*You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for each of the years ended December 31, 2023, 2024 and 2025 included in the Accountant's Report set out in Appendix I to this Document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**").*

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this Document.

OVERVIEW

We are a provider of intelligent cloud-based instant messaging solutions, delivering reliable and scalable communication capabilities to support global digital transformation. Leveraging cloud computing and distributed network architecture, we offer a comprehensive communications cloud platform available as both PaaS and SaaS for developers across diverse applications, including Apps and mini-programs, integrating instant messaging and AI-enabled communications. Our business is underpinned by a unified and self-developed AICP, which is the technical cornerstone for all our solutions. As the common technology base, the AICP enables us to provide solutions across diverse scenarios, including internet applications, vertical industries and nationwide communication platforms, without heavy cost on repetitive development, therefore increasing our profit margins. Consistent with the above customer profiles and their deployment preferences, our revenue is primarily derived from internet application solutions, vertical industry solutions, and overseas nationwide communication solutions.

We recorded revenue of RMB191.5 million, RMB167.6 million and RMB197.4 million in 2023, 2024, and 2025, respectively. Our gross profit was RMB120.9 million, RMB125.2 million and RMB158.9 million, respectively, with a gross profit margin of 63.1%, 74.7% and 80.5% for the same years. Our adjusted profit for the year (non-IFRS measure) was RMB18.8 million, RMB36.5 million and RMB53.0 million, respectively, with an adjusted profit margin for the year (non-IFRS measure) of 9.8%, 21.7% and 26.8% for the same years.

BASIS OF PREPARATION

The historical financial information of our Group has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board.

All effective standards, amendments to standards and interpretations, which are mandatory for the financial period ended December 31, 2025, are consistently adopted by the Group throughout the Track Record Period, and have not early adopted the new or amended standards and annual improvements.

For more information on the basis of preparation of the financial information included herein, please refer to Note 2 to the Accountant's Report in Appendix I to this Document.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial conditions have been, and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

- development of macroeconomic conditions;
- adoption and acceptance of intelligent cloud-based instant messaging solutions as a key enabler for industry-wide digital transformation across China and globally;
- digitalization and transformation of industries in China and globally;
- advancement of technology and development of cloud infrastructure; and
- governmental policies, initiatives and incentives shaping the market environment for intelligent cloud-based instant messaging solutions across industries, especially data sovereignty mandates and data localization requirements.

Specific Factors

Our results of operations are also affected by certain company-specific factors, including:

Our Ability to Maintain Growth in Intelligent Cloud-Based Instant Messaging Solutions

According to Frost & Sullivan, the global intelligent cloud-based instant messaging solutions market has grown, and will grow, rapidly. From 2021 to 2025, the global market size of such solutions in terms of revenue increased from RMB13.9 billion to RMB19.0 billion, with a CAGR of 8.1%. Looking ahead, the continuous expansion of downstream application scenarios is expected to further propel market growth. By 2030, the global market size of such solutions is expected to reach RMB38.9 billion, growing at a CAGR of 15.4% from 2025 to 2030. From 2021 to 2025, the market size of intelligent cloud-based instant messaging solutions market in China in terms of revenue increased from RMB5.5 billion to RMB7.2 billion, with a CAGR of 7.0%. By 2030, the market size of such solutions in China is expected to reach RMB14.1 billion, growing at a CAGR of 14.4% from 2025 to 2030.

Our ability to maintain growth in this surging market is supported by our platform-based business model and diversified solution offerings. We provide internet application solutions, vertical industry solutions and overseas nationwide communication solutions, all built on our self-developed AICP, which enables standardized deployment across different application scenarios and customer requirements. The ongoing integration of artificial intelligence into our AICP, including AI agents, conversational AI modules and AI-enabled operational tools, further expands the scope of application scenarios and enhances the value proposition of our intelligent cloud-based instant messaging solutions.

Our financial performance has been and will be largely dependent on the market demand for intelligent cloud-based instant messaging solutions market, which is subject to several factors beyond our control. For example, market demand may be affected by regulations in the jurisdictions in which we operate, and the business needs of our existing customers. We may become unable to provide services and solutions in response to new legislation, regulations, or government policies. Another example is that we may fail to satisfy additional compliance requirements of our customers and suppliers as a result of the regulatory changes they are subject to. For risks related to our potential growth not meeting expectations, see "Risk Factors — Risks Relating to Our Business and Industry — If we fail to enhance our existing solutions or develop new solutions that meet evolving customer needs and adapt to technological developments, our business, results of operations and financial condition could be materially and adversely affected."

Customer Acquisition and Retention

Our results of operations are highly dependent on our ability to acquire and generate business opportunities across our different revenue streams. For our internet application solutions, customers primarily include internet application developers and operators. Such customers are typically charged under a hybrid pricing framework that combines subscription-based fees, usage-based tiered fees and optional service features. Customers may initially subscribe to our services at a relatively low cost and subsequently increase their spending as their user base and usage volume grow through higher traffic limits, additional functionalities and service upgrades. We monitor a number of operating metrics for internet application solutions, including average revenue per customer, which increased from RMB62 thousand in 2023 to RMB66 thousand in 2024 and further to RMB94 thousand in 2025, and net dollar retention rate, which increased from 87.2% in 2023 to 88.4% in 2024 and further to 93.6% in 2025. In addition, demand for our internet application solutions is affected by developments in the industries in which our customers operate, including changes in the number and activity levels of internet applications. Accordingly, our revenue and profitability from internet application solutions are affected by our ability to attract, retain and expand customer base, as well as overall industry demand for internet application development and operation.

For our vertical industry solutions and overseas nationwide communication solutions, customers typically include enterprises and nationwide communication platforms with higher requirements for system stability, data security, customization and long-term technical support, and depending on the nature of the engagement, may also involve project acceptance procedures. Such solutions involve longer customer acquisition, implementation and acceptance cycles. Accordingly, our ability to generate revenue under these revenue streams depends largely on our ability to acquire customers, successfully deliver customized solutions, complete acceptance procedures and provide ongoing maintenance and support services. As a result, our revenue and profitability from these revenue streams are affected by our ability to acquire new customers, secure new projects and execute such projects efficiently and successfully.

Our Ability to Continuously Develop Services and Solutions

R&D is the core of our business. Our ability to continuously develop and enhance our services and solutions is an important factor affecting our results of operations. For example, our self-developed R&D achievement, the AICP, integrates both traditional communication functions and selected conversational AI features within a unified platform, enabling us to apply standardized core technologies across multiple application scenarios while supporting flexible customization for different customer needs.

In 2023, 2024 and 2025, our research and development expenses were RMB48.7 million, RMB45.2 million and RMB58.8 million, respectively, accounted for 25.4%, 27.0% and 29.8% of our revenue in the same year, respectively. We focus on continuous investment in research and development to improve system performance, stability and scalability, and to expand AI-enabled communication functionalities across our internet application solutions, vertical industry solutions and overseas nationwide communication solutions. The ongoing integration of artificial intelligence with cloud-based communication enhances the functionality and value of our services and supports the expansion of mission-critical application scenarios.

Our Ability to Control Costs

Our cost of sales primarily consists of employee benefit costs, bandwidth and servers custody fee and outsourced technical services, among which bandwidth and servers custody fee are closely associated with the delivery of our intelligent cloud-based instant messaging services across different regions and application scenarios. In 2023, 2024 and 2025, our bandwidth and servers custody fee accounted for 39.4%, 50.8% and 52.7% of our total cost of sales for the respective year.

We rely on cross-region cloud infrastructure and network resources to provide stable, low-latency communication services for our services and solutions. Through our scalable platform architecture and standardized deployment model, we seek to improve infrastructure utilization efficiency which supports both standardized cloud services and customized deployments. In addition, the adoption of AI-enabled operational tools and automation technologies within our service delivery and support processes may reduce reliance on manual intervention, improve resource allocation efficiency and support cost control, including optimization of personnel-related expenses in areas such as technical support and customer service. Over time, AI-driven automation may contribute to improvements in operational leverage as service scale expands. The effective management of cloud infrastructure and network resource-related cost of sales, together with ongoing optimization of operational efficiency and solution mix, supports the stability of our cost structure and gross profitability.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

We prepare our consolidated financial information in accordance with IFRS Accounting Standards, which requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the consolidated financial information and the reported amounts of revenue and expenses during the Track Record Period. We continuously evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. As the use of estimates is an integral component of the financial reporting process, actual results in subsequent financial reporting that differ from estimates could result in deviations from previous financial reporting. We consider the policies and estimates discussed below to be critical to an understanding of our consolidated financial information as their application places the most significant demands on our management's judgment. For details of our material accounting policies, significant accounting judgments and estimates, see Notes 2 and 4 to the Accountant's Report in Appendix I to this Document.

KEY ITEMS OF THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss with line items in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	**191,455**	**100.0**	**167,620**	**100.0**	**197,354**	**100.0**
Cost of sales	(70,602)	(36.9)	(42,382)	(25.3)	(38,420)	(19.5)
Gross profit	**120,853**	**63.1**	**125,238**	**74.7**	**158,934**	**80.5**
Selling and marketing expenses	(36,274)	(18.9)	(34,770)	(20.7)	(39,440)	(20.0)
General and administrative expenses	(23,197)	(12.2)	(11,550)	(6.8)	(19,043)	(9.6)
Research and development expenses	(48,705)	(25.4)	(45,225)	(27.0)	(58,776)	(29.8)
Net impairment reversal/(losses) on financial assets	317	0.2	(1,617)	(1.0)	(4,854)	(2.5)
Other income	3,510	1.8	2,191	1.3	815	0.4
Other gains, net	1,688	0.9	1,749	1.0	1,540	0.8
Operating profit	**18,192**	**9.5**	**36,016**	**21.5**	**39,176**	**19.8**
Finance costs	(32,922)	(17.2)	(32,865)	(19.6)	(13,051)	(6.6)
(Loss)/profit before income tax	**(14,730)**	**(7.7)**	**3,151**	**1.9**	**26,125**	**13.2**
Income tax credit	–	–	–	–	5,718	2.9
(Loss)/profit for the year	**(14,730)**	**(7.7)**	**3,151**	**1.9**	**31,843**	**16.1**

NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we also used adjusted profit for the year (non-IFRS measure) and adjusted profit margin for the year (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe that such non-IFRS measures facilitate comparisons of operating performance from year to year. We believe that these measures provide useful information to [**REDACTED**] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and [**REDACTED**] should not consider them in isolation from, or as a substitute for analysis of, our consolidated statements of profit or loss and other comprehensive income or financial conditions as reported under IFRS Accounting Standards.

We define adjusted profit for the year (non-IFRS measure) as (loss)/profit for the year by adding back share-based compensation, interest expense on redemption liabilities and [**REDACTED**]. We define adjusted net profit margin for the year (non-IFRS measure) as adjusted net profit (non-IFRS measure) for the year, divided by revenue for the year.

The following table reconciles our adjusted profit for the year (non-IFRS measure) and adjusted profit margin for the year (non-IFRS measure) presented to the most directly comparable financial measures calculated and presented in accordance with IFRS Accounting Standards, which is profit for the year.

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
(Loss)/profit for the year	(14,730)	3,151	31,843
Add back:			
Share-based compensation	1,403	1,082	4,515
Interest expense on redemption liabilities	32,132	32,219	12,589
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted profit for the year (non-IFRS measure)	**18,805**	**36,452**	**52,980**
Adjusted profit margin for the year (non-IFRS measure)	**9.8%**	**21.7%**	**26.8%**

Our management considers that (i) share-based compensation, which relates to restricted stock units that we granted to our employees for their contribution to us, is non-cash in nature and does not result in cash outflow, (ii) interest expense on redemption liabilities is a non-cash item and is not indicative of our operating performance, and such redemption liabilities in relation to preferred rights granted to investors have been cancelled in full in May 2025, and (iii) [**REDACTED**], which relate to this [**REDACTED**]. Therefore, by eliminating the impacts of such items in the calculation of such non-IFRS measures, the results could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year.

KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Revenue Streams

During the Track Record Period, we derived our revenue from providing (i) internet application solutions, (ii) vertical industry solutions, and (iii) overseas nationwide communication solutions. The following table sets forth a breakdown of our revenue by revenue streams in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Internet application solutions	126,208	65.9	127,417	76.0	132,592	67.1
Vertical industry solutions	26,814	14.0	26,773	16.0	48,082	24.4
Overseas nationwide communication solutions	38,433	20.1	13,430	8.0	16,680	8.5
Total	**191,455**	**100.0**	**167,620**	**100.0**	**197,354**	**100.0**

Our revenue increased from RMB167.6 million in 2024 to RMB197.4 million in 2025, primarily driven by a strategic expansion of our vertical industry solutions, including the revenue contribution from certain large-scale customized projects in 2025.

Our revenue decreased from RMB191.5 million in 2023 to RMB167.6 million in 2024, primarily driven by the phased transition of the Saudi Nationwide Communication Project, as the implementation and development work under an earlier stage of the project gradually approached completion in 2024 prior to the commencement of the subsequent stage of the project, under which revenue would be generated primarily through licence fees, resulting in lower revenue contribution during 2024.

For more details in relation to the changes in our revenue by revenue stream during the Track Record Period, see "— Review of Historical Results of Operations."

Revenue by Geographical Region

Our revenue was generated both from Chinese Mainland and outside of Chinese Mainland during the Track Record Period. The following table sets forth a breakdown of our revenue by geographical region, determined based on, for internet application solutions, the location of data centers, and for vertical industry solutions and overseas nationwide communication solutions, the location of acceptance of the solutions or services, in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	114,075	59.6	102,041	60.9	119,090	60.3
Outside of Chinese Mainland	77,380	40.4	65,579	39.1	78,264	39.7
– Saudi Arabia	41,530	21.7	29,044	17.3	35,973	18.2
– Singapore	33,816	17.7	34,437	20.5	36,132	18.3
– Others[1]	2,034	1.0	2,098	1.3	6,159	3.2
Total	**191,455**	**100.0**	**167,620**	**100.0**	**197,354**	**100.0**

Note:

(1) Others include Hong Kong, Oman and the United States.

Our revenue generated from Chinese Mainland decreased from 2023 to 2024, primarily due to a reduction in the number of mobile internet applications in operation in the Chinese Mainland as the industry underwent standardization, which led to lower demand for certain internet application solutions and, in turn, a decrease in our business volume in the Chinese Mainland. Our revenue generated from Chinese Mainland increased from 2024 to 2025, primarily attributable to higher project income from the expansion of our vertical industry solutions in Chinese Mainland, including contributions from certain newly acquired customers with relatively large contract values in 2025. Our revenue generated from outside of Chinese Mainland decreased from 2023 to 2024, mainly because the implementation and development workload of the Saudi Nationwide Communication Project decreased in 2024 due to the progress of the project and prior to the commencement of the subsequent stage of the Saudi Nationwide Communication Project, resulting in a decrease in the contribution of the Saudi Nationwide Communication Project to our total revenue. Our revenue generated from outside of Chinese Mainland increased from 2024 to 2025, primarily attributable to (i) the continued expansion of our internet application solutions business outside Chinese Mainland, as reflected by the increase in the number of customers of internet application solutions outside Chinese Mainland from 569 in 2024 to 653 in 2025, and (ii) the steady growth of our revenue from a newly signed overseas nationwide communication project in Oman in 2025.

Cost of Sales

Our cost of sales primarily consists of (i) employee benefit costs, (ii) bandwidth and servers custody fee and (iii) outsourced technical services. Our cost of sales was RMB70.6 million, RMB42.4 million and RMB38.4 million, in 2023, 2024 and 2025, respectively.

Cost of Sales by Nature

The following table sets forth the breakdown of our cost of sales by nature for the years indicated, both in absolute amounts and as a percentage of our total cost of sales:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Cost of Sales						
Employee benefit costs	35,186	49.8	20,184	47.6	8,336	21.7
Bandwidth and servers custody fee	27,843	39.4	21,513	50.8	20,263	52.7
Outsourced technical services	4,042	5.7	4,164	9.8	2,646	6.9
Changes in capitalized contract fulfilment cost	(47)	(0.1)	(5,358)	(12.6)	5,465	14.2
Others[(1)]	3,578	5.2	1,879	4.4	1,710	4.5
Total	**70,602**	**100.0**	**42,382**	**100.0**	**38,420**	**100.0**

Note:

(1) Others comprise depreciation charges, travelling expenses and taxes and surcharges.

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit was RMB120.9 million, RMB125.2 million and RMB158.9 million, respectively. Our gross profit margin was 63.1%, 74.7% and 80.5% for the corresponding years.

Gross Profit and Gross Profit Margin by Revenue Streams

The following table sets forth the breakdown of our gross profit and gross profit margin by revenue streams for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Internet application solutions	91,878	72.8	101,365	79.6	108,204	81.6
Vertical industry solutions	22,863	85.3	22,601	84.4	34,275	71.3
Overseas nationwide communication solutions	6,112	15.9	1,272	9.5	16,455	98.7
Total	**120,853**	**63.1**	**125,238**	**74.7**	**158,934**	**80.5**

Our gross profit increased from RMB120.9 million in 2023 to RMB125.2 million in 2024 and further to RMB158.9 million in 2025, while our gross profit margin increased from 63.1% in 2023 to 74.7% in 2024 and further to 80.5% in 2025. The increase in our overall gross profit margin was primarily driven by the increasing contribution from our internet application solutions, which generally carried relatively high gross profit margins due to their standardized cloud-based service model and the increase in average revenue per customer of internet application solutions, reflecting our continued focus on customers with relatively higher spending levels, and reduced server-related costs, primarily attributable to server migration to a new cloud service provider. The increase was also supported by the increasing contribution from licensing-related revenue from our Saudi Nationwide Communication Project in 2025, which carries a higher gross profit margin than the development stage of such project. The decrease in the gross profit margin of our vertical industry solutions were primarily attributable to the higher manpower requirements of certain large-scale customized projects in 2025.

See "— Review of Historical Results of Operations" in relation to changes in gross profit and gross profit margin of our revenue stream.

Other Income

During the Track Record Period, our other income consists primarily of (i) government grants, (ii) value-added tax and other tax refunds, and (iii) interest income from bank deposits. Government grants we received were mainly from the local governments of the regions where we operate, the purposes of which were primarily to support our research and development activities, innovations, talent recruitment and other aspects of our operations conducted in the ordinary course of business and financing activities.

In 2023, 2024 and 2025, our other income was RMB3.5 million, RMB2.2 million and RMB0.8 million, respectively.

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Government grants	2,290	1,027	–
Value-added tax and other tax refunds	1,090	1,013	722
Interest income from bank deposits	17	151	93
Others	113	–	–
Total	**3,510**	**2,191**	**815**

Other Gains, Net

During the Track Record Period, our other gains, net consists primarily of (i) fair value changes on financial assets at fair value through profit or loss and (ii) foreign exchange gains/(losses).

In 2023, 2024 and 2025, our other gains, net was RMB1.7 million, RMB1.7 million, and RMB1.5 million, respectively.

The following table sets forth a breakdown of our other gains, net for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other gains, net			
Fair value changes on financial assets at fair value through profit or loss			
– Fund investments	65	567	147
– Investments in wealth management products	–	144	1,118
Foreign exchange gains/(losses), net	2,273	804	(142)
Others	(650)	234	417
Total	**1,688**	**1,749**	**1,540**

Selling and Marketing Expenses

Our selling and marketing expenses preliminarily consist of (i) employee benefit expenses of our sales and marketing team, (ii) promotion and advertising expenses, which primarily include user acquisition service fees and promotion expenses, (iii) business development expenses, and (iv) travelling expenses. Employee benefit expenses of our sales and marketing team remained the largest component of our selling and marketing expenses during the Track Record Period.

In 2023, 2024 and 2025, our selling and marketing expenses were RMB36.3 million, RMB34.8 million and RMB39.4 million, respectively.

The following table sets forth a breakdown of our selling and marketing expenses for the years indicated, both in absolute amounts and as a percentage of our total selling and marketing expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Selling and marketing expenses						
Employee benefit expenses	23,455	64.7	20,122	57.9	22,380	56.7
Promotion and advertising expenses	7,565	20.9	10,966	31.5	13,262	33.6
Business development expenses	1,994	5.5	1,923	5.5	1,642	4.2
Travelling expenses	1,621	4.4	1,037	3.0	1,302	3.3
Others[1]	1,639	4.5	722	2.1	854	2.2
Total	**36,274**	**100.0**	**34,770**	**100.0**	**39,440**	**100.0**

Note:

(1) Others comprise depreciation charges and transportation expenses.

General and Administrative Expenses

Our general and administrative expenses preliminarily consist of (i) employee benefit expenses of our administrative staff, (ii) utilities and office expenses, (iii) other professional consulting fees, and (iv) [**REDACTED**]. In 2023, 2024 and 2025, our general and administrative expenses were RMB23.2 million, RMB11.6 million and RMB19.0 million, respectively.

The following table sets forth a breakdown of our general and administrative expenses for the years indicated, both in absolute amounts and as a percentage of our total general and administrative expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
General and administrative expenses						
Employee benefit expenses	13,630	58.8	7,292	63.1	9,173	48.2
Utilities and office expenses	4,107	17.7	2,292	19.8	2,769	14.5
Other professional consulting fees	1,890	8.1	762	6.6	2,122	11.1
Travelling expenses	959	4.1	438	3.8	216	1.1
Depreciation and amortization charges	751	3.2	129	1.1	162	0.9
Auditors' remuneration	482	2.1	–	0.0	–	0.0
Others[1]	1,378	6.0	637	5.6	568	3.0
[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**23,197**	**100.0**	**11,550**	**100.0**	**19,043**	**100.0**

Note:

(1) Others comprise entertainment expenses and short-term and low-value lease expenses.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses of our research team, and (ii) outsourced technical services, primarily relating to outsourced non-core research and development and testing functions. In 2023, 2024 and 2025, our research and development expense were RMB48.7 million, RMB45.2 million, and RMB58.8 million, respectively.

The following table sets forth a breakdown of our research and development expenses by nature for the years indicated, both in absolute amounts and as a percentage of our total research and development expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Research and development expenses						
Employee benefit expenses	44,319	91.0	42,103	93.1	52,572	89.4
Outsourced technical services	1,573	3.2	2,059	4.6	4,650	7.9
Others[(1)]	2,813	5.8	1,063	2.3	1,554	2.7
Total	**48,705**	**100.0**	**45,225**	**100.0**	**58,776**	**100.0**

Note:

(1) Others comprise transportation expenses and depreciation and amortization charges.

Net Impairment Reversal/(losses) on Financial Assets

We recognized net impairment reversal on financial assets of RMB0.3 million in 2023, and net impairment losses on financial assets of RMB1.6 million and RMB4.9 million in 2024 and 2025, respectively.

Finance Costs

Our finance costs consist of interest expense on redemption liabilities, interest expense on lease liabilities, interest expense on borrowings and others. For redemption liabilities, lease liabilities and borrowings, see "— Indebtedness" for details. In 2023, 2024 and 2025, our finance costs were RMB32.9 million, RMB32.9 million and RMB13.1 million, respectively.

The table below sets forth a breakdown of our finance costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Finance costs			
Interest expense on redemption liabilities	32,132	32,219	12,589
Interest expense on lease liabilities	115	64	70
Interest expense on borrowings	472	408	192
Others	203	174	200
Total	**32,922**	**32,865**	**13,051**

Income Tax Credit

In 2023 and 2024, we recorded nil income tax, primarily attributable to the utilization of our accumulated tax losses, which were sufficient to offset our taxable income for the respective years. In 2025, our income tax credit was RMB5.7 million. A reconciliation of the tax expense applicable to profit before tax at the preferential tax rate for the jurisdiction in which our Company and our major subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates. See Note 12 to the Accountant's Report as set out in Appendix I to this Document. The following summarizes certain tax laws and regulations applicable to us in the PRC.

According to the Corporate Income Tax Law of China (the "**Tax Law**"), our Group's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to high and new technology enterprises of 15%. Our Company obtained the certificate of high and new technology enterprise and was subject to income tax rate at 15% during the Track Record Period.

In addition, according to a policy promulgated by the Ministry of Finance of the PRC and the State Taxation Administration that was effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 100% of the eligible research and development expenses incurred as tax deductible expenses in determining tax assessable profits ("**Super Deduction**"). Our Group has made its best estimate for the Super Deduction to be claimed for our Group's entities in ascertaining their assessable profits during the respective years.

During the Track Record Period and up to the Latest Practicable Date, our Directors were not aware of any outstanding enquiry, audit, investigation, challenge or penalty from tax authorities in relation to our tax filings.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 17.7% from RMB167.6 million in 2024 to RMB197.4 million in 2025, which was primarily attributable to the sustainable growth of our businesses. Specifically,

- Our revenue derived from internet application solutions increased by 4.1% from RMB127.4 million in 2024 to RMB132.6 million in 2025, primarily due to the increase in average revenue per customer from RMB66 thousand in 2024 to RMB94 thousand in 2025, reflecting the continued increase in revenue contribution from customers with relatively higher spending levels. Such increase more than offset the decrease in the number of customers of internet application solutions from 1,932 in 2024 to 1,410 in 2025.

- Our revenue derived from vertical industry solutions increased by 79.6% from RMB26.8 million in 2024 to RMB48.1 million in 2025, which was primarily due to revenue recognized in 2025 resulting from certain large-scale customized projects.

- Our revenue derived from overseas nationwide communication solutions increased by 24.2% from RMB13.4 million in 2024 to RMB16.7 million in 2025, primarily due to the revenue contribution from a newly signed overseas nationwide communication project in Oman in 2025.

Cost of Sales

Our total cost of sales decreased by 9.3% from RMB42.4 million in 2024 to RMB38.4 million in 2025, primarily due to (i) a reduction in bandwidth and servers custody fees, driven by our continuous optimization server usage to obtain more favorable pricing, together with enhanced bargaining power supported by our stable traffic scale; and (ii) a decline in employee benefit costs, as the Saudi Nationwide Communication Project transitioned into a subsequent stage with lower manpower requirements following the progress of the project in 2025, whereas certain implementation and development work under the project was relatively manpower-intensive during the earlier stage of 2024, which was partially offset by increased employee benefit expenses relating to the expansion of our vertical industry solutions business, including certain large-scale customized projects.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 26.9% from RMB125.2 million in 2024 to RMB158.9 million in 2025. Our gross profit margin increased from 74.7% in 2024 to 80.5% in 2025.

For our internet application solutions, the gross profit increased by 6.7% from RMB101.4 million in 2024 to RMB108.2 million in 2025, and the gross profit margin increased from 79.6% to 81.6%, primarily as a result of increase in average revenue per customer from RMB66 thousand in 2024 to RMB94 thousand in 2025, reflecting the increasing contribution from customers with relatively lower gross profit margin, the economies of scale inherent in our standardized cloud-based service model, and reduced server-related costs, supported by enhanced bargaining power through commercial negotiations with suppliers.

For our vertical industry solutions, the gross profit increased by 51.7% from RMB22.6 million in 2024 to RMB34.3 million in 2025, while the gross profit margin of vertical industry solutions decreased from 84.4% to 71.3%, primarily due to the increased contribution from certain large-scale customization projects for our major customers in 2025, which brought additional revenue but also raised implementation costs.

For our overseas nationwide communication solutions, the gross profit increased by 1,193.6% from RMB1.3 million in 2024 to RMB16.5 million in 2025, and the gross profit margin increased from 9.5% to 98.7%, primarily because the Saudi Nationwide Communication Project progressed from an implementation and development stage with relatively higher manpower requirements to a stage involving increased licensing-related revenue contribution in 2025, together with the contribution from licensing-related revenue generated from a newly signed overseas nationwide communication project in Oman, which generally carried higher gross profit margins.

Other Income

Our other income decreased by 62.8% from RMB2.2 million in 2024 to RMB0.8 million in 2025, primarily due to a decrease in one-off government grants from local government, as well as a decrease in tax refund income.

Other Gains, Net

Our other gains, net decreased by 11.9% from RMB1.7 million in 2024 to RMB1.5 million in 2025, primarily due to a decrease in foreign exchange gains of approximately RMB0.9 million.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 13.4% from RMB34.8 million in 2024 to RMB39.4 million in 2025, primarily due to (i) an increase in the number of sales personnel and their average salaries following the expansion of our sales and marketing efforts; and (ii) an increase in promotion and advertising expenses as we conducted more marketing and customer development activities during 2025.

General and Administrative Expenses

Our general and administrative expenses increased by 64.9%, from RMB11.6 million in 2024 to RMB19.0 million in 2025, primarily due to (i) an increase in [**REDACTED**] and professional consulting fees incurred in connection with our [**REDACTED**] preparation; and (ii) an increase in employee benefit expenses of our administrative staff.

Research and Development Expenses

Our research and development expenses increased by 30.0% from RMB45.2 million in 2024 to RMB58.8 million in 2025, primarily driven by increased investment in solutions supporting customers across different regions and AI technologies integrated across our solutions, resulting in higher employee benefit expenses due to an increase in R&D personnel.

Net Impairment Losses on financial assets

Our net impairment losses on financial assets increased by 200.2% from RMB1.6 million in 2024 to RMB4.9 million in 2025, primarily due to the credit loss allowance on trade receivables and other receivables.

Finance Costs

Our finance costs decreased by 60.3% from RMB32.9 million in 2024 to RMB13.1 million in 2025, primarily due to a decrease in interest on redemption liabilities from 2024 to 2025, following the termination of preferred rights in May 2025.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 910.6% from RMB3.2 million in 2024 to RMB31.8 million in 2025. Our net profit margin was 1.9% in 2024 and 16.1% in 2025, respectively.

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

Revenue

Our total revenue decreased by 12.4% from RMB191.5 million in 2023 to RMB167.6 million in 2024. Specifically,

- Our revenue derived from internet application solutions remained relatively stable at RMB126.2 million in 2023 and RMB127.4 million in 2024.

- Our revenue derived from vertical industry solutions remained relatively stable at RMB26.8 million in 2023 and RMB26.8 million in 2024.

- Our revenue derived from overseas nationwide communication solutions decreased by 65.1% from RMB38.4 million in 2023 to RMB13.4 million in 2024, primarily due to the phased transition of the Saudi Nationwide Communication Project, as the implementation and development work under an earlier stage of the project gradually approached completion in 2024 prior to the commencement of the subsequent stage of the project, resulting in lower revenue contribution during 2024.

Cost of Sales

Our total cost of sales decreased by 40.0% from RMB70.6 million in 2023 to RMB42.4 million in 2024, primarily due to (i) a reduction in our bandwidth and servers custody fee, mainly resulting from our migration to more cost-efficient server services and increased discount rates from servers suppliers, supported by our stable traffic scale and strengthened bargaining position arising from our established market presence and long-term cooperation with certain major cloud infrastructure providers; and (ii) a decline in employee benefit costs, as the implementation and development work under an earlier stage of the Saudi Nationwide Communication Project gradually approached completion in 2024 prior to the commencement of the subsequent stage of the project, resulting in lower manpower requirements during the year.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our total gross profit remained relatively stable at RMB120.9 million in 2023 and RMB125.2 million in 2024. Our overall gross profit margin increased from 63.1% in 2023 to 74.7% in 2024, primarily driven by our cost control measures, including the reduction in server costs following the migration to server services.

For our internet application solutions, the gross profit increased by 10.3% from RMB91.9 million in 2023 to RMB101.4 million in 2024, and the gross profit margin increased from 72.8% to 79.6%, primarily as a result of the increase in average revenue per customer from RMB62 thousand in 2023 to RMB66 thousand in 2024, reflecting the increasing contribution from customers with relatively higher spending levels, the economics of scale inherent in our standardized cloud-based services, as well as reduced server-related costs attributable to our migration to more cost-efficient server services and ongoing optimization of our cloud resource procurement and deployment strategies.

For our vertical industry solutions, the gross profit remained relatively stable at RMB22.9 million in 2023 and RMB22.6 million in 2024, respectively. The gross profit margin of this solution remained stable at 85.3% in 2023 and 84.4% in 2024, respectively.

For our overseas nationwide communication solutions, the gross profit decreased by 79.2% from RMB6.1 million in 2023 to RMB1.3 million in 2024, and the gross profit margin decreased from 15.9% to 9.5%, primarily because, following the substantial completion of the entrusted development, localization and large-scale implementation work for the Saudi Nationwide Communication Project in Saudi Arabia, the project entered a subsequent stage involving ongoing operation support and preparation for licensing-related delivery in 2024, resulting in a lower revenue contribution, while personnel costs increased during the year due to higher average employee compensation.

Other Income

Our other income decreased by 37.6% from RMB3.5 million in 2023 to RMB2.2 million in 2024, primarily due to a decrease in one-off government grants from local government.

Other Gains, Net

Our other gains, net remained stable at RMB1.7 million in 2023 and RMB1.7 million in 2024, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses slightly decreased by 4.1% from RMB36.3 million in 2023 to RMB34.8 million in 2024, primarily due to a decrease in the number of sales personnel and lower travel expenses incurred by our sales personnel.

General and Administrative Expenses

Our general and administrative expenses decreased by 50.2%, from RMB23.2 million in 2023 to RMB11.6 million in 2024, primarily due to (i) a reduction in employee benefit expenses resulting from the optimization of our administrative and project management functions, (ii) decrease in utilities and office expenses, as well as depreciation and amortization charges resulting from the reduction in leased office area following the termination of certain office lease arrangements, and (iii) a decrease in professional consulting fees.

Research and Development Expenses

Our research and development expenses decreased by 7.1% from RMB48.7 million in 2023 to RMB45.2 million in 2024, primarily as a result of a reduction in the size of our research team, which lowered employee benefit expenses, coupled with decreased rental costs for R&D personnel that led to a decline in associated depreciation and amortization, reflecting an optimization of our R&D team structure and improved development efficiency through the integration of AI-enabled development tools and modular architecture upgrades.

Net Impairment Reversal/(Losses) on Financial Assets

In 2023 and 2024, we recognized net impairment reversal on financial assets of RMB0.3 million, and net impairment losses on financial assets of RMB1.6 million, respectively, primarily due to the credit loss allowance on trade receivables and other receivables.

Finance Costs

Our finance costs remained stable at RMB32.9 million in 2023 and RMB32.9 million in 2024, respectively.

(Loss)/Profit for the Year

As a result of the foregoing, our loss for the year of RMB14.7 million in 2023 was turned into profit for the year of RMB3.2 million in 2024. Our net profit margin was 1.9% in 2024.

SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEETS

The following table sets forth summary information from our consolidated balance sheets as of the dates indicated, which has been extracted from our historical financial information included in Appendix I to this Document.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	1,089	633	427
Right-of-use assets	3,621	3,774	1,505
Financial assets at fair value through profit or loss	26,828	27,395	27,542
Other receivables	756	1,404	–
Trade receivables	–	–	3,729
Deferred income tax assets	–	–	5,718
Total non-current assets	**32,294**	**33,206**	**38,921**

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities	2,161	1,551	–
Contract liabilities	76	45	–
Borrowings	–	–	6,800
Redemption liabilities	455,047	487,266	–
Total non-current liabilities	**457,284**	**488,862**	**6,800**
CURRENT ASSETS			
Contract fulfilment costs	107	5,465	–
Note receivables	1,150	1,507	202
Trade receivables	60,941	35,660	45,559
Prepayments and other receivables	43,272	29,810	6,377
Financial assets at fair value through profit or loss	–	30,028	–
Restricted cash	–	–	81
Cash and cash equivalents	19,954	54,879	136,546
Total current assets	**125,424**	**157,349**	**188,765**
CURRENT LIABILITIES			
Trade payables	12,637	11,890	13,301
Other payables and accruals	33,678	33,514	32,274
Contract liabilities	19,978	27,895	15,979
Borrowings	16,500	5,000	800
Lease liabilities	1,336	2,413	1,265
Total current liabilities	**84,129**	**80,712**	**63,619**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of computers and electronic equipment and leasehold improvement. Our property, plant and equipment decreased from RMB1.1 million as of December 31, 2023 to RMB0.6 million as of December 31, 2024, and further decreased to RMB0.4 million as of December 31, 2025, respectively, primarily to due to the depreciation in ordinary process.

Right-of-use Assets

Our right-of-use assets primarily consist of leases for office spaces. Our right-of-use assets increased from RMB3.6 million as of December 31, 2023 to RMB3.8 million as of December 31, 2024, primarily attributable to additional office lease arrangements entered into during the year of 2024.

Our right-of-use assets decreased to RMB1.5 million as of December 31, 2025, primarily as a result of the amortization of the right-of-use assets.

Financial assets at fair value through profit or loss

During the Track Record Period, our financial assets at fair value through profit or loss comprised fund investments and investments in wealth management products. Our non-current portion of our financial assets at fair value through profit or loss remained relatively stable at RMB26.8 million, RMB27.4 million and RMB27.5 million as of December 31, 2023, 2024 and 2025, respectively. Current portion of our financial assets at fair value through profit or loss amounted to RMB30.0 million as of December 31, 2024. See Note 18 to the Accountant's Report as set out in Appendix I to this Document.

We have established management systems to oversee the investments in financial products. Adhering to prudent investment principles, we conduct investment activities with an aim to improve capital utilization efficiency and return. We have established a dedicated team comprising specialists, managers from finance department, as well as senior management of our Company to manage our financial product portfolio, including reviewing the approval, implementation, and performance of wealth management products. Our internal control measures regarding investments in financial products ensure timely processing and verification of accounting records, with timely reporting to senior management. In addition, we adhere to all applicable laws, regulations, and management policies regarding the proper disclosure of investment information.

Prepayments and Other Receivables

Our prepayments and other receivables mainly consist of (i) amounts due from related parties and third parties, representing the carrying balance at amortized cost of the amounts due from related parties and third parties at the end of each year, which were unsecured and interest-free, (ii) prepaid promotional expenses for advertising campaigns, and (iii) the unamortized portion of externally procured software usage fees.

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments and other receivables			
Included in non-current assets			
Rental, bidding and other deposits	769	1,420	–
Less: allowance for impairment	(13)	(16)	–
	756	1,404	–
Included in current assets			
Rental, bidding and other deposits	279	249	1,843
Amounts due from related parties	38,072	956	–
Amounts due from third parties	–	24,759	–
Prepayments	5,007	3,865	3,192
[**REDACTED**] to be capitalized	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Others	99	149	511
	43,457	29,978	6,416
Less: allowance for impairment	(185)	(168)	(39)
	43,272	29,810	6,377
	44,028	**31,214**	**6,377**

Our prepayments and other receivables decreased from RMB44.1 million as of December 31, 2023 to RMB31.2 million as of December 31, 2024 and further decreased to RMB6.4 million as of December 31, 2025, primarily attributable to a decrease in amounts due from related parties and third parties. As of December 31, 2025, the amount due from third parties and related parties had been fully recovered.

Contract Fulfilment Costs

Our contract fulfilment costs primarily consist of personnel costs incurred for the customized implementation projects of our vertical industry solutions before project acceptance. Our contract fulfilment costs increased from RMB0.1 million as of December 31, 2023 to RMB5.5 million as of December 31, 2024, primarily attributable to personnel investment in the early implementation stage of a customized communication platform project for one of our major customers.

Our contract fulfilment costs decreased to nil as of December 31, 2025, primarily as a result of the completion of all pending customized projects as at the end of 2025.

Trade Receivables and Notes Receivables

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

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Notes receivables			
Third parties	1,150	1,507	202
Trade receivables			
Third parties	33,657	39,993	58,620
Related parties	29,986	–	–
Less: credit loss allowance	(2,702)	(4,333)	(9,332)
Total	**62,091**	**37,167**	**49,490**

Our trade receivables and note receivables decreased from RMB62.1 million as of December 31, 2023 to RMB37.2 million as of December 31, 2024, primarily due to the Saudi Nationwide Communication Project's fund has been fully recovered.

Our trade receivables and note receivables increased to RMB49.5 million as of December 31, 2025, primarily due to the revenue growth in 2025, as payments of certain major customers were not yet due under their contracts as at the end of 2025.

As of December 31, 2023, 2024 and 2025, our credit loss allowance for trade receivables amounted to RMB2.7 million, RMB4.3 million and RMB9.3 million, respectively, representing approximately 4.2%, 10.8% and 15.9% of our trade receivables as of the respective dates.

We decide trading terms with customers on a case-by-case basis. For our internet application solutions, customers are generally required to make prepayments or settle service fees within approximately 30 days. For our certain vertical industry solutions projects and overseas nationwide communication solutions projects, payment terms are generally linked to project milestones, acceptance or delivery schedules. The ageing analysis of the trade receivables based on date of revenue recognition is as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Up to 1 year	56,458	27,993	39,943
1 to 2 years	5,971	9,366	10,440
2 to 3 years	964	2,153	6,722
Over 3 years	250	481	1,515
	63,643	**39,993**	**58,620**

Our notes receivables are bank accepted notes mainly with maturity dates within six months. The ageing analysis of the notes receivables based on date of revenue recognition is as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Up to 1 year	1,150	1,507	202

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

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days*(Note)*	167	111	90

Note: Trade receivables turnover days for a period equals the average of the opening and closing trade receivables divided by revenue for that period and multiplied by 360 days for a fiscal year.

Our trade receivables turnover days decreased from 167 days for the year ended December 31, 2023 to 111 days for the year December 31, 2024, and further decreased to 90 days for the year ended December 31, 2025. This decline was primarily driven by the settlement of historical overdue amounts from the Saudi Nationwide Communication Project, which had previously extended the average collection period, leading to a subsequent reduction in overall turnover days as the outstanding receivables were collected.

As of the April 30, 2026, RMB16.9 million, or 14.2%, of our trade receivables as of December 31, 2025 had been subsequently settled.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute or disagreement with our customers in relation to the timing, amounts of billing or the collection of our trade receivables.

Cash and Cash Equivalents

Our cash and cash equivalents represent cash at bank and due from other financial institutions. Our cash and cash equivalents as of December 31, 2023, 2024 and 2025 were RMB20.0 million, RMB54.9 million and RMB136.5 million, respectively. For a discussion on the changes in our cash and cash equivalents, see "— Liquidity and Capital Resources."

Trade Payables

Our trade payables mainly include payables for bandwidth and servers custody fee. Our trade payables are non-interest-bearing and are normally settled within a year.

Our trade payables decreased from RMB12.6 million as of December 31, 2023 to RMB11.9 million as of December 31, 2024, primarily due to the migration of server infrastructure to a new cloud service provider. Driven by our enhanced bargaining power and the disparity in unit server prices among vendors, server costs in 2024 were lower than those in 2023.

Our trade payables increased to RMB13.3 million as of December 31, 2025, primarily due to higher server-related payables, which was in line with the increase in server costs driven by our revenue growth in 2025.

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

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Up to 3 months	8,741	8,283	7,587
3 to 6 months	540	774	596
Over 6 months	3,356	2,833	5,118
	12,637	**11,890**	**13,301**

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

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days*(Note)*	137	104	118

Note: Trade payables turnover days for a period equals the average of the opening and closing trade payables divided by cost of sales for that period and multiplied by 360 days for a fiscal year.

Our trade payables turnover days decreased from 137 days in 2023 to 104 days in 2024, primarily due to the settlement in May 2023 of a substantial portion of payables. Our trade payables turnover days increased from 104 days in 2024 to 118 days in 2025, primarily due to a decrease in our cost of sales in 2025 while our trade payables remained relatively stable.

As of the April 30, 2026, RMB6.8 million, or 50.8%, of our trade payables as of December 31, 2025 had been subsequently settled. During the Track Record Period and up to the Latest Practicable Date, we had no material defaults in our trade payables.

Other Payables and Accruals

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

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other taxes payables	12,858	12,179	11,952
Payroll payables	11,769	15,295	7,653
Other payables for share-based compensation	4,693	4,258	9,606
Accrued expenses	1,306	306	507
[**REDACTED**] payables	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Others	3,052	1,476	716
	33,678	**33,514**	**32,274**

Our other payables and accruals remained relatively stable at RMB33.7 million, RMB33.5 million and RMB32.3 million as of December 31, 2023, 2024 and 2025, respectively.

Contract Liabilities

Our contract liabilities mainly arise from the advance payments made by customers for the underlying solutions and services not yet provided. All of the contract liabilities are expected to be recognized as income within one year.

The following table sets forth a breakdown of our contract liabilities related to contracts with customers as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities			
Internet application solutions	15,791	14,168	12,662
Vertical industry solutions	4,263	13,772	2,250
Overseas nationwide communication solutions	–	–	1,067
	20,054	**27,940**	**15,979**

Our contract liabilities increased from RMB20.0 million as of December 31, 2023 to RMB27.9 million as of December 31, 2024, primarily due to advances received from a customer in connection with a quantum-secured communication platform project for a telecommunications group prior to the recognition of the relevant revenue of vertical industry solutions. Our contract liabilities subsequently decreased to RMB16.0 million as of December 31, 2025, primarily due to the recognition of revenue relating to such project during 2025.

As of the April 30, 2026, RMB7.3 million, or 45.5%, of our contract liabilities as of December 31, 2025 had been subsequently utilized and recognized in revenue.

LIQUIDITY AND CAPITAL RESOURCES

Overview

As of the Latest Practicable Date, we had financed our operations primarily through cash from our operations. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB20.0 million, RMB54.9 million and RMB136.5 million, respectively. Our cash and cash equivalents primarily consist of cash on bank and due from other financial institutions.

The following table is a summary of our cash flow data from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash from operating activities	30,640	65,337	20,927
Net cash (used in)/from investing activities	(36,600)	(16,789)	55,615
Net cash from/(used in) financing activities	12,021	(13,623)	5,125
Net increase in cash and cash equivalents	6,061	34,925	81,667
Cash and cash equivalents at the beginning of the year	13,893	19,954	54,879
Cash and cash equivalents at the end of the year	**19,954**	**54,879**	**136,546**

Operating Activities

Our net cash flows used in operating activities consist of profit before tax adjusted for certain non-cash or non-operating activities related items and changes in working capital.

Net cash from operating activities in 2025 was RMB20.9 million, primarily attributable to profit before tax of RMB26.1 million, as adjusted for (i) non-cash items or non-operating items, which principally included interest expense on redemption liabilities of RMB12.6 million, depreciation of right-of-use assets of RMB2.1 million, net impairment losses on financial assets of RMB4.9 million and share-based compensation of RMB4.5 million, partially offset by fair value changes on financial assets at fair value through profit or loss of RMB1.3 million, and (ii) changes in working capital, mainly represented an increase in trade and note receivables of RMB17.8 million, a decrease in other payables and accruals of RMB6.9 million and a decrease in contract liabilities of RMB11.9 million.

Net cash from operating activities in 2024 was RMB65.3 million, primarily attributable to profit before tax of RMB3.2 million, as adjusted for (i) non-cash items or non-operating items, which principally included interest expense on redemption liabilities of RMB32.2 million, depreciation of right-of-use assets of RMB1.5 million, net impairment losses on financial assets of RMB1.6 million and share-based compensation of RMB1.1 million, partially offset by fair value changes on financial assets at fair value through profit or loss of RMB0.7 million, and (ii) changes in working capital, mainly represented an decrease in trade and note receivables of RMB23.3 million and an increase in contract liabilities of RMB7.9 million, partially offset by an increase in contract fulfilment costs of RMB5.4 million.

Net cash from operating activities in 2023 was RMB30.6 million, primarily attributable to loss before tax of RMB14.7 million, as adjusted for (i) non-cash items or non-operating items, which principally included interest expense on redemption liabilities of RMB32.1 million, depreciation of property, plant and equipment of RMB2.3 million, depreciation of right-of-use assets of RMB4.8 million and share-based compensation of RMB1.4 million, and (ii) changes in working capital, mainly represented an decrease in trade and note receivables of RMB49.1 million, partially offset by an decrease in trade payables of RMB28.5 million, a decrease in other payables and accruals of RMB10.4 million and a decrease in contract liabilities of RMB4.9 million.

Investing Activities

Net cash from investing activities in 2025 was RMB55.6 million, primarily attributable to proceeds from maturity of financial assets at fair value through profit or loss of RMB541.1 million, partially offset by purchases of financial assets at fair value through profit or loss of RMB510.0 million.

Net cash used in investing activities in 2024 was RMB16.8 million, primarily attributable to purchases of financial assets at fair value through profit or loss of RMB65.0 million, partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB35.1 million.

Net cash used in investing activities in 2023 was RMB36.6 million, primarily attributable to loans granted of RMB41.4 million, partially offset by proceeds from disposal of property, plant and equipment of RMB1.5 million.

Financing Activities

Net cash from financing activities in 2025 was RMB5.1 million, primarily attributable to proceeds from issuance of restricted stock units of RMB5.4 million and proceeds from borrowings of RMB8.0 million, partially offset by repayment of borrowings of RMB5.4 million and payment of lease liabilities of RMB2.1 million.

Net cash used in financing activities in 2024 was RMB13.6 million, primarily attributable to repayment of borrowings of RMB16.5 million and payment of lease liabilities of RMB1.0 million, partially offset by proceeds from borrowings of RMB5.0 million.

Net cash from financing activities in 2023 was RMB12.0 million, primarily attributable to proceeds from borrowings of RMB16.5 million, partially offset by payment of lease liabilities of RMB4.7 million.

CAPITAL EXPENDITURES

As of December 31, 2023, 2024 and 2025 and the Latest Practicable Date, we did not have any material capital expenditures.

WORKING CAPITAL

The following table sets forth a summary of our liquidity and working capital as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
CURRENT ASSETS				
Contract fulfilment costs	107	5,465	–	–
Notes receivables	1,150	1,507	202	496
Trade receivables	60,941	35,660	45,559	57,938
Prepayments and other receivables	43,272	29,810	6,377	12,171
Financial assets at fair value through profit or loss	–	30,028	–	–
Restricted cash	–	–	81	126
Cash and cash equivalents	19,954	54,879	136,546	120,461
Total current assets	**125,424**	**157,349**	**188,765**	**191,192**
CURRENT LIABILITIES				
Trade payables	12,637	11,890	13,301	17,504
Other payables and accruals	33,678	33,514	32,274	25,638
Contract liabilities	19,978	27,895	15,979	17,529
Borrowings	16,500	5,000	800	800
Lease liabilities	1,336	2,413	1,265	35
Total current liabilities	**84,129**	**80,712**	**63,619**	**61,506**
NET CURRENT ASSETS	**41,295**	**76,637**	**125,146**	**129,686**

As of April 30, 2026, we had net current assets of RMB129.7 million, as compared to RMB125.1 million as of December 31, 2025, which remained relatively stable.

As of December 31, 2025, we had net current assets of RMB125.1 million, as compared to RMB76.6 million as of December 31, 2024, primarily due to (i) an increase of RMB9.9 million in trade receivables, (ii) an increase of RMB81.6 million in cash and cash equivalents due to proceeds from maturity of financial assets at fair value through profit or loss, along with cash inflow generated from our operating activities, partially offset by a decrease of RMB23.4 million in prepayments and other receivables.

As of December 31, 2024, we had net current assets of RMB76.6 million, as compared to net current assets of RMB41.3 million as of December 31, 2023, primarily due to (i) an increase of RMB5.4 million in contract fulfilment costs reflecting our business expansion, (ii) an increase of RMB34.9 million in cash and cash equivalents, partially offset by (i) a decrease of RMB25.2 million in trade receivables related to related parties, and (ii) a decrease of RMB13.5 million in prepayments and other receivables related to a decrease in amounts due from related parties.

Taking into account the financial resources available to us, including the estimated [**REDACTED**] from the [**REDACTED**], cash flow generated from our operations and cash and cash equivalents on hand, our Directors are of the opinion that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this Document.

INDEBTEDNESS

Borrowings

Our borrowings comprised guaranteed bank loans, with effective interest rates ranging from 2.8% to 6.0% per annum.

The following table shows amounts of our borrowings as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Included in current liabilities				
Guaranteed				
Short-term bank loans	16,500	5,000	–	–
Current portion of long-term bank loans	–	–	800	800
	16,500	5,000	800	800
Included in non-current liabilities				
Guaranteed				
Long-term bank loans	–	–	7,600	7,200
Less: current portion	–	–	(800)	(800)
Non-current portion	–	–	6,800	6,400

Our borrowings are primarily denominated in Renminbi. Certain of our bank borrowings during the Track Record Period were guaranteed by Mr. Wang Cheng, our controlling shareholder. As of the date of the first [**REDACTED**] of the [**REDACTED**] to the Stock Exchange for the purpose of the [**REDACTED**], all such guarantees had been released and no such guarantees remained outstanding. See Note 29 of the Accountant's Report in Appendix I to this Document.

Lease Liabilities

We lease rental properties for our office spaces. These leases are typically made for fixed terms and the longest lease term is between one to ten years.

The following table shows amounts of our lease liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current	1,336	2,413	1,265	35
Non-current	2,161	1,551	–	–
Total	**3,497**	**3,964**	**1,265**	**35**

Our lease liabilities increased from RMB3.5 million as of December 31, 2023 to RMB4.0 million as of December 31, 2024, primarily due to an increase in leased office space in 2024. Our lease liabilities decreased to RMB1.3 million as of December 31, 2025, primarily due to the periodic rental payments for our office premises as stipulated in the lease agreements, leading to a corresponding reduction in both the lease liabilities and the associated right-of-use assets. Our lease liabilities decreased to RMB0.04 million as of April 30, 2026, primarily due to the regular reduction resulting from scheduled lease payments.

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

Redemption Liabilities

Our redemption liabilities primarily relate to our obligations arising from certain redemption rights and liquidation preferences granted to the holders of preferred rights in connection with our historical equity financing activities.

Since our incorporation, we have completed several rounds of equity financing. In accordance with the shareholders' agreement signed between the Company and its shareholders in April 2022, the preferred rights granted to the shareholders were unified, and the terms are summarized, among others, (i) redemption rights, pursuant to which such investors were entitled to require us to redeem their investments if we and the founders breached certain provisions of the shareholders' agreement and failed to rectify such breach within 45 working days after receipt of a written notice from the relevant investor, and (ii) liquidation preferences, pursuant to which, upon occurrence of certain liquidation events, the distributable liquidation property remaining after settlement of all debts would be distributed in accordance with the agreed priority order, with the liquidation preference amount generally equal to the original investment principal plus an annual interest calculated at 10% on the original investment principal, together with any accumulated or declared but undistributed dividends, subject to adjustments specified in the shareholders' agreement. During the Track Record Period, we recognized finance costs arising from redemption liabilities of approximately RMB32.1 million, RMB32.2 million and RMB12.6 million for the years ended December 31, 2023, 2024 and 2025, respectively. See Note 30 of the Accountant's Report in Appendix I to this Document.

The redemption rights granted to the preferred shareholders constituted our obligations to repurchase our own equity instruments under certain circumstances. In accordance with IFRS Accounting Standards, such obligations were recognized as redemption liabilities, which were initially measured at fair value, representing the present value of the expected cash flows for settling the related obligations if the redemption rights were exercised by the investors, and subsequently measured at amortized cost. As a result, we recognized finance costs arising from the redemption liabilities during the Track Record Period. See "— Non-IFRS Measures."

The redemption rights were not triggered during the Track Record Period. In May 2025, we entered into a preferred rights termination agreement with the preferred shareholders, pursuant to which the agreed redemption was terminated, and the redemption liabilities were derecognized after entering into such agreement.

Indebtedness Statement

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

Except as disclosed above, as of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgage, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance (other than normal trade bills) or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has not been any material change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, we had no material contingent liabilities.

COMMITMENTS

As of December 31, 2023, 2024 and 2025 and up to the Latest Practicable Date, we do not have any capital commitments.

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,		
	2023	2024	2025
Gross profit margin	63.1%	74.7%	80.5%
Net (loss)/profit margin(1)	(7.7)%	1.9%	16.1%
Adjusted profit margin for the year (non-IFRS measure)(2)	9.8%	21.7%	26.8%
Current ratio(3)	1.5	1.9	3.0

Notes:

(1) Net (loss)/profit margin is calculated using (loss)/profit for the year divided by revenue and multiplied by 100%.

(2) Adjusted profit margin for the year (non-IFRS measure) represents adjusted profit for the year (non-IFRS measure) divided by revenue and multiplied by 100%. For details of the adjusted profit for the year (non-IFRS measure), see "— Non-IFRS Measures."

(3) Current ratio is calculated using total current assets divided by total current liabilities as of the same date.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we provided overseas nationwide communication solutions to Customer A. See "Business — Our Customers — Relationship with Customer A" for details. Our Directors confirm that all transactions with Customer A were conducted in the ordinary and usual course of business, on normal commercial terms and on an arm's-length basis.

During the Track Record Period, at the request of certain customers outside Chinese Mainland of the Company, we entered into service contracts and received payments through Rong Cloud H.K. Limited ("**RCHK**"), which is indirectly wholly owned by Mr. Wang Cheng, one of our Controlling Shareholders. RCHK solely performed settlement functions, and payments received from the relevant customers were subsequently remitted to our Group without any additional fees being charged by RCHK. As a result, we recorded an amount due from RCHK of RMB956 thousand as of December 31, 2024. There was no outstanding balance as of December 31, 2025. As of the Latest Practicable Date, this arrangement had been terminated. Thereafter, certain service contracts and related payment settlements with customers outside Chinese Mainland conducted through RCLOUD GLOBAL PTE. LTD., a subsidiary of our Group.

During the implementation of the Saudi Nationwide Communication Project, we provided temporary funding support to a company controlled by Customer A, which served as the PRC operating entity for the project. There was no outstanding balance as of December 31, 2025.

The financial guarantees disclosed in Note 33 to the Accountant's Report were provided by our controlling shareholder and directors in connection with certain bank borrowings of our Group. As of the date of this Document, the relevant borrowings had either been fully repaid or the corresponding guarantees had been released, and no such arrangements remained outstanding.

Save as the above related party transactions disclosed in Note 33 as set out in the Accountant's Report in Appendix I to this Document, we had not entered into any other material transactions with our related parties during the Track Record Period.

Our Directors are of the view that each of the related party transactions set out in Note 33 to the Accountant's Report in Appendix I to this Document was conducted on an arm's length basis and would not distort our track record results or cause our historical results to be not reflective of our future performance.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to various types of financial risks, including market risk, credit risk and liquidity risk in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For details of the risks to which we are exposed, see Note 3 to the Accountant's Report set out in Appendix I to this Document.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information."

DIVIDEND POLICY

We have not paid or declared any dividends during the Track Record Period.

Our Company currently does not have a formal dividend policy or a fixed dividend payout ratio. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained earnings of approximately RMB35.4 million, representing the distributable reserves available for distribution to our Shareholders.

[REDACTED]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our total [**REDACTED**] (including [**REDACTED**]) will be approximately RMB[**REDACTED**] million, accounting for approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per share, being the mid-point of the indicative [**REDACTED**] range stated in this Document and the [**REDACTED**] is not exercised). During the Track Record Period, [**REDACTED**] of approximately RMB[**REDACTED**] million were charged to our consolidated statements of profit or loss for the years ended December 31, 2025, and approximately RMB[**REDACTED**] million were capitalized to our consolidated balance sheets and recognized as prepaid [**REDACTED**] as of December 31, 2025, which are expected to be deducted from equity upon [**REDACTED**] as they are directly attributable to the issue of the Shares to the public. The estimated remaining [**REDACTED**] of approximately RMB[**REDACTED**] million are expected to be charged to our consolidated statements of profit or loss for the year ending December 31, 2026, and approximately RMB[**REDACTED**] million are expected to be deducted from equity upon [**REDACTED**]. Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2026.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

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

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountant's Report, the text of which is set out in Appendix I to this Document.