024, primarily due to a decrease in our profit before tax in 2024.

Profit for the Year

As a result of the foregoing, our net profit decreased by 68.8% from RMB152.5 million in 2023 to RMB47.6 million in 2024.

DISCUSSION OF CERTAIN KEY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

The table below sets forth our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Equipment	413	840	841
Right-of-use assets	2,177	898	611
Intangible assets	13,717	11,153	8,578
Term deposits	85,402	31,614	–
	101,709	44,505	10,030
Current assets			
Inventories	1,136	927	–
Trade and other receivables	24,176	17,927	64,579
Tax recoverable	–	481	–
Financial assets at FVTPL[(1)]	450	25,367	37,775
Term deposits	–	99,814	32,604
Restricted bank deposits	–	76	76
Cash and cash equivalents	46,889	6,975	5,514
	72,651	151,567	140,548
Current liabilities			
Trade and other payables	19,329	143,326	22,919
Income tax payable	74	–	1,642
Lease liabilities	2,427	447	410
Contract liabilities	34,150	13,804	17,307
Amount due to a related party	235	–	1,330
Financial liabilities at FVTPL[(2)]	318,230	–	–
Borrowings	–	–	10,003
	374,445	157,577	53,611
Net current (liabilities) assets	(301,794)	(6,010)	86,937
Total assets less current liabilities	(200,085)	38,495	96,967
Non-current liabilities			
Lease liabilities	115	276	60
Contract liabilities	10,602	10,320	11,906
Deferred tax liabilities	2,302	2,074	1,687
	13,019	12,670	13,653
Net (liabilities) assets	(213,104)	25,825	83,314
Capital and reserves			
Paid-in/share capital	11,183	11,183	25,000

Note:

(1) Financial assets at FVTPL comprised unlisted financial products investments. For details, please refer to Note 24 to the Accountants' Report in Appendix I.

(2) Financial liabilities at FVTPL related to shares with special rights. For details, please refer to Note 29 to the Accountants' Report in Appendix I.

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Reserves	(224,737)	14,642	58,314
Equity attributable to owners of the Company	(213,554)	25,825	83,314
Non-controlling interests	450	–	–
Total (deficit) equity	(213,104)	25,825	83,314

Equipment

Our equipment comprised of (i) transportation equipment, (ii) machinery and equipment, and (iii) office equipment and furniture.

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

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Transportation equipment	29	447	324
Machinery and equipment	335	350	481
Office equipment and furniture	49	43	36
Total	**413**	**840**	**841**

Our equipment increased from RMB0.4 million as of December 31, 2023 to RMB0.8 million as of December 31, 2024, primarily as a result of our acquisition of a new vehicle for daily operation. Our equipment remained relatively stable at RMB0.8 million as of December 31, 2024 and 2025.

Right-of-use Assets

Our right-of-use assets related to leased office premises. Our right-of-use assets decreased from RMB2.2 million as of December 31, 2023 to RMB0.9 million as of December 31, 2024, and further to RMB0.6 million as of December 31, 2025, primarily due to the amortization charges during the relevant periods.

Intangible Assets

Our intangible assets mainly comprised software during the Track Record Period. Our intangible assets decreased from RMB13.7 million as of December 31, 2023 to RMB11.2 million as of December 31, 2024, and further to RMB8.6 million as of December 31, 2025, primarily due to the amortization charges during the relevant periods.

Inventories

Our inventories mainly are goods available for sale. Our inventories amounted to RMB1.1 million as of December 31, 2023, RMB0.9 million as of December 31, 2024, and nil as of December 31, 2025.

Trade and Other Receivables

Trade receivables represent outstanding amounts due from our customers for our products and services performed in the ordinary course of business. A trade receivable is recorded when we have an unconditional right to receive consideration.

The following table sets forth our trade and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	21,821	16,003	54,697
Less: allowance for credit losses	(842)	(1,108)	(1,977)
Total trade receivables	**20,979**	**14,895**	**52,720**
Value-added-tax ("VAT") refund	1,275	1,612	4,174
Advance to staff	999	517	238
Prepayments	488	416	363
Deposits	297	353	240
Deferred issue costs	–	–	6,397
Prepayment for [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other receivables	138	134	316
Total	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Our trade and other receivables decreased from RMB24.2 million as of December 31, 2023 to RMB17.9 million as of December 31, 2024, primarily because we received settlements of trade receivables from our customers during the year. Our trade and other receivables increased from RMB17.9 million as of December 31, 2024 to RMB64.6 million as of December 31, 2025, primarily due to an increase of RMB37.8 million in our trade receivables, mainly as a result of the increase in our revenue during the period and certain of our customers fully utilizing the credit periods granted to them under their contracts during 2025 in response to the prevailing market environment.

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

	Year ended December 31,		
	2023	2024	2025
Turnover days of our trade receivables[1]	40	40	73

Note:

(1) Turnover days of our trade receivables for the Track Record Period is calculated based on the average of the beginning and ending balances of our trade receivables for that period divided by revenue for that period and multiplied by 365 days in 2023, 2024 and 2025.

The turnover days of our trade receivables increased from 40 days in 2023 and 2024 to 73 days in 2025, primarily due to certain of our customers fully utilizing the credit periods granted to them under their contracts during 2025 in response to the prevailing market environment and the delayed payment by certain of our customers, primarily our small customers and medium customers, which we believe was a result of their own cash flow and procurement budget constraints.

We normally grant a credit period of up to 90 days to our major customers on purchase of our goods and services. The following table sets forth an aging analysis of the net carrying amount of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
0-30 days	15,443	8,412	32,975
31-90 days	2,013	2,715	8,994
91-180 days	1,918	1,666	4,518
181 days to 1 year	960	1,163	4,862
Over 1 year	645	939	1,371
Total	**20,979**	**14,895**	**52,720**

As of April 30, 2026, RMB26.8 million, or 49.0% of our trade receivables outstanding as of December 31, 2025 had been subsequently settled.

During the Track Record Period, substantially all of our trade receivables were aged within one year. We implemented stringent internal measures that enhance the collection and management of trade receivables including (i) end-to-end tracking of trade receivables collections; and (ii) periodic reviews on the collection progress of long-aged receivables. In respect of expected credit loss allowances on our trade receivables, we assess customer impairment by reference to aging and we engaged independent third-party professional valuer to assess the expected credit losses on our trade receivables. In light of the above, we believe that the recoverability of our trade receivables is not a material concern and that sufficient provision has been made.

Trade and other Payables

Our trade and other payables primarily comprise (i) trade payables, (ii) accrued payroll and welfares, (iii) other tax payables, (iv) dividend payables; (v) accrued [**REDACTED**] expense, (vi) accrued deferred issued costs and (vii) other payables. Our trade payables mainly were the amounts due to our suppliers for purchases related to supporting hardware costs.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	7,454	2,529	34
Accrued payroll and welfares	8,796	10,092	11,403
Other tax payables	2,914	3,377	5,569
Dividend payables	–	127,208	–
Accrued [**REDACTED**] expense	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Accrued deferred issue costs	–	–	2,699
Other payables[(1)]	165	120	194
Total	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

The credit period for our trade payables is up to 90 days. The following table sets forth an aging analysis of our trade payables presented based on the date of purchase dates as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0 – 90 days	7,445	2,529	34
181 – 365 days	9	–	–
Total	**7,454**	**2,529**	**34**

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

	Year ended December 31,		
	2023	**2024**	**2025**
Turnover days of our trade payables[(1)]	63	35	13

Note:

(1) The calculation of trade payables turnover days is based on the average of the beginning and ending balances of our trade payables for the relevant period, divided by the cost of revenue for the same period, and multiplied by 365 days in 2023, 2024 and 2025.

The turnover days of our trade payables decreased from 63 days in 2023 to 35 days in 2024 and further decreased to 13 days in 2025, primarily because we settled substantially all of the outstanding amounts due to our suppliers prior to the end of the relevant financial year.

As of April 30, 2026, RMB34 thousand, or 100.0% of our trade payables outstanding as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Contract liabilities arise from the non-refundable advance payments made by customers while the underlying goods or services are yet to be provided.

The following table sets forth our contract liabilities as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	44,752	24,124	29,213

Contract liabilities decreased from RMB44.8 million as of December 31, 2023 to RMB24.1 million as of December 31, 2024, primarily due to the recognition as revenue when the underlying goods or services were provided in December 2024. Contract liabilities increased from RMB24.1 million as of December 31, 2024 to RMB29.2 million as of December 31, 2025, primarily due to an increase in the amount of customer membership service renewals received during 2025, the consideration for which is initially recognized as contract liabilities and released to revenue over the relevant membership service period.

During the Track Record Period, our contract liabilities expected to be recognized as revenue more than one year after the end of the relevant financial year amounted to RMB10.5 million, RMB10.2 million and RMB11.8 million as of December 31, 2023, 2024 and 2025, respectively. Such balances were primarily attributable to customers who, in light of their long-term service relationships with us and our multi-year purchase promotion policies, elected to subscribe for multi-year membership service rights in a single transaction and typically paid the full contract amount upon commencement of the relevant service period.

As of April 30, 2026, RMB8.6 million, or 29.6% of our contract liabilities outstanding as of December 31, 2025, had been subsequently recognized as revenue.

RELATED-PARTY TRANSACTIONS

We purchased term deposits of RMB10.5 million, RMB41.8 million and nil from Nanjing Este and Nanjing Skytech, both being our related parties, in aggregate for the years ended December 31, 2023, 2024 and 2025, respectively. We purchased these term deposits, through Industrial Bank Co., Ltd. as the intermediary, in the form of an aggregate of three large-denomination negotiable certificates of deposit (the "**CDs**") with a view to preserving and enhancing the value of our idle funds. The transfer procedures and the determination of the subscription price of the three CDs purchased from Nanjing Este and Nanjing Skytech were arranged through Industrial Bank Co., Ltd. in accordance with prevailing market principles, and our Directors are of the view that they were substantially on the same basis as the other CDs purchased by us from independent third parties.

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in Note 35 to the Accountants' Report in Appendix I was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Our indebtedness during the Track Record Period consisted primarily of borrowings, lease liabilities and financial liabilities at FVTPL. The following table sets forth our indebtedness during the Track Record Period:

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)
Borrowings	–	–	10,003	–
Lease liabilities	2,542	723	470	466
Financial liabilities at FVTPL	318,230	–	–	–
Total	**320,772**	**723**	**10,473**	**466**

Borrowings

As of December 31, 2023, and 2024, we did not have any borrowings. We recognized bank borrowings of RMB10.0 million as of December 31, 2025, primarily because we received the proceeds amounting to RMB10.0 million from a bank loan with a fixed interest rate at 1.5% per annum and repayable within one year, which was pledged by several trademarks that have not been recognized as intangible assets.

As of April 30, 2026, we did not have any borrowings. Except for incurring additional bank borrowings from time to time in the ordinary course of business, we currently have no material external debt financing plan before or shortly after the [**REDACTED**].

Lease Liabilities

We recognized lease liabilities of RMB2.5 million, RMB0.7 million and RMB0.4 million as of December 31, 2023, 2024 and 2025, respectively, primarily attributable to our lease of office premises to support our overall business growth.

Financial Liabilities at FVTPL

We recognized financial liabilities at FVTPL of RMB318.2 million as of December 31, 2023, primarily attributable to the fair value of our Shares with special rights. The financial liabilities at FVTPL decreased to nil as of December 31, 2024 and 2025 and April 30, 2026, primarily due to the termination of such special rights with effect from December 20, 2024.

Contingent Liabilities

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

Except as disclosed above and apart from normal trade and other payables, intra-group liabilities and tax payable, as of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or contingent liabilities.

Since January 1, 2026 and up to the date of this document, there has not been any material change in our indebtedness and contingent liabilities, and our Directors confirm that we did not have any external financing plans as of the Latest Practicable Date. Our Directors do not foresee any potential difficulty in obtaining bank facilities should the need arise.

Net Current (Liabilities)/Assets

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

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current assets				
Inventories	1,136	927	–	–
Trade and other receivables	24,176	17,927	64,579	46,239
Tax recoverable	–	481	–	–
Financial assets at FVTPL	450	25,367	37,775	27,982
Term deposits	–	99,814	32,604	32,929
Restricted bank deposits	–	76	76	76
Cash and cash equivalents	46,889	6,975	5,514	5,282
Total current assets	**72,651**	**151,567**	**140,548**	**112,507**

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current liabilities				
Borrowings	–	–	10,003	–
Trade and other payables	19,329	143,326	22,919	4,784
Income tax payable	74	–	1,642	–
Lease liabilities	2,427	447	410	405
Contract liabilities	34,150	13,804	17,307	16,702
Amount due to a related party	235	–	1,330	–
Financial liabilities at FVTPL	318,230	–	–	–
Total current liabilities	**374,445**	**157,577**	**53,611**	**21,891**
Net current (liabilities)/assets	**(301,794)**	**(6,010)**	**86,937**	**90,616**

Our net current liabilities decreased from RMB301.8 million as of December 31, 2023 to RMB6.0 million as of December 31, 2024, primarily due to (i) a decrease in financial liabilities at FVTPL of RMB318.2 million, brought by the termination of special rights attached to certain of our Shares with effect from December 20, 2024, and (ii) an increase in term deposits of RMB99.8 million, partially offset by an increase in trade and other payables of RMB124.0 million.

We recorded net current assets of RMB86.9 million as of December 31, 2025, compared to net current liabilities of RMB6.0 million as of December 31, 2024, primarily due to (i) an increase in trade and other receivables of RMB46.7 million, primarily in line with the growth of our revenue, and (ii) a decrease in trade and other payables of RMB120.4 million, partially offset by a decrease in term deposits of RMB67.2 million.

Our net current assets increased from RMB86.9 million as of December 31, 2025 to RMB90.6 million as of April 30, 2026, primarily as (i) we had subsequently settled trade and other receivables of RMB18.3 million and (ii) RMB18.1 million of trade and other payables had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

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

We manage our cash flow and working capital by closely monitoring and managing, among other things, (i) the level of our trade payables and receivables and contract liabilities; and (ii) our ability to obtain external financing. We also diligently review future cash flow requirements and assess our ability to meet debt repayment schedules, and if necessary, adjust our investment, financing and dividend payout plans to ensure we maintain sufficient working capital.

We had cash and cash equivalents of RMB46.9 million, RMB7.0 million and RMB5.5 million as of December 31, 2023, 2024 and 2025, respectively.

Consolidated Statements of Cash Flows

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

	For the year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash from operating activities	59,253	31,062	31,686
Net cash (used in)/from investing activities	(40,163)	(67,079)	88,930
Net cash from/(used in) financing activities	(2,640)	(3,897)	(122,077)
Net increase/(decrease) in cash and cash equivalents	16,450	(39,914)	(1,461)
Cash and cash equivalents at beginning of the year	30,439	46,889	6,975
Cash and cash equivalents at end of the year	46,889	6,975	5,514

Net Cash Flows From Operating Activities

We derive our cash inflows from operations principally from the receipts in respect of the sales of our products and services. Our cash outflows from operations are principally payments for cost of revenue, including raw materials, selling and marketing expenses, administrative expenses and research and development expenses.

Cash generated from operations reflects our profit before income tax, adjusted for (i) non-cash and non-operating items, such as depreciation and amortization, net fair value changes of financial liabilities at FVTPL, gain on fair value changes on financial assets at FVTPL and interest income on bank deposits , (ii) the effects of changes in our working capital, such as changes in inventories, trade and other receivables, trade and other payables and contract liabilities, and (iii) income tax paid.

For the year ended December 31, 2025, our net cash from operating activities amounted to RMB31.7 million. During this year, our operating cash inflow before working capital changes but after adjustments for non-cash income and expenses were RMB63.8 million. Our cash flow was further negatively affected by working capital adjustments primarily including an increase in trade and other receivables of RMB41.1 million, partially offset by an increase in contract liabilities of RMB5.1 million.

For the year ended December 31, 2024, our net cash from operating activities amounted to RMB31.1 million. During this year, our operating cash inflow before working capital changes but after adjustments for non-cash income and expenses were RMB53.3 million. Our cash flow was further negatively affected by working capital adjustments primarily including (i) a decrease in contract liabilities of RMB20.6 million, and (ii) a decrease in trade and other payables of RMB3.2 million.

For the year ended December 31, 2023, our net cash from operating activities amounted to RMB59.3 million. During this year, our operating cash inflow before working capital changes but after adjustments for non-cash income and expenses were RMB75.4 million. Our cash flow was further negatively affected by working capital adjustments primarily including (i) a decrease in contract liabilities of RMB11.5 million and (ii) an increase in trade and other receivables of RMB9.1 million. This was partially offset by an increase in trade and other payables of RMB7.1 million.

Net Cash Flows From/(Used In) in Investing Activities

Our cash used in investing activities consists primarily of (i) purchase of equipment, (ii) purchase of intangible assets, (iii) purchases of unlisted financial products, as recognized as financial assets at FVTPL; and (iv) placement of term deposits. Our cash generated from investing activities consists primarily of redemption of the unlisted financial products and withdrawal of term deposits.

For the year ended December 31, 2025, our net cash flows from investing activities were RMB88.9 million, primarily attributable to (i) redemption of our financial assets at FVTPL of RMB228.6 million and (ii) withdrawal of term deposits of RMB94.4 million. This was partially offset by purchase of financial assets at FVTPL of RMB240.3 million.

For the year ended December 31, 2024, our net cash flows used in investing activities were RMB67.1 million, primarily attributable to (i) purchase of financial assets at FVTPL of RMB56.9 million and (ii) placement of term deposits of RMB41.8 million. This was partially offset by redemption of our financial assets at FVTPL of RMB32.2 million.

For the year ended December 31, 2023, our net cash flows used in investing activities were RMB40.2 million, primarily attributable to (i) purchase of financial assets at FVTPL of RMB27.5 million and (ii) placement of term deposits of RMB51.1 million. This was partially offset by redemption of our financial assets at FVTPL of RMB28.4 million and withdrawal of term deposits of RMB10.0 million.

Net Cash Flows From/(Used In) Financing Activities

Our cash used in financing activities consists primarily of (i) repayment of lease liabilities, (ii) dividends paid, (iii) acquisition of non-controlling interests in subsidiaries, (iv) new borrowings raised and (v) payment of deferred issue costs.

For the year ended December 31, 2025, our net cash flows used in financing activities were RMB122.1 million, primarily attributable to (i) dividends paid of RMB127.2 million and (ii) new borrowings raised of RMB10.0 million.

For the year ended December 31, 2024, our net cash flows used in financing activities were RMB3.9 million, primarily attributable to (i) repayment of lease liabilities of RMB3.3 million and (ii) acquisition of non-controlling interests in subsidiaries of RMB0.5 million.

For the year ended December 31, 2023, our net cash flows used in financing activities were RMB2.6 million, primarily attributable to repayment of lease liabilities of RMB2.5 million.

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,		
	2023	2024	2025
Gross profit margin(1)	83.0%	70.0%	80.2%
Net profit margin(2)	94.7%	27.8%	32.7%
Adjusted net profit margin (non-IFRS measure)(4)	40.8%	28.2%	37.1%
Current ratio(3)	19.4%	96.2%	262.2%
Gearing ratio(5)	222.2%	86.8%	44.7%

(1) The calculation of gross profit margin is based on gross profit for the year divided by revenue for the respective year.

(2) The calculation of net profit margin is based on the net profit for the year divided by revenue for the respective year.

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

(4) The calculation of adjusted net profit margin (non-IFRS measure) is based on the adjusted net profit (non-IFRS measure) for the year divided by revenue for the respective year.

(5) The calculation of gearing ratio is based on total liabilities divided by total assets as of year end.

CAPITAL EXPENDITURES

Our capital expenditures primarily consist of expenditures for (i) equipment, (ii) right-of-use assets, and (iii) intangible assets.

The following table sets forth our capital expenditure for the periods indicated:

	For the year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equipment	67	744	288
Right-of-use assets	1,399	1,525	769
Intangible assets	–	22	9
Total	**1,466**	**2,291**	**1,066**

During the Track Record Period, we funded our capital expenditure mainly from cash generated from our operating activities and bank borrowings. We estimate that our capital expenditures for the year ending December 31, 2026 will be approximately RMB2.0 million, which we will use primarily for purchases of equipment and right-of-use assets. We expect to fund these capital expenditures through a combination of cash generated from our operations and other equity or debt financings.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Capital Commitments

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

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks: credit risk, liquidity risk and interest rate risk. Our overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on our Group's financial performance.

Credit Risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in our financial losses. Our credit risk exposures are primarily attributable to trade and other receivables, cash and cash equivalents, restricted bank deposits and term deposits.

The carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position at the end of each reporting period represent our maximum exposure to credit risk without taking into account any collateral or other credit enhancement, which will cause a financial loss to us due to failure to discharge the obligation by counterparties.

Cash and cash equivalents, other receivables and term deposit are determined to have low credit risk at the end of each year because the counterparties are reputable and the risk of inability to pay or redeem at the due date is low.

Liquidity Risk

In the management of our liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to restricted bank deposits, term deposits and lease liabilities. Our cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. Our Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

DIVIDEND

A final dividend of nil, RMB0.64 and nil per share totaling nil, RMB127.2 million and nil was declared to the shareholders of our Company in respect of the years ended December 31, 2023, 2024 and 2025, respectively. The dividend distribution for the year ended December 31, 2024 was proposed by the Directors pursuant to board resolutions dated October 16, 2024 and August 7, 2025, respectively and duly approved by the Shareholders at the general meeting held on November 11, 2024 and August 7, 2025. Such dividend distribution was primarily based on our operating performance, including profit after tax recognized and net cash inflows from operating activities, and reflect our long-term commitment to return value to our Shareholders while ensuring our sustainable development. After the completion of the [**REDACTED**], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Any declaration of dividends shall be subject to the approval of our shareholders.

According to applicable PRC laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous year; allocations to the statutory reserve equivalent to 10% of our profit after tax but not exceeding 50% of our registered share capital; and allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by a Shareholders' meeting.

Any distributable profits that are not distributed in any given year will be retained and become available for distribution in subsequent years. We have no formal dividend policy or pre-determined dividend payout ratio.

WORKING CAPITAL CONFIRMATION

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

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had RMB50.4 million of retained profits available for distribution to our Shareholders.

[REDACTED] EXPENSES

The total [**REDACTED**] expenses borne or to be borne by us are estimated to be approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) accounting for approximately [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document and assuming that the [**REDACTED**] is not exercised. During the Track Record Period, we incurred [**REDACTED**] expenses of RMB[**REDACTED**] million (HK$[**REDACTED**] million), among which RMB[**REDACTED**] million (HK$[**REDACTED**] million) was charged to our statements of profit or loss and other comprehensive income, and RMB[**REDACTED**] million (HK$[**REDACTED**] million) will be accounted for as a deduction from equity upon the [**REDACTED**]. Subsequent to the Track Record Period, we expect that approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) will be charged to our statements of profit or loss and other comprehensive income as [**REDACTED**] expenses, and approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) will be accounted for as a deduction from equity upon the [**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

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

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

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