The following is the text of a report set out on pages I-1 to I-[56], received from the Company's reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF QST INFORMATION TECHNOLOGY LIMITED AND ICBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of QST Information Technology Limited* ("南京擎天全税通信息科技股份有限公司") (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages I-3 to I-[56], which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-[56] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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* *English name is for identification purpose.*

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at December 31, 2023, 2024 and 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[**Deloitte Touche Tohmatsu**]
Certified Public Accountants
Hong Kong
[**REDACTED**]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "IASB") and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	161,084	171,383	175,858
Cost of revenue		(27,392)	(51,365)	(34,874)
Gross profit		133,692	120,018	140,984
Other income	*8*	10,062	9,914	8,962
Other gains and losses	*9*	839	294	672
Research and development expenses		(32,308)	(34,461)	(35,492)
Selling and marketing expenses		(27,823)	(29,209)	(30,484)
Administrative expenses		(12,459)	(14,336)	(14,245)
Impairment losses under expected credit loss ("ECL") model, net of reversal		(412)	(266)	(869)
[**REDACTED**] expenses		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Fair value changes of financial liabilities at fair value through profit or loss ("FVTPL")	*29*	86,753	(788)	–
Finance costs	*10*	(130)	(74)	(152)
Profit before tax	*12*	158,214	51,092	61,647
Income tax expenses	*11*	(5,692)	(3,494)	(4,158)
Profit and total comprehensive income for the year		152,522	47,598	57,489
Attributable to:				
Owners of the Company		152,917	47,448	57,489
Non-controlling interests		(395)	150	–
		152,522	47,598	57,489
EARNINGS PER SHARE	*15*			
Basic (RMB)		0.91	0.28	0.29
Diluted (RMB)		0.34	0.22	N/A

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Equipment	*16*	413	840	841
Right-of-use assets	*17*	2,177	898	611
Intangible assets	*19*	13,717	11,153	8,578
Term deposits	*23*	85,402	31,614	–
		101,709	44,505	10,030
Current assets				
Inventories	*20*	1,136	927	–
Trade and other receivables	*21*	24,176	17,927	64,579
Tax recoverable		–	481	–
Financial assets at FVTPL	*24*	450	25,367	37,775
Term deposits	*23*	–	99,814	32,604
Restricted bank deposits	*23*	–	76	76
Cash and cash equivalents	*23*	46,889	6,975	5,514
		72,651	151,567	140,548
Current liabilities				
Trade and other payables	*25*	19,329	143,326	22,919
Income tax payable		74	–	1,642
Lease liabilities	*27*	2,427	447	410
Contract liabilities	*26*	34,150	13,804	17,307
Amount due to a related party	*22*	235	–	1,330
Borrowings	*30*	–	–	10,003
Financial liabilities at FVTPL	*29*	318,230	–	–
		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	*27*	115	276	60
Contract liabilities	*26*	10,602	10,320	11,906
Deferred tax liabilities	*28*	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	*31*	11,183	11,183	25,000
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

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Equipment	*16*	370	815	822
Right-of-use assets	*17*	2,035	829	606
Intangible assets	*19*	10	17	11
Investments in subsidiaries	*18*	14,096	14,575	14,575
Term deposits	*23*	74,885	31,614	–
		91,396	47,850	16,014
Current assets				
Inventories	*20*	18	–	–
Trade and other receivables	*21*	22,159	15,997	63,857
Tax recoverable		–	481	–
Financial assets at FVTPL	*24*	–	23,867	35,975
Amounts due from subsidiaries	*22*	26,918	25,801	6,838
Term deposits	*23*	–	88,951	32,604
Restricted bank deposits	*23*	–	76	76
Cash and cash equivalents	*23*	45,097	5,285	3,295
		94,192	160,458	142,645
Current liabilities				
Trade and other payables	*25*	18,443	142,290	21,771
Tax payable		74	–	1,533
Lease liabilities	*27*	2,332	428	410
Contract liabilities	*26*	33,927	13,738	16,963
Amounts due to subsidiaries	*22*	3,500	490	6,107
Amount due to a related party	*22*	235	–	1,330
Financial liabilities at FVTPL	*29*	318,230	–	–
		376,741	156,946	48,114
Net current (liabilities) assets		(282,549)	3,512	94,531
Total assets less current liabilities		(191,153)	51,362	110,545
Non-current liabilities				
Lease liabilities	*27*	94	276	60
Contract liabilities	*26*	10,536	10,237	11,784
Deferred tax liabilities	*28*	2,302	2,074	1,687
		12,932	12,587	13,531
Net (liabilities) assets		(204,085)	38,775	97,014
Capital and reserves				
Paid-in/share capital	*31*	11,183	11,183	25,000
Reserves		(215,268)	27,592	72,014
Total (deficit) equity		(204,085)	38,775	97,014

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Paid-in capital	Share capital	Capital reserves	Other reserves	Statutory reserves	(Accumulated losses)/ Retained earnings	Subtotal	Non-controlling interests	Total
	RMB'000 *(Note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	11,183	–	21,917	(299,000)	5,592	(106,163)	(366,471)	845	(365,626)
Profit (loss) and total comprehensive income (expense) for the year	–	–	–	–	–	152,917	152,917	(395)	152,522
As at December 31, 2023	11,183	–	21,917	(299,000)	5,592	46,754	(213,554)	450	(213,104)
Profit and total comprehensive income for the year	–	–	–	–	–	47,448	47,448	150	47,598
Cancellation of obligations of special rights of shareholders *(Note 29)*	–	–	–	299,000	–	–	299,000	–	299,000
Acquisition of non-controlling interests *(Note 37)*	–	–	121	–	–	–	121	(600)	(479)
Dividends recognised as distribution *(Note 14)*	–	–	–	–	–	(107,190)	(107,190)	–	(107,190)
As at December 31, 2024	11,183	–	22,038	–	5,592	(12,988)	25,825	–	25,825
Profit and total comprehensive income for the year	–	–	–	–	–	57,489	57,489	–	57,489
Conversion into a joint stock company *(Note i)*	(11,183)	25,000	2,304	–	(5,592)	(10,529)	–	–	–
Transferred to statutory reserves	–	–	–	–	5,824	(5,824)	–	–	–
As at December 31, 2025	–	25,000	24,342	–	5,824	28,148	83,314	–	83,314

Note i: Pursuant to the shareholders' resolution on June 30, 2025, the shareholders of the Company agreed to convert the Company into a joint stock limited liability company. The net assets of the Company as at conversion date, which is January 31, 2025, including paid-in capital, capital reserves, statutory reserves and retained earnings, were converted into 25,000,000 ordinary shares with a par value of RMB1 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserves.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Profit before tax	158,214	51,092	61,647
Adjustments for:			
Financial costs	130	74	152
Depreciation of equipment	410	303	287
Depreciation of right-of-use assets	2,935	2,804	1,056
Amortisation of intangible assets	2,636	2,586	2,584
Allowance for credit losses on trade and other receivables, net	412	266	869
Net fair value changes of financial liabilities at FVTPL	(86,753)	788	–
Gain on disposal of equipment	–	(53)	–
Gain on fair value changes on financial assets at FVTPL	(903)	(190)	(729)
Interest income on bank deposits	(1,729)	(4,373)	(2,082)
Operating cash flows before movements in working capital	75,352	53,297	63,784
Decrease in inventories	35	209	927
Increase in restricted bank deposits	–	(76)	–
(Increase) decrease in trade and other receivables	(9,060)	5,983	(41,124)
Increase (decrease) in amount due to a related party	235	(235)	1,330
Increase (decrease) in trade and other payables	7,084	(3,211)	4,102
(Decrease) increase in contract liabilities	(11,506)	(20,628)	5,089
Cash generated from operations	62,140	35,339	34,108
Income tax paid	(2,887)	(4,277)	(2,422)
NET CASH FROM OPERATING ACTIVITIES	59,253	31,062	31,686

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
INVESTING ACTIVITIES			
Interest received	116	156	6,507
Purchase of equipment	(67)	(744)	(288)
Proceeds from disposal of equipment	–	67	–
Purchase of intangible assets	–	(22)	(9)
Purchase of financial assets at FVTPL	(27,500)	(56,900)	(240,313)
Redemption of financial assets at FVTPL	28,403	32,173	228,634
Placement of term deposits	(51,115)	(41,809)	–
Withdrawal of term deposits	10,000	–	94,399
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(40,163)	(67,079)	88,930
FINANCING ACTIVITIES			
Repayment of lease liabilities	(2,510)	(3,344)	(1,022)
Interest paid of lease liabilities	(130)	(74)	(26)
Acquisition of non-controlling interests in subsidiaries	–	(479)	–
New borrowings raised	–	–	10,000
Payment of deferred issue costs	–	–	(3,698)
Interest paid for bank borrowings	–	–	(123)
Dividends paid	–	–	(127,208)
NET CASH 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

1. GENERAL INFORMATION

The Company, formerly known as 南京擎天全税通信息科技有限公司 was established in the People's Republic of China ("PRC") on December 18, 2012 as a limited liability company. Upon approval by the shareholders' general meeting held on June 30, 2025, the Company was converted into a joint stock company with limited liability, while its name changed from 南京擎天全税通信息科技有限公司 to QST Information Technology Limited* ("南京擎天全税通信息科技股份有限公司"). The respective address of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" to the document of the Company dated [date] (the " Document"). The founder of the Company is Ms. Xin Ying Mei ("辛穎梅") who is the controlling shareholder of the Company (the "Controlling Shareholder").

The Group is principally engaged in the provision of multifaceted digital solutions for cross-border enterprises with import and export trade business in China. Details of the subsidiaries are disclosed in Note 37.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The statutory financial statements of the Company for each of the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with Chinese Accounting Standards for Business Enterprises ("CASBE") and were audited by Yong Tuo Certified Public Accountants LLP Jiangsu Branch* ("永拓會計師事務所(特殊普通合夥)江蘇分所"), certified public accountants registered in the PRC.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with the IFRS Accounting Standards, which are effective for accounting period beginning on January 1, 2025, throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards . .	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after January 1, 2026.

3 Effective for annual periods beginning on or after January 1, 2027.

Except for the new IFRS Accounting Standards mentioned below, the Directors anticipate that the application of all the amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statements of profit or loss and other comprehensive income.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, incomes, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 6 and 26.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to office premise leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets include the amounts of the initial measurement of the lease liabilities.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to state-managed retirement benefit schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Equipment

Equipment are tangible assets that are held for use for administrative purposes. Equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible assets;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its equipment, right -of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with 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 recognised immediately in profit or loss.

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

Financial assets

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

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

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets the Group hold are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is not a designated and effective hedging instrument.

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

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

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, amounts due from subsidiaries, term deposits, restricted bank deposits and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables.

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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 recognised 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 recognised in profit or loss.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and amount due to a related party are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

Identification of performance obligations in contracts with customers

Contracts with customers may include multiple performance obligations. Judgements are made by the Directors to determine whether performance obligations are distinct that should be accounted for separately, or not distinct within the context of the contracts and accounted for together. The Directors consider a performance obligation as distinct when the customers can benefit from the good or service either on its own or together with other resources that are readily available to the customers and the Group's promise to transfer the good or service to the customers is separately identifiable from other promises in the contract.

The Directors identified all goods and services disclosed in Note 6 as distinct performance obligations and established standalone selling prices for each. Performance obligations for contracts with customers and revenue recognition policies are set out in Note 6.

Allocation of transaction price to each distinct performance obligation

When the performance obligations are assessed to be distinct from each other in contracts with customers, the Group allocates the transaction price to each performance obligation based on their relative stand-alone selling prices. The Directors generally determine relative stand-alone selling prices based on its standard price list, taking into consideration of market conditions and our overall pricing strategy.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Fair value measurement of financial liabilities at FVTPL

The Group has had shareholders with special rights during Track Record Period as set out in Note 29. The Group 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 the paid-in capital of the Company, 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.

The fair value of the financial liabilities at FVTPL of the Group and the Company as at December 31, 2023 is RMB318,230,000.

Useful lives of intangible assets

The Group's management determines the estimated useful lives in determining the related amortisation 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 amortisation 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. The Group's carrying amount of intangible assets at December 31, 2023, 2024 and 2025 is RMB13,717,000, RMB11,153,000 and RMB8,578,000, respectively, as disclosed in Note 19.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Type of goods or services			
Cross-border enterprises intelligent finance and tax management solutions	130,073	135,259	136,292
Invoice document integrated management solutions	24,277	25,291	25,508
Cross-border enterprises risk management and compliance solutions	6,734	10,833	14,058
	161,084	171,383	175,858

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Timing of revenue recognition			
Over time	48,625	32,221	25,291
At a point in time	112,459	139,162	150,567
	161,084	171,383	175,858

(ii) Performance obligations for contracts with customers and revenue recognition policies

The Group recognises 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.

The Group's revenue stream consists of a series of different service and product offering to customers, summarised as below:

Cross-border enterprises intelligent finance and tax management solutions

The Group provides 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 customised 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 customised on-premises software has standalone functionality and are capable of being distinct and therefore is accounted for a separate performance obligation. The Group considers the grant of the licenses for the on-premises software as providing the customers the right to use the Group's 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 the Group 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 recognised 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 recognised 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 recognised at a point in time when the supporting hardware devices and software are accepted by the customers.

The Group also provides 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 recognised 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

The Group provides 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

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

The Group provides customers risk assessment reports and the customers pay usage-based fees at a fixed rate. The Group considers the performance obligation to be satisfied at a point in time upon acceptance of the reports by the customers.

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

For contracts that contain more than one performance obligation, the Group allocates 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 the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects 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, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

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

(iii) Transaction price allocated to the remaining performance obligation for contracts with customer

Unsatisfied performance obligations

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unsatisfied performance obligations	53,861	48,685	59,910

Management expects that the transaction price allocated to the Group's remaining unsatisfied performance obligations will be recognised as revenue as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	41,273	27,719	34,694
More than one year but not more than two years	7,415	12,561	14,465
More than two years	5,173	8,405	10,751
	53,861	48,685	59,910

7. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM"), who is also identified as the chief executive officer of the Group, in order to allocate resources to segments and to assess their performance. During the Track Record Period, the CODM assesses the operating performance and allocates the resources of the Group as a whole. Therefore, the CODM considers the Group only has one operating segment.

The CODM reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies as set out in Note 4 and no further analysis of the single segment is presented.

Entity-wide disclosures

Geographical information

No geographical analysis is provided as the Group's revenue from external customers is derived solely from its operation in the PRC and all non-current assets of the Group are located in the PRC.

Information about major customers

During the Track Record Period, revenue from a customer of the corresponding periods contributing over 10% of the total revenue of the Group is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	*	26,275	24,072

* The corresponding revenue contributed to the total revenue of the Group was less than 10% during the corresponding years.

8. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax refund *(note i)*	7,505	5,011	6,569
Government grants related to income *(Note ii)*	695	490	266
Interest income on bank deposits	1,729	4,373	2,082
Others	133	40	45
	10,062	9,914	8,962

Notes:

i According to the "Notice on Value-Added Tax Policies for Software Products" (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Taxation Administration of the PRC, for general taxpayers of value-added tax selling software products they have independently developed and produced, after levying value-added tax at a rate of 17%, the portion of the actual tax burden exceeding 3% will be refunded immediately upon collection.

ii The amount represents unconditional government grants received from local government in connection with the operating activities of the Group during the Track Record Period.

9. OTHER GAINS AND LOSSES

	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)
	839	294	672

10. FINANCE COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	130	74	26
Interest on bank loans	–	–	126
	130	74	152

11. INCOME TAX EXPENSE

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax	5,255	3,722	4,545
Deferred tax	437	(228)	(387)
	5,692	3,494	4,158

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Company and its PRC subsidiaries is 25% during the Track Record Period.

The Company has been accredited as a "High and New Technical Enterprise" ("HNTE") by the Science and Technology Bureau of Jiangsu and relevant authorities in 2021 and renewed their HNTE in 2024 for a term of three years to 2026. In accordance with the "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax", HNTE is subject to income tax at a tax rate of 15%.

Pursuant to the tax incentive policy issued by the Ministry of Finance and the State Taxation Administration in April 2012, enterprises recognised 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%. The Company achieved profitability since 2013. The Company was officially recognised as a nationally encouraged key software enterprise and benefited from a preferential income tax rate of 10% during the Track Record Period.

Pursuant to the relevant laws and regulations in the PRC, the Company enjoyed a super deduction of 100% on qualified research and development expenditures for the years ended December 31, 2023, 2024 and 2025.

The income tax expenses during the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	158,214	51,092	61,647
Tax at the PRC EIT rate of 25%	39,554	12,773	15,412
Tax effect of expenses not deductible for tax purpose	2,365	2,660	1,886
Tax effect of income not taxable for tax purpose	(21,688)	–	–
Effect of additional tax deduction for research and development expenses	(7,553)	(8,114)	(8,209)
Tax effect of tax losses not recognised	1,355	1,633	999
Utilisation of tax losses previously not recognised	(16)	(153)	(90)
Tax effect of deductible temporary differences not recognised	212	(65)	229
Income tax at concessionary rate	(8,537)	(5,240)	(6,069)
Income tax expenses	5,692	3,494	4,158

As at December 31, 2023, 2024 and 2025, the unused tax losses were approximately RMB27,920,000, RMB29,538,000 and RMB25,687,000 available for offset against future profits respectively. During the year ended December 31, 2023, 2024 and 2025, the unused tax losses with approximately nil, RMB4,304,000 and RMB7,489,000 were expired respectively. No deferred tax asset has been recognised in respect of unused tax losses due to the unpredictability of future profit stream of the subsidiaries.

The unused tax losses will expire as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2024	4,304	–	–
2025	7,489	7,489	–
2026	7,647	7,108	7,108
2027	3,062	2,989	2,629
2028	5,418	5,418	5,418
2029	–	6,534	6,534
2030	–	–	3,998
	27,920	29,538	25,687

12. PROFIT BEFORE TAX

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax has been arrived at after charging:			
Depreciation of equipment	410	303	287
Depreciation of right-of-use assets	2,935	2,804	1,056
Amortisation of intangible assets	2,636	2,586	2,584
Total depreciation and amortisation	5,981	5,693	3,927
Auditor's remunerations	208	149	97
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Directors' and supervisor's remuneration *(Note 13)*	2,353	3,114	2,594
Other staff costs:			
Salaries and other benefits	50,619	52,084	54,862
Discretionary bonus	3,684	6,579	6,680
Retirement benefit scheme contributions	2,910	3,392	3,783
Total staff costs	59,566	65,169	67,919
Staff costs	29,009	31,324	32,387
Service fees	286	333	82
Depreciation of right-of-use assets	719	723	–
Rental fees	–	–	721
Others	2,294	2,081	2,302
Total research and development costs recognised as an expense	32,308	34,461	35,492
Cost of inventories recognised as cost of revenue	11,896	37,119	20,364

13. DIRECTORS', SUPERVISOR'S AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Details of the emoluments paid or payable by the entities comprising the Group to the directors, supervisor and chief executive officer of the Company (including emolument for services as employee/directors of the group entities prior to becoming the directors and supervisors of the Company) during the Track Record Period are as follows:

	Date of appointment	Salaries and other benefits	Retirement benefit scheme contributions	Performance-related bonus	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2023					
Executive directors:					
Xin Ying Mei	November 22, 2012	–	–	–	–
Yan Wei Xing	December 18, 2020	492	16	200	708
Zhang Liu Song	December 18, 2020	438	16	150	604
Qiu Bin	November 26, 2024	314	16	75	405
Ye Fei	October 10, 2025	331	16	50	397
Non-executive directors:					
Lu Yin	January 29, 2021	–	–	–	–
Shi Xin	September 22, 2021	–	–	–	–
Supervisor:					
Yang Yan	December 18, 2020	207	14	18	239
Total		1,782	78	493	2,353

	Date of appointment	Salaries and other benefits	Retirement benefit scheme contributions	Performance-related bonus	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2024					
Executive directors:					
Xin Ying Mei	November 22, 2012	900	–	–	900
Yan Wei Xing	December 18, 2020 (Resigned on November 26, 2024)	467	27	–	494
Zhang Liu Song	December 18, 2020	438	16	150	604
Qiu Bin	November 26, 2024	359	16	100	475
Ye Fei	October 10, 2025	332	16	50	398
Non-executive directors:					
Lu Yin	January 29, 2021	–	–	–	–
Shi Xin	September 22, 2021	–	–	–	–
Supervisor:					
Yang Yan	December 18, 2020	208	14	21	243
Total		2,704	89	321	3,114
For the year ended December 31, 2025					
Executive directors:					
Xin Ying Mei	November 22, 2012	960	–	–	960
Zhang Liu Song	December 18, 2020	438	16	126	580
Qiu Bin	November 26, 2024 (Resigned on October 10, 2025)	363	13	90	466
Ye Fei	October 10, 2025	346	16	90	452
Non-executive directors:					
Lu Yin	January 29, 2021	–	–	–	–
Shi Xin	September 22, 2021	–	–	–	–
Supervisor:					
Yang Yan	December 18, 2020 (Resigned on June 30, 2025)	104	7	25	136
Total		2,211	52	331	2,594

The executive directors' and chief executive officer emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The supervisor's emoluments were for her service as supervisor of the Company during the Track Record Period.

Five Highest Paid Employees

The five highest paid employees of the Group during the years ended December 31, 2023, 2024 and 2025 included 2, 3 and 3 directors, respectively, details of whose remuneration are set out above. Details of the remuneration of the remaining 3, 2 and 2 highest paid employees, respectively, for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	1,562	1,096	1,014
Retirement benefit scheme contributions	36	30	46
Performance-related bonuses	150	130	92
	1,748	1,256	1,152

Performance-related bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The numbers of the five individuals (including directors of the Company) are within the following bands:

	Year ended December 31,		
	2023	2024	2025
	No. of employees	*No. of employees*	*No. of employees*
Nil to HK$1,000,000	5	4	4
HK$1,000,001 to HK$1,500,000	–	1	1
Total	5	5	5

During the Track Record Period, no emoluments were paid by the Group to any of the directors, supervisors nor the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors and supervisors of the Company has waived or agreed to waive any emoluments during the Track Record Period.

14. DIVIDENDS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Dividends to shareholders of the Company:			
Ordinary shareholders	–	107,190	–
Shareholders with special rights	–	20,018	–
	–	127,208	–

A final dividend of nil, RMB0.64 and nil per share totaling nil, RMB127,208,000 and nil was declared to the shareholders of the Company in respect of the years ended December 31, 2023, 2024 and 2025, respectively. The full amount declared in respect of the year ended December 31, 2024, was paid during the next year.

As set out in Note 31, upon approval by the shareholders' general meeting held on June 30, 2025, the Company was converted from a limited liability company into a joint stock company with limited liability. The Company converted net assets value of RMB40,817,000 on January 31, 2025 into 25,000,000 ordinary shares with a par value of RMB1 each. Pursuant to the resolutions of the Shareholders dated October 10, 2025, the ordinary shares will be [**REDACTED**] immediately prior to the [**REDACTED**], and the nominal value of the ordinary shares will be changed from RMB1 each to RMB[**REDACTED**] each. Immediately after the [**REDACTED**], the registered share capital of the Company will be RMB[**REDACTED**] with [**REDACTED**] shares in a nominal value of RMB[**REDACTED**] each. The number of shares used in the calculation of dividend per share is adjusted retrospectively for the Company's conversion into a joint stock company and [**REDACTED**], as if 200,000,000 shares were in issue as at the beginning of the Track Record Period.

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Earnings (RMB'000):			
Profit for the year attributable to owners of the Company for basic earnings per share	152,917	47,448	57,489
Effect of diluted potential ordinary shares:			
Adjustment to fair value change of financial liabilities at FVTPL (net of income tax)	(86,753)	788	–

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Earnings for the purpose of diluted earnings per share	66,164	48,236	57,489
Number of shares ('000)			
Weighted average number of ordinary shares for the purpose of basic earnings per share	168,526	169,623	200,000
Effect of diluted potential ordinary shares:			
Financial liabilities at FVTPL	23,977	46,016	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	192,503	215,639	200,000

The Group has had shareholders with special rights during the Track Record Period, and their interests are recorded as financial liabilities at FVTPL in Note 29. These interests are not treated as outstanding shares and thus are excluded in the calculation of basic earnings per share until the special rights were legally terminated on December 20, 2024.

As set out in Note 31, upon approval by the shareholders' general meeting held on June 30, 2025, the Company was converted from a limited liability company into a joint stock company with limited liability. The Company converted net assets value of RMB40,817,000 on January 31, 2025 into 25,000,000 ordinary shares with a par value of RMB1 each. Pursuant to the resolutions of the Shareholders dated October 10, 2025, the ordinary shares will be [**REDACTED**] immediately prior to the [**REDACTED**], and the nominal value of the ordinary shares will be changed from RMB1 each to RMB[**REDACTED**] each. Immediately after the [**REDACTED**], the registered share capital of the Company will be RMB[**REDACTED**] with [**REDACTED**] shares in a nominal value of RMB[**REDACTED**] each. For the purpose of determining basic and diluted earnings per share, the number of shares in issue before the Company's conversion into a joint stock limited liability company and [**REDACTED**], were deemed to be the weighted average number of ordinary shares as if the above conversion had occurred on January 1, 2023, at the conversion ratio according to the resolutions of the shareholders on June 30, 2025 and October 10, 2025.

For calculation of diluted earnings per share of the Group for the years ended December 31, 2023 and 2024, the dilutive impact from the shareholdings with special rights have been taken into consideration. As the special rights were legally terminated on December 20, 2024, no diluted earnings per share were presented for the year ended December 31, 2025.

16. EQUIPMENT

The Group

	Transportation equipment	Machinery and equipment	Office equipment and furniture	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
As at January 1, 2023	510	1,662	51	2,223
Additions	–	43	24	67
As at December 31, 2023	510	1,705	75	2,290
Additions	516	219	9	744
Disposals	(257)	–	(2)	(259)
As at December 31, 2024	769	1,924	82	2,775
Additions	–	281	7	288
As at December 31, 2025	769	2,205	89	3,063

	Transportation equipment	Machinery and equipment	Office equipment and furniture	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
DEPRECIATION				
As at January 1, 2023	411	1,039	17	1,467
Provided for the year	70	331	9	410
As at December 31, 2023	481	1,370	26	1,877
Provided for the year	85	204	14	303
Eliminated on disposals	(244)	–	(1)	(245)
As at December 31, 2024	322	1,574	39	1,935
Provided for the year	123	150	14	287
As at December 31, 2025	445	1,724	53	2,222
CARRYING VALUES				
As at December 31, 2023	29	335	49	413
As at December 31, 2024	447	350	43	840
As at December 31, 2025	324	481	36	841

The Company

	Transportation equipment	Machinery and equipment	Office equipment and furniture	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
As at January 1, 2023	320	1,629	45	1,994
Additions	–	33	19	52
As at December 31, 2023	320	1,662	64	2,046
Additions	516	219	9	744
Disposals	(257)	–	–	(257)
As at December 31, 2024	579	1,881	73	2,533
Additions	–	278	7	285
As at December 31, 2025	579	2,159	80	2,818
DEPRECIATION				
As at January 1, 2023	270	1,029	16	1,315
Provided for the year	34	320	7	361
As at December 31, 2023	304	1,349	23	1,676
Provided for the year	82	193	11	286
Eliminated on disposals	(244)	–	–	(244)
As at December 31, 2024	142	1,542	34	1,718
Provided for the year	123	142	13	278
As at December 31, 2025	265	1,684	47	1,996
CARRYING VALUES				
As at December 31, 2023	16	313	41	370
As at December 31, 2024	437	339	39	815
As at December 31, 2025	314	475	33	822

The above items of equipment, is depreciated on a straight-line basis, after taking into account of the residual values, over the following periods:

Transportation equipment	4 years
Machinery and equipment	3-5 years
Office equipment and furniture	5 years

17. RIGHT-OF-USE ASSETS

The Group

	Office premises
	RMB'000
COST	
As at January 1, 2023	7,607
Additions	1,399
Expiration of leases	(1,477)
As at December 31, 2023	7,529
Additions	1,525
Expiration of leases	(6,884)
As at December 31, 2024	2,170
Additions	769
Expiration of leases	(1,214)
As at December 31, 2025	1,725
DEPRECIATION	
As at January 1, 2023	3,894
Charge for the year	2,935
Expiration of leases	(1,477)
As at December 31, 2023	5,352
Charge for the year	2,804
Expiration of leases	(6,884)
As at December 31, 2024	1,272
Charge for the year	1,056
Expiration of leases	(1,214)
As at December 31, 2025	1,114
CARRYING VALUES	
As at December 31, 2023	2,177
As at December 31, 2024	898
As at December 31, 2025	611

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expense relating to short-term leases	133	52	1,915
Total cash outflow for leases	2,773	3,470	2,963

The Company

	Office premises
	RMB'000
COST	
As at January 1, 2023	7,197
Additions	1,399
Expiration of leases	(1,477)

	Office premises
	RMB'000
As at December 31, 2023	7,119
Additions	1,467
Expiration of leases	(6,712)
As at December 31, 2024	1,874
Additions	769
Expiration of leases	(977)
As at December 31, 2025	1,666
DEPRECIATION	
As at January 1, 2023	3,743
Charge for the year	2,818
Expiration of leases	(1,477)
As at December 31, 2023	5,084
Charge for the year	2,673
Expiration of leases	(6,712)
As at December 31, 2024	1,045
Charge for the year	992
Expiration of leases	(977)
As at December 31, 2025	1,060
CARRYING VALUES	
As at December 31, 2023	2,035
As at December 31, 2024	829
As at December 31, 2025	606

The Group and the Company regularly entered into short-term leases for office premises. As at December 31, 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

During the Track Record Period, the Group and the Company leases various properties for its operations. Lease contracts are entered into for fixed term of 24 months to 60 months. Lease terms are negotiated on an individual basis and contain different terms and conditions. There were no extension or termination options in the lease contracts. In determining the lease term and assessing the length of the non-cancellable period, the Group and the Company applies the definition of a contract and determines the period for which the contract is enforceable.

Restrictions or covenants on leases

In addition, lease liabilities of RMB2,542,000, RMB723,000 and RMB470,000 are recognised with related right-of-use assets of RMB2,177,000, RMB898,000 and RMB611,000 as at December 31, 2023, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in Notes 27 and 33.

18. INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of investment	14,096	14,575	14,575

19. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
COST	
As at December 31, 2022 and 2023	47,593
Additions	22
As at December 31, 2024	47,615
Additions	9
As at December 31, 2025	47,624
AMORTISATION	
As at January 1, 2023	31,240
Provided for the year	2,636
As at December 31, 2023	33,876
Provided for the year	2,586
As at December 31, 2024	36,462
Provided for the year	2,584
As at December 31, 2025	39,046
CARRYING VALUES	
As at December 31, 2023	13,717
As at December 31, 2024	11,153
As at December 31, 2025	8,578

The Company

	Software
	RMB'000
COST	
As at December 31, 2022 and 2023	21,893
Additions	22
As at December 31, 2024	21,915
Additions	9
As at December 31, 2025	21,924
AMORTISATION	
As at January 1, 2023	21,817
Provided for the year	66
As at December 31, 2023	21,883
Provided for the year	15
As at December 31, 2024	21,898
Provided for the year	15
As at December 31, 2025	21,913
CARRYING VALUES	
As at December 31, 2023	10
As at December 31, 2024	17
As at December 31, 2025	11

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Software	2-10 years

20. INVENTORIES

	The Group			The Company		
	As at December 31,			As at December 31,		
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Goods available for sale	1,136	927	–	18	–	–

21. TRADE AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	21,821	16,003	54,697
Less: allowance for ECL	(842)	(1,108)	(1,977)
	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]
Others	138	134	316
	[REDACTED]	[REDACTED]	[REDACTED]

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	19,801	14,207	54,056
Less: allowance for ECL	(780)	(1,088)	(1,967)
	19,021	13,119	52,089
VAT refund	1,275	1,609	4,174
Advance to staff	997	421	230
Prepayments	453	414	358
Deposits	283	300	192
Deferred issue costs	–	–	6,397
Prepayment for [**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Others	130	134	286
	[REDACTED]	[REDACTED]	[REDACTED]

As at January 1, 2023, the Group's and the Company's trade receivables from contracts with customers amounting to RMB12,691,000 and RMB12,136,000 (net of ECL allowance of RMB430,000 and RMB389,000), respectively.

The Group and the Company has a policy of allowing a credit period of up to 90 days for customers whereas longer credit terms are allowed to certain selected customers with good credit histories, subject to a maximum duration of 180 days.

The following is an aging analysis of the Group's trade receivables, net of allowance for ECL, presented based on revenue recognition date at the end of each reporting period:

	As at 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
	20,979	14,895	52,720

The following is an aging analysis of the Company's trade receivables, net of allowance for ECL, presented based on revenue recognition date at the end of each reporting period:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0-30 days	13,610	7,794	32,803
31-90 days	1,942	1,790	8,684
91-180 days	1,918	1,610	4,388
181 days to 1 year	959	987	4,846
Over 1 year	592	938	1,368
	19,021	13,119	52,089

The Group and the Company does not hold any collateral over these balances.

As at December 31, 2023, 2024 and 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB3,523,000, RMB3,768,000 and RMB10,751,000, respectively, which are past due as at the reporting date. Out of the past due balances, RMB1,605,000, RMB2,102,000 and RMB6,233,000 has been past due 90 days or more and is not considered as in default considering the historical and expected subsequent repayment from the trade debtors.

As at December 31, 2023, 2024 and 2025, included in the Company's trade receivables balance are debtors with aggregate carrying amount of RMB3,469,000, RMB3,535,000 and RMB10,602,000 respectively which are past due as at the reporting date. Out of the past due balances, RMB1,551,000, RMB1,925,000 and RMB6,214,000 has been past due 90 days or more and is not considered as in default considering the historical and expected subsequent repayment from the trade debtors. Details of the assessment on the provision of ECL of trade and other receivables are set out in Note 33.

22. AMOUNTS DUE FROM SUBSIDIARIES/AMOUNT(S) DUE TO A RELATED PARTY/SUBSIDIARIES

The Group and the Company

Amount due to a related party

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Nanjing Este Real Estate Co., Ltd.* (南京艾斯特置業有限公司)	235	–	1,330

* *English name is for identification purpose.*

The amount was related to accrued property management expense and rental expenses.

The following is an aged analysis of the trade nature amount due to a related party, presented based on the invoice date, at the end of each reporting period:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0-30 days	235	–	1,330

The Company

Amounts due from subsidiaries

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-trade nature			
Jiangsu Skytech Zumoo Co., Limited* (江蘇擎天助貿科技有限公司)	25,700	25,700	5,135
Shandong Skytech Qishuitong Computer Software Co., Ltd.* (山東擎天企稅通計算機軟件有限公司)	–	–	1,703
Trade nature			
Shandong Skytech Qishuitong Computer Software Co., Ltd.* (山東擎天企稅通計算機軟件有限公司)	1,218	101	–
	26,918	25,801	6,838

The following is an aged analysis of trade nature amounts due from a subsidiary, presented based on the revenue recognition date at the end of each reporting period.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0-30 days	492	101	–
Over 1 year	726	–	–
	1,218	101	–

Amounts due to subsidiaries

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade-related			
Jiangsu Skytech Zumoo Co., Limited* ("江蘇擎天助貿科技有限公司")	3,500	490	2,750

* *English name is for identification purpose.*

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Shandong Skytech Qishuitong Computer Software Co., Ltd.* (山東擎天企税通計算機軟件有限公司)	–	–	2,536
Guangzhou Skytech Qishuitong Computer Software Co., Ltd. * (廣州擎天企税通計算機軟件有限公司)	–	–	821
	3,500	490	6,107

The following is an aged analysis of the trade nature amounts due to subsidiaries, presented based on the invoice date, at the end of each reporting period:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
0 – 90 days	–	490	6,107
Over 1 year	3,500	–	–
	3,500	490	6,107

23. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS/TERM DEPOSITS

The Group and the Company

Cash and cash equivalents comprise demand deposits held by the Group and the Company. Bank balances of the Group and the Company carry interests at market rates which was from 0.05% to 0.80%, 0.05% to 0.10% and 0.05% to 0.10% per annum as at December 31, 2023, 2024 and 2025, respectively.

The Group's and the Company's restricted bank deposits carry interests at market rates which was 0.10% as at December 31, 2024 and 2025.

As at December 31, 2023, 2024 and 2025, the Group's and the Company's term deposits carry interests at market rates ranged from 3.30% to 3.55%, 3.30% to 3.55% and at 3.30% per annum, respectively.

Details of impairment assessment of bank balances, restricted bank deposits and term deposits are set out in Note 33.

24. FINANCIAL ASSETS AT FVTPL

The Group

	At December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted financial products *(note)*	450	25,367	37,775

The Company

	At December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted financial products *(note)*	–	23,867	35,975

Note: Unlisted financial products investments are managed by banks in the PRC to invest principally in certain financial assets including bonds, trusts or cash funds in accordance with the entrusted agreements entered into between the parties involved.

25. TRADE AND OTHER PAYABLES

The Group

	As at 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
Other payables	165	120	194
Dividend payables	–	127,208	–
Accrued [**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Accrued deferred issue costs	–	–	2,699
	[REDACTED]	[REDACTED]	[REDACTED]

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	7,445	2,529	34
Accrued payroll and welfares	8,049	9,155	10,551
Other tax payables	2,784	3,286	5,278
Other payables	165	112	189
Dividend payables	–	127,208	–
Accrued [**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Accrued deferred issue costs	–	–	2,699
	[REDACTED]	[REDACTED]	[REDACTED]

The credit period on purchase of goods and services of the Group and the Company is up to 90 days.

The following is an aging analysis of the Group's trade payables presented based on the date of purchase dates at the end of each year:

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

The following is an aging analysis of the Company's trade payables presented based on the date of purchase dates at the end of each year:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
0-90 days	7,445	2,529	34

26. CONTRACT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current	34,150	13,804	17,307
Non-current	10,602	10,320	11,906
	44,752	24,124	29,213

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current	33,927	13,738	16,963
Non-current	10,536	10,237	11,784
	44,463	23,975	28,747

Contract liabilities related to the Group's service periods that extend beyond one year are classified as non-current, while all other contract liabilities are recognised as current.

As at January 1, 2023, the Group's and the Company's balance of contract liabilities amounted to RMB56,258,000 and RMB55,999,000, respectively.

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

The contract liabilities of the Group as at January 1, 2023, 2024 and 2025, amounted to RMB40,941,000, RMB34,150,000, and RMB13,804,000 were recognised as revenue during the years ended December 31, 2023, 2024 and 2025, respectively.

The contract liabilities of the Company as at January 1, 2023, 2024 and 2025, amounted to RMB40,717,000, RMB33,927,000, and RMB13,738,000 were recognised as revenue during the years ended December 31, 2023, 2024 and 2025, respectively.

During the years ended December 31, 2023, 2024 and 2025, there were no revenue recognised that related to performance obligations that were satisfied in prior years.

27. LEASE LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	2,427	447	410
Within a period of more than one year but not exceeding two years	115	276	60
	2,542	723	470
Less: Amount due for settlement within 12 months shown under current liabilities	(2,427)	(447)	(410)
Amount due for settlement after 12 months shown under non-current liabilities	115	276	60

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	2,332	428	410
Within a period of more than one year but not exceeding two years	94	276	60
	2,426	704	470
Less: Amount due for settlement within 12 months shown under current liabilities	(2,332)	(428)	(410)
Amount due for settlement after 12 months shown under non-current liabilities	94	276	60

The weighted average incremental borrowing rates applied to the Group's lease liabilities are 4.63%, 4.54% and 3.50% per annum for the years ended December 31, 2023, 2024 and 2025, respectively.

28. DEFERRED TAX

The following is the analysis of the deferred tax balances for financial reporting presentation purposes:

The Group and The Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax liabilities	2,302	2,074	1,687

The following are the deferred tax liabilities recognised and the movement thereon during the years:

	Tax refund
	RMB'000
At January 1, 2023	1,865
Credit to profit or loss	437
At December 31, 2023	2,302
Charge to profit or loss	(228)
At December 31, 2024	2,074
Charge to profit or loss	(387)
At December 31, 2025	1,687

Deferred tax liabilities are calculated at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates and tax laws that have been enacted at the end of the reporting period. As set out in Note 11, the Company has recognised the deferred tax liability at income tax rate of 10%.

Under the "Notice of the Ministry of Finance and the State Administration of Taxation on Value-Added Tax Policies for Software Products" [Cai Shui (2011) No.100], VAT refund received by the entities from the sale of self-developed software products are classified as non-taxable income and may be subtracted from total revenue in the calculation of taxable income. The VAT refund is restricted to expenditures related to product research and development or the acquisition of assets, and shall not be eligible for tax deduction in future periods. Any portion remaining unused over a five-year period will be subject to additional tax adjustments.

29. FINANCIAL LIABILITIES AT FVTPL

Shareholders with special rights

The founding shareholders of the Company, Nanjing Qingtian Venture Capital Partnership Enterprise (Limited Partnership)* (南京擎天創業投資合夥企業(有限合夥)) and Ms. Xin Ying Mei (together, the "Founding Shareholders"), entered into several share transfer agreements (collectively, the "Agreements") with independent investors in 2021 (the "Investors"), pursuant to which the Founding Shareholders transferred certain equity interests of the Company to the Investors as follows:

	Date of transfer	Transferred amount of registered capital	Subscription price per registered capital	Total Subscription price
		RMB	*RMB*	*RMB'000*
Nanjing CICC Qihong Investment Fund Partnership (Limited Partnership)* (南京中金啟泓投資基金合夥企業(有限合夥)) ("CICC Qihong")	January 27, 2021	588,598.99	169.89	100,000
Zhangjiagang Shenzhen Investment Holdings SEG Hechuang Equity Investment Partnership (Limited Partnership)* (張家港深投控賽格合創股權投資合夥企業(有限合夥)) ("Zhangjiagang SIH")	June 30, 2021	117,719.80	169.89	20,000
Guozhong Private Equity Investment Fund (Xi'an) Partnership (Limited Partnership)* (國中私募股權投資基金(西安)合夥企業(有限合夥)) ("Guozhong Fund")	September 17, 2021	582,713.00	169.89	99,000

* *English name is for identification purpose.*

	Date of transfer	Transferred amount of registered capital	Subscription price per registered capital	Total Subscription price
		RMB	*RMB*	*RMB'000*
Nanjing Tietou Jushi Hub Economic and Industrial Investment Fund Partnership (Limited Partnership)* (南京鐵投巨石樞紐經濟產業投資基金合夥企業(有限合夥)) ("Tietou Jushi Fund")	October 17, 2021	235,439.59	169.89	40,000
Huafu Growth Investment Co., Ltd.* (華福成長投資有限公司) ("Huafu Growth")	October 17, 2021	176,579.70	169.89	30,000
Rudong Jushi Changfa Intelligent Manufacturing Investment Partnership (Limited Partnership)* (如東巨石長發智能製造投資合夥企業(有限合夥)) ("Rudong Jushi")	October 26, 2021	58,859.90	169.89	10,000
Total		1,759,910.98		299,000

The Agreements were entered in 2021 and granted the following special rights to the Investors.

(a) Redemption rights

The Investors have the right to require the Company and the Founding Shareholders jointly or separately to redeem the shares held by the Investors upon the occurrence of certain contingent events, mainly including: (i) the Company has not completed a qualified initial public offering within five years after the investment date, or (ii) the Founding Shareholders in breach of the contractual covenants, including the control and ownership continuity, the Founding Shareholders' and the Company's financial integrity and legal compliance requirement.

The redemption price shall be the higher of: (i) the value of the equity based on the net assets of the Company attributable on the Investors on the redemption date; or (ii) the original investment from the Investors plus a yield at 8% per annum, less dividends received by the Investors.

(b) Liquidation preference

In the event of any liquidation, dissolution or winding up of the Company, the Investors shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of ordinary shares. The liquidation price shall be including: (i) the original investment from the Investors plus a yield at 8% per annum, less dividends received by the Investors (the "priority liquidation amount"); and (ii) the remaining distributable assets after the payment of the priority liquidation amount shall distribute in accordance with the share ratios to Investors.

(c) Anti-dilution rights

If the Company issues new shares at a price lower than the price paid by the Investors on a per registered capital basis, the Investors have a right to require the Company to issue new paid-in capital at the lowest price allowed by the law to the Investors.

Termination of the special rights

On December 20, 2024, the Founding Shareholders, the Company and the Investors entered into a supplemental agreement to terminate the obligations of the Company for the special rights, and the obligations of the Founding Shareholders for the special rights will be temporarily terminated upon the submission of listing application to the Stock Exchange until the earlier of (1) the Company withdraws the said application; (2) the Company fails the hearing with the Listing Committee of the Stock

Exchange within 18 months since the submission of listing application to the Stock Exchange; (3) the application is not accepted or declined by the Stock Exchange; or (4) the Company was unable to complete the public offering within one month of receiving the approval of the application from the Stock Exchange.

The Group designated these shares with special rights as financial liabilities at FVTPL on initial recognition and revalued prior to the termination of the special rights with fair value changes recognised in "fair value changes of financial liabilities at FVTPL" in profit or loss.

The fair value of the abovementioned financial liabilities were assessed by the management of the Group with reference to an independent valuation varied out by Jinzheng (Shanghai) Assets Valuation Co., Ltd.* (金證(上海)資產評估有限公司) with registered address of Room 1303-1, No. 2539, Chengliu Middle Road, Jiading District, Shanghai, PRC, which has appropriate qualifications and experiences in valuation of similar instruments.

The Company used the guideline public company model ("GCM Model") to determine the underlying equity value of the Company as at December 31, 2023, and performed an equity allocation based on a hybrid method to arrive at the fair value of the financial liabilities as at December 31, 2023. Key valuation assumptions used to determine the fair value of financial liabilities at FVTPL as at December 31, 2023 is as follows.

	As at December 31, 2023
Risk-free interest rate	2.29%
Discount for lack of marketability (the "DLOM")	19.61%
Probability under liquidation scenario	20%
Probability under redemption scenario	40%
Probability under listing scenario	40%
Volatility	55.18%

Volatility was determined by reference to the comparable companies in the industry.

The movements of the Group's and the Company's financial liabilities at FVTPL are set out below:

	Financial liabilities at FVTPL
	RMB'000
As at January 1, 2023	404,983
Changes in fair value	(86,753)
As at December 31, 2023	318,230
Changes in fair value	788
Dividend paid	(20,018)
Termination of special rights	(299,000)
As at December 31, 2024 and 2025	–

* *English name is for identification purpose.*

30. BORROWINGS

The Group

	As at December 31, 2025
	RMB'000
Bank borrowings	10,003
Secured and unguaranteed *(note i)*	10,003

Note i: During the year ended December 31, 2025, the Group newly obtained a bank loan amounting to RMB10,000,000, which was pledged by the Group's several trademarks that have not been recognised as intangible assets

The carrying amounts of the above other borrowings are analysed based on contractual repayment date as follows:

	As at December 31, 2025
	RMB'000
Carrying amount repayable: (based on scheduled payment terms)	
Within one year	10,003

The loan carries interest at fixed interest rates of 1.5% per annum and is repayable within one year.

31. PAID-IN/SHARE CAPITAL

Upon approval by the shareholders' general meeting held on June 30, 2025, the Company converted into a joint stock company with limited liability. The balance as at January 1, 2023, December 31, 2023 and 2024 and January 1, 2025 represented the paid-in capital of the Company prior to the conversion of the Company. Share capital as at December 31, 2025 represented the issued share capital of the Company. The summary of movements in the Company's pain-in capital and share capital are set out as below:

	Paid-in Capital
	RMB'000
Issued and fully paid	
As at January 1, 2023 and December 31, 2023 and 2024	11,183

	Number of shares	Share Capital
	'000	*RMB'000*
Ordinary shares of RMB1 each		
Authorised and issued and fully paid		
At January 1, 2025	N/A	N/A
Issue of ordinary shares upon conversion into a joint stock company *(note)*	25,000	25,000
As at December 31, 2025	25,000	25,000

Note: Upon approval by the shareholders' general meeting held on June 30, 2025, the Company was converted from a limited liability company into a joint stock company with 25,000,000 ordinary shares of RMB1 per share.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net asset balance, which includes cash and cash equivalents, restricted bank deposits, term deposits, lease liabilities, financial liabilities at FVTPL, and equity of the Group, comprising issued share/paid-in capital, accumulated losses/retain profits, other reserves and non-controlling interests.

The management of the Group regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts and redemption of existing debts.

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortised cost	154,704	154,378	91,708
FVTPL	450	25,367	37,775
	155,154	179,745	129,483
Financial liabilities			
Amortised cost	7,854	129,857	11,561
FVTPL	318,230	–	–
	326,084	129,857	11,561

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortised cost	167,331	165,701	95,610
FVTPL	–	23,867	35,975
	167,331	189,568	131,585
Financial liabilities			
Amortised cost	11,345	130,339	7,660
FVTPL	318,230	–	–
	329,575	130,339	7,660

(b) Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade and other receivables, financial assets at FVTPL, cash and cash equivalents, restricted bank deposits, term deposits, trade and other payables, amounts due from/to subsidiaries/a related party, borrowings and financial liabilities at FVTPL. Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below.

The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to interest rate risk. There has been no change in the Group's exposure to the risk or the manner in which it manages and measures the risk.

Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to restricted bank deposits, term deposits, borrowings and lease liabilities. The Group's and the Company's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant, therefore no sensitivity analysis on such risk has been prepared.

Credit risk and impairment assessment

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

The Group's and the Company's carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position at the end of each reporting period represent the Group's and the Company's maximum exposure to credit risk without taking into account any collateral or other credit enhancement, which will cause a financial loss to the Group and the Company 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.

In order to minimize the credit risk with customers, the management of the Group has delegated its finance team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of trade receivables at the end of each reporting period to ensure that adequate impairment losses allowance are made for irrecoverable amounts.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables are assessed collectively, based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of each reporting period.

RMB10,388,000, RMB4,524,000 and RMB17,960,000 of the trade receivables was due from the five largest debtors, representing 49.52%, 30.37% and 34.07% of total trade receivables as at December 31, 2023, 2024 and 2025, respectively.

The tables below detail the credit risk exposures of the Group's and the Company's financial assets which are subject to ECL assessment:

The Group

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount		
			31/12/2023	31/12/2024	31/12/2025
			RMB'000	*RMB'000*	*RMB'000*
Financial assets at amortised cost					
Term deposits	Low risk	12m ECL	85,402	131,428	32,604
Cash and cash equivalents	Low risk	12m ECL	46,889	6,975	5,514
Restricted bank deposits	Low risk	12m ECL	–	76	76
Other receivables	Low risk	12m ECL	1,434	1,004	794
Trade receivables	*note i*	Lifetime ECL (not credit-impaired)	21,821	16,003	54,697

The Company

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount		
			31/12/2023	31/12/2024	31/12/2025
			RMB'000	*RMB'000*	*RMB'000*
Financial assets at amortised cost					
Term deposits	Low risk	12m ECL	74,885	120,565	32,604
Cash and cash equivalents	Low risk	12m ECL	45,097	5,285	3,295
Restricted bank deposits	Low risk	12m ECL	–	76	76
Amounts due from subsidiaries	Low risk	12m ECL	26,918	25,801	6,838
Other receivables	Low risk	12m ECL	1,410	855	708
Trade receivables	*note i*	Lifetime ECL (not credit-impaired)	19,801	14,207	54,056

Note i: For trade receivables, the Group and the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group and the Company determines the ECL on these items on a collective basis by aging, based on their historical credit loss experience according to the past due status adjusted, as appropriate, to reflect current conditions and estimates of future economic conditions.

Provision matrix — Debtors' aging

As part of the Group's and the Company's credit risk management, the Group and the Company use debtors' aging to assess the impairment for its customers because these customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL.

The Group

		31/12/2023		31/12/2024		31/12/2025	
	Average loss rate	Gross amount of trade receivables	ECL amount	Gross amount of trade receivables	ECL amount	Gross amount of trade receivables	ECL amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
0-90 days	0.5%	17,543	87	11,182	55	42,179	210
91-180 days	3%	1,977	59	1,718	52	4,658	140
181-1 year	5%	1,011	51	1,224	61	5,118	256
Over 1 year	50%	1,290	645	1,879	940	2,742	1,371
		21,821	842	16,003	1,108	54,697	1,977

The Company

		31/12/2023		31/12/2024		31/12/2025	
	Average loss rate	Gross amount of trade receivables	ECL amount	Gross amount of trade receivables	ECL amount	Gross amount of trade receivables	ECL amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
0-90 days	0.5%	15,630	78	9,632	48	41,695	208
91-180 days	3%	1,977	59	1,660	50	4,524	136
181-1 year	5%	1,010	51	1,039	52	5,101	255
Over 1 year	50%	1,184	592	1,876	938	2,736	1,368
		19,801	780	14,207	1,088	54,056	1,967

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach using provision matrix:

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beginning balance	430	842	1,108
Loss allowance recognised, net	412	266	869
Closing balance	842	1,108	1,977

The Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beginning balance	389	780	1,088
Loss allowance recognised, net	391	308	879
Closing balance	780	1,088	1,967

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows. The Group and the Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group

	Weighted average effective interest rate	Less than 3 months	3 months to 1 year	Over 1 year	Undiscounted cash flow Total	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023						
Trade and other payables	–	7,619	–	–	7,619	7,619
Amount due to a related party	–	235	–	–	235	235
Financial liabilities at FVTPL	8.00%	340,947	–	–	340,947	318,230
Lease liabilities	4.63%	1,013	1,617	653	3,283	2,542
		349,814	1,617	653	352,084	328,626
At December 31, 2024						
Trade and other payables	–	129,857	–	–	129,857	129,857
Lease liabilities	4.54%	171	277	298	746	723
		130,028	277	298	130,603	130,580
At December 31, 2025						
Trade and other payables	–	228	–	–	228	228
Amount due to a related party	–	1,330	–	–	1,330	1,330
Borrowings	1.50%	10,028	–	–	10,028	10,003
Lease liabilities	3.50%	89	331	62	482	470
		11,675	331	62	12,068	12,031

The Company

	Weighted average effective interest rate	Less than 3 months	3 months to 1 year	Over 1 year	Undiscounted cash flow Total	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023						
Trade and other payables	–	7,610	–	–	7,610	7,610
Amount due to a subsidiary	–	–	–	3,500	3,500	3,500
Amount due to a related party	–	235	–	–	235	235
Financial liabilities at FVTPL	8.00%	340,947	–	–	340,947	318,230
Lease liabilities	4.63%	992	1,552	653	3,197	2,426
		349,784	1,552	4,153	355,489	332,001
At December 31, 2024						
Trade and other payables	–	129,849	–	–	129,849	129,849
Amount due to a subsidiary	–	490	–	–	490	490
Lease liabilities	4.54%	152	277	298	727	704
		130,491	277	298	131,066	131,043
At December 31, 2025						
Trade and other payables	–	223	–	–	223	223
Amounts due to subsidiaries	–	6,107	–	–	6,107	6,107
Amount due to a related party	–	1,330	–	–	1,330	1,330
Lease liabilities	3.50%	89	331	62	482	470
		7,749	331	62	8,142	8,130

(c) Fair value measurements of financial instruments

The management of the Group have closely monitored and determined the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of financial instruments, the Group and the Company use market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group and the Company engage third party qualified valuers to perform the valuation and works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The financial liabilities at FVTPL held by the Group and the Company measured through fair value in the Historical Financial Information are disclosed in Note 29.

The following table gives information about how the fair values of these financial liabilities are determined.

	Fair value as at			Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31/12/2023	31/12/2024	31/12/2025				
	RMB'000	*RMB'000*	*RMB'000*				
Financial assets at FVTPL . .	450	25,367	37,775	Level 2	Net asset value as published by licensed financial institutions	N/A	N/A
Financial liabilities at FVTPL . . .	318,230	–	–	Level 3	GCM Model is estimated based on prices at which stocks of comparable companies trading in a public market	DLOM	The higher the DLOM, the lower the fair value *(Note)*

Note: A 1% increase or decrease in DLOM holding all other variables keep constant would decrease or increase the carrying amount of the financial liabilities at FVTPL as at December 31, 2023 by RMB2,045,000.

There were no transfers between level 1 and level 2 during the Track Record Period.

(ii) Reconciliation of Level 3 fair value measurements

The only financial liability measured at fair value on Level 3 fair value measurement represents the financial liabilities at FVTPL. Changes in fair value, which are recognised in profit or loss, and relevant changes arising from dividend payment, are disclosed in Note 29 during the Track Record Period.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's and the Company's financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their fair values.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities	Dividend payables	Financial liabilities at FVTPL	Borrowings	Accrual of deferred issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	3,653	–	404,983	–	–	408,636
Financing cash flows	(2,640)	–	–	–	–	(2,640)
Non-cash change:						
Finance costs . .	130	–	–	–	–	130
New lease entered	1,399	–	–	–	–	1,399
Net fair value changes of financial liabilities at FVTPL	–	–	(86,753)	–	–	(86,753)

	Lease liabilities	Dividend payables	Financial liabilities at FVTPL	Borrowings	Accrual of deferred issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023	2,542	–	318,230	–	–	320,772
Financing cash flows	(3,418)	–	–	–	–	(3,418)
Non-cash change:						
Finance costs	74	–	–	–	–	74
Dividends declared	–	127,208	(20,018)	–	–	107,190
New lease entered	1,525	–	–	–	–	1,525
Cancellation of obligations of special rights of shareholders	–	–	(299,000)	–	–	(299,000)
Net fair value changes of financial liabilities at FVTPL	–	–	788	–	–	788
As at December 31, 2024	723	127,208	–	–	–	127,931
Financing cash flows	(1,048)	(127,208)	–	9,877	(3,698)	(122,077)
Non-cash change:						
Finance costs	26	–	–	126	–	152
New lease entered	769	–	–	–	–	769
Deferred issue costs	–	–	–	–	6,397	6,397
As at December 31, 2025	470	–	–	10,003	2,699	13,172

35. RELATED PARTY TRANSACTIONS

(a) Names and relationships with the related parties

The following companies are the related parties of the Group that had material transactions with the Group during the Track Record Period.

Name of the related parties	Relationship with the Group
Nanjing Este Real Estate Co., Ltd.* ("南京艾斯特置業有限公司") ("Este")	Controlled by the ultimate controlling person of the Company
Nanjing Skytech Co., Ltd.* ("南京擎天科技有限公司") ("Nanjing Skytech")	Controlled by the ultimate controlling person of the Company

* *English name is for identification purpose.*

(b) Transactions with the related parties

The Group have the following material transactions with the related parties:

Purchase of term deposits

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Este	10,451	–	–
Nanjing Skytech	–	41,809	–
	10,451	41,809	–

In the opinion of the directors of the Company, all term deposits purchases were executed directly through a bank at the prevailing market rates.

Rental expenses

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Este	1,639	1,639	1,639

Property management fee

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Este	885	885	885

In the opinion of the directors of the Company, the related parties transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(c) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the Track Record Period was as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	3,089	3,439	3,255
Performance-related bonuses	560	480	615
Retirement benefit scheme contributions	105	136	133
	3,754	4,055	4,003

36. RETIREMENT BENEFIT PLANS

The employees of the Group in PRC are members of a state-managed retirement benefit plan operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authorities to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions under the plan. The retirement benefits cost charged to profit or loss for the years ended December 31, 2023, 2024 and 2025 amounted to RMB2,988,000, RMB3,481,000, and RMB3,835,000, respectively.

37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

At the date of this report, the Company has direct equity interests in the following subsidiaries:

				Equity interest/voting rights attributable to the Company				
				As at December 31,				
Name of subsidiary	Place of incorporation and operations	Date of establishment	Paid-in capital	2023	2024	2025	At the date of this report	Principal activities
			RMB'000					
Jiangsu Skytech Zumoo Co., Ltd.* (江蘇擎天助貿科技有限公司)	Jiangsu, the PRC	July 26, 2018	11,110	100%	100%	100%	[100%]	Research and development of software; Sales of software
Shandong Skytech Qishuitong Computer Software Co., Ltd.* (山東擎天企稅通計算機軟件有限公司).	Shandong, the PRC	May 12, 2021	3,500	57.14%	100% *(note i)*	100%	[100%]	Sales of software
Guangzhou Skytech Qishuitong Computer Software Co., Ltd.* (廣州擎天企稅通計算機軟件有限公司).	Guangzhou, the PRC	October 21, 2021	1,700	88.24%	100% *(note ii)*	100%	[100%]	Sales of software

Note i: On December 23, 2024, the Company and Chaotuo Enterprise Management (Jinan) Co., Ltd. entered into a share transfer agreement, pursuant to which the Company acquired 42.86% equity interests in Shandong Skytech Qishuitong Computer Software Co., Ltd. with a cash consideration of RMB250,000. The Group's interests in the subsidiary increased from 57.14% to 100% accordingly upon the completion of the transaction. The increase of the Group's equity interests in the subsidiary did not result in the change of the Group's control over the subsidiary and is accordingly accounted for as an equity transaction. The difference between the consideration of RMB250,000 and the amount of non-controlling interests of RMB450,000 at the transaction date, was credited to the capital reserve.

Note ii: On September 18, 2024, the Company and Gong Chao, Su Jian Jun entered into a share transfer agreement, pursuant to which the Company acquired 11.76% equity interests in Guangzhou Skytech Qishuitong Computer Software Co., Ltd. with a cash consideration of RMB229,000. The Group's interest in Guangzhou Skytech Qishuitong Computer Software Co., Ltd. increased from 88.24% to 100% accordingly upon the completion of the transaction. The increase of the Group's equity interests in the subsidiary did not result in the change of the Group's control over the subsidiary and is accordingly accounted for as an equity transaction. The difference between the consideration of RMB229,000 and the amount of non-controlling interests of RMB150,000, was debited to the capital reserve.

* *English name is for identification purpose.*

No statutory financial statements have been prepared for all of the subsidiaries for the years ended December 31, 2023, 2024 and 2025.

38. STATEMENT OF RESERVES OF THE COMPANY

	Capital reserves	Other reserves	Statutory reserves	(Accumulated losses)/retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	13,513	(299,000)	5,592	(91,012)	(370,907)
Profit and total comprehensive income for the year	–	–	–	155,639	155,639
As at December 31, 2023	13,513	(299,000)	5,592	64,627	(215,268)
Profit and total comprehensive income for the year	–	–	–	51,050	51,050
Dividends recognised as distribution *(Note 14)*	–	–	–	(107,190)	(107,190)
Cancellation of obligations of special rights of shareholders	–	299,000	–	–	299,000
As at December 31, 2024	13,513	–	5,592	8,487	27,592
Profit and total comprehensive income for the year	–	–	–	58,239	58,239
Conversion into a joint stock company	2,304	–	(5,592)	(10,529)	(13,817)
Transferred to statutory reserves	–	–	5,824	(5,824)	–
As at December 31, 2025	15,817	–	5,824	50,373	72,014

39. SUBSEQUENT EVENTS

There are no other material subsequent events undertaken by the Group after December 31, 2025 and up to the date of issuance of this Historical Financial Information.

40. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of the subsidiaries have been prepared in respect of any period subsequent to December 31, 2025 and up to the date of this report.]