*You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants' Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**").*

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

## OVERVIEW

We are an established fintech service provider in the banking industry based in the Greater Bay Area, delivering fintech software development services, consulting services, and system integration services to banks, regulatory authorities and other financial institutions across Chinese Mainland, Hong Kong, and Southeast Asia to support their continued digital transformation.

We have over 20 years of industry experience and long-standing customer relationships, supported by robust regulatory and technology expertise. As a partner in banking digitalization, a contributor to Hong Kong's financial infrastructure, a proponent of compliant Web3 adoption, and an adopter of AI in banking, we play an active role in the development of global on-chain finance and Hong Kong's digital finance transformation.

During the Track Record Period, we have demonstrated a strategic focus on enhancing profitability, as reflected in our financial performance. Our total revenue was RMB730.4 million, RMB740.4 million and RMB631.1 million in 2023, 2024 and 2025, respectively, while our profit for year was RMB47.4 million, RMB67.4 million and RMB74.3 million in 2023, 2024 and 2025, respectively. This revenue decline in 2025 was the result of a deliberate strategic shift to optimize profitability by prioritizing core, high-margin business activities while systematically reducing our engagement in non-core business lines. This strategy has resulted in a significant increase in profit despite a decrease in revenue, demonstrating enhanced operational efficiency and profitability. Our total revenue in the three months ended March 31, 2025 and 2026 was RMB131.6 million and RMB156.3 million, reflecting our continued execution of our overseas expansion strategy and the increasing revenue contribution from our higher-margin overseas markets, particularly Hong Kong.

### Recent Operational Developments

In May 2026, we completed the acquisition of an office floor in Hong Kong for self-use. The property is intended to be used for research and development, general office operations and sales activities in Hong Kong.

In the second quarter of 2026, we entered into a contract with the technology subsidiary of one of Thailand's largest banks to support the development of its affiliated virtual bank. We have since commenced implementation under this engagement, which is expected to contribute to our revenue in

2026. During the same period, we acquired a new banking client to develop a tokenisation platform for tokenised deposit and tokenised asset for the bank. Furthermore, we secured additional compliant Web3 financial infrastructure projects, which are expected to contribute to our revenue in 2026 and further deepen our experience and expertise in Hong Kong's compliant Web3 sector. We also launched FINNOSmart Engineer, a GenA.I.-powered software design and development platform. It enables financial institutions to adopt agentic software engineering in a secure and compliant manner, helping improve development efficiency.

As at the Latest Practicable Date, save as disclosed above, there had been no material recent development affecting our Group, and our Directors confirm that there had been no material adverse change in our business operations, financial position or prospects since the end of the Track Record Period.

## BASIS OF PRESENTATION

Our historical financial information, which comprises the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of Our Group for each of the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2026, and the consolidated statements of financial position of Our Group and the statements of financial position of the Company as of December 31, 2023, 2024, 2025 and March 31, 2026, and material accounting policies and other explanatory information (the "**Historical Financial Information**"), has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards and Interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards are effective for the accounting period beginning on January 1, 2025, together with the relevant transitional provisions, have been early adopted by Our Group in the preparation of the Historical Financial Information throughout the Track Record Period. 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.

We have not applied certain new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. See note 3 to "Appendix I — Accountants' Report". We intend to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective. We are in the process of making an assessment of the impact of the above new and revised IFRS Accounting Standards upon initial application. So far, it has concluded that the adoption of these new and revised IFRS Accounting Standards will not have a material impact on our financial position and financial performance in the foreseeable future.

The material accounting policies that have been used in the preparation of this Historical Financial Information are summarized in note 4 to "Appendix I — Accountants' Report" to this document. These policies have been consistently applied to all the reporting periods presented in the Historical Financial Information, unless otherwise stated.

## KEY FACTORS AFFECTING OUR PERFORMANCE

Our results of operations and financial condition have been, and will continue to be, materially affected by a number of factors, including:

### Our Virtuous Cycle with Our Customers

In 2023, 2024, 2025 and the three months ended March 31, 2026, over 90% of our revenue derived from commercial banks, regulatory authorities and other financial institutions. Our offerings, particularly our banking technology services such as digital banking channel solutions, are specifically designed to address the complex business requirements of these customers. Through the continuous provision of our services, we have accumulated significant and in-depth insights into our clients' operational workflows, business models, and evolving technological needs. This deep understanding forms the basis of a virtuous cycle, whereby our accumulated expertise enables us to refine and enhance our service offerings, ensuring they are precisely tailored to our clients' specific requirements. In turn, the successful implementation of these solutions further strengthens our client relationships and deepens our institutional knowledge. The sustainability of this virtuous cycle is fundamental to our business model and is contingent upon several key factors. These include the scale and scope of services we provide, our proactive and regular engagement with clients to anticipate their needs, the consistent delivery of high-quality, reliable solutions, and our commitment to maintaining a robust and innovative portfolio of proprietary technologies. We believe that the effective maintenance of this cycle is critical to our historical and future success in delivering services of exceptional quality.

### Our Ability to Expand Customer Base and Deepen Our Customer Engagements

We depend on our ability to maintain relationships with our customers, which primarily comprise leading commercial banks and financial institutions. In each year/period during the Track Record Period, revenue generated from our five largest customers accounted for a significant portion of our total revenue.

Our revenue growth during the Track Record Period was largely attributable to the continuous expansion of business volume with our existing major customers. During the Track Record Period, the retention rate of our customers across all service categories is 77.8%, 55.6%, 94.4%, 88.9% and 52.6% in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

For fintech software development services, we generally enter into master service framework agreements with our key customers or individual project contracts. To accommodate the diverse needs of our customers, we offer our services through two primary engagement models: the time-and-material based model and the project-based model. Under the time-and-material based model, we discuss with customers on the necessary resource allocation and fees based on their budget and requirements, with pricing determined by reference to the workload of comparable tasks and prevailing market rates. Under the project-based model, we enter into individual project contracts where pricing is determined through a comprehensive assessment of the project's scope, technical complexity, risk profile, and strategic importance. See "Business — Revenue Model" for further details.

As fintech markets evolve and competitive pressure intensifies, including aggressive pricing by competitors, entry into new business lines or geographies, and procurement by large institutions with significant bargaining power, we may need to reduce prices, offer more flexible terms, or adopt alternative pricing structures. Our pricing (time-and-material-based or project-based) depends on estimated costs, potential delivery risks, solution complexity, service scope, competitive conditions, and perceived value. We may not accurately predict retention or renewal behavior, particularly for new services or markets, which could adversely impact revenue, gross margin, profitability, financial position, and cash flow.

Our ability to (i) renew master service framework agreements upon expiry or continuously acquire project engagement, (ii) broaden the scope of services provided, and (iii) maintain high levels of customer satisfaction is critical to the stability of our revenue stream. Furthermore, our future growth depends on our success in executing our overseas expansion strategy to capture opportunities in Hong Kong fintech software development services market while optimizing our Chinese Mainland client portfolio.

**Our Capabilities in Technological Innovation and New Service Development**

The digital finance market is characterized by continuous evolution, which necessitates our commitment to ongoing innovation and the development of new services to meet emerging client demands. FINNOSafe embeds compliance rules into token smart contracts to automate lifecycle of tokenized assets and enables rapid architectural adjustments to address regulatory updates. FINNOSmart is an enterprise-grade, industry-oriented generative AI platform for financial institutions, providing domain-specific knowledge bases, customizable SLMs, a modular GenAI architecture, and a comprehensive governance framework for data security and compliance.

Our ability to anticipate and respond to industry trends is a key component of our competitive advantage. For instance, we developed our AI-Empowered Services to address the growing demand for intelligent automation in critical functions such as compliance and risk control, while simultaneously enhancing customer experience and operational efficiency. Furthermore, our ability to commercialize emerging technologies is a distinct competitive advantage. Since 2023, we have delivered 21 projects based on our FINNOSafe Web3 platform, covering a diverse range of scenarios in Hong Kong, including Web3 financial infrastructure, digital currency wallets, retail digital currency scenarios, and real-world asset tokenization. This active participation has contributed to the revenue growth in our financial infrastructure segment. In response to the continuing advancements in the Web3 and AI technology backbone of the digital finance sector, we have been an active participant in the development of several benchmark central financial infrastructure platform projects. Our involvement in these foundational projects has provided us with deep insights and expertise in the underlying technologies that are shaping the future of finance.

In addition, profitability varies across our service portfolio. Emerging technology services, such as complex blockchain or AI projects, often require substantial upfront investment in internal infrastructure and R&D, and may involve third-party licensing costs. These costs are typically recovered over the lifecycle of the engagement, which can affect our profitability, especially in initial phases, and increase the risk that returns are delayed or lower than expected.

Our focus on technological innovation and new service development is fundamental to our ability to maintain our industry leadership and, consequently, to continue meeting the sophisticated needs of our clients.

**Our Ability to Manage Our Costs and Improve Operational Efficiency**

Our profitability is significantly influenced by our ability to effectively manage and optimize our operating expenses. Achieving deeper customer engagement while simultaneously enhancing operational efficiency is critical to our overall financial performance. During the Track Record Period, we maintained a disciplined approach to our operating expenditures. We incurred operating expenses, which consisted of research and development expenses, selling and distribution expenses and administrative expenses, of RMB189.9 million, RMB189.1 million, RMB162.8 million, RMB38.0 million and RMB36.1 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 26.0%, 25.5%, 25.8%, 28.9% and 23.1% of our total revenue for the respective periods. Specifically, our research and development expenses represented 8.6%, 9.5%, 9.5%, 13.2% and 9.7% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Similarly, our administrative expenses accounted for 14.5% 13.0%, 13.2%, 13.2% and 11.0% of revenue, while our selling and distribution expenses comprised 2.9%, 3.0%, 3.1%, 2.5% and 2.4% of revenue for the same periods. Looking ahead, we remain committed to exploring and implementing initiatives that further improve our operational efficiency.

**Our Ability to Leverage Economic and Industry Trends**

Our business and operating results are affected by general factors affecting the digital finance market for financial institutions in the Chinese Mainland, Hong Kong, and other jurisdictions where we operate. These factors include overall economic growth, the growth of the financial industry, competitive landscape for technology and business spending by financial institutions, financial institutions' acceptance of advanced technology services, and regulation and policies affecting technology services and financial institutions.

Our operations are deeply influenced by the evolving regulatory landscape of each regional financial market and the specific internal compliance mandates of financial institutions. We must continuously adapt to the dynamic regulations governing financial digitalization, including data security, cross-border data transmission, and emerging digital finance frameworks, as well as the new, localized demands arising from regional digital transformation initiatives. Unfavorable changes in any of these general conditions could negatively affect demand for our services and materially and adversely affect our results of operations.

During the Track Record Period, we faced macroeconomic pressure and intensified competition in Chinese Mainland market, which necessitated a strategic review on the pricing and profit margins of our Chinese Mainland projects. Meanwhile, our financial performance in Hong Kong has benefited from the robust demand for financial digitalization and our strategy to expand in overseas markets. Fluctuations in the macroeconomic environment or changes in national and regional industry policies regarding financial technology could significantly impact the demand for our solutions and, consequently, our results of operations.

**Our Ability to Expand into Overseas Markets**

The recent growth in our revenue and the improvement in our profit margins were primarily attributable to the execution of our overseas expansion strategy, pursuant to which we have actively broadened our footprint in overseas markets, particularly in Hong Kong. Revenue derived from overseas markets represented 60.9%, 60.3%, 80.6%, 87.1% and 81.5% of our total revenue for the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

Generally, our projects delivered in overseas markets command higher gross profit margins as compared to our Chinese Mainland projects, a trend that became increasingly pronounced during the Track Record Period. For the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our gross profit margin for overseas markets was 36.5%, 44.1%, 41.0%, 44.5% and 38.4%, respectively, whereas our gross profit margin for Chinese Mainland market was 20.4%, 16.4%, 24.3%, 19.6% in 2023, 2024, 2025 and the three months ended March 31, 2025. We recorded negative gross margin of 5.1% in the three months ended March 31, 2026 for Chinese Mainland market, primarily attributable to certain loss-making projects from Chinese Mainland (primarily from customer B) were completed and delivered during the period, which incurred higher costs of sales than corresponding revenue, and our relatively small Chinese Mainland revenue base magnified the impact of such projects on the segment margin. Going forward, our ability to deepen our market penetration in overseas jurisdictions, particularly in Hong Kong, capitalize on digitalization opportunities within the financial sector, and replicate our success in other international markets will be pivotal to sustaining our revenue growth and optimizing our overall profitability.

## MATERIAL ACCOUNTING POLICIES, SIGNIFICANT JUDGEMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. Our major accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in notes 2 to 4 of Appendix I to this document. For further details, see note 4 to "Appendix I — Accountants' Report" to this document.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Revenue | 730,434 | 100.0 | 740,376 | 100.0 | 631,068 | 100.0 | 131,574 | 100.0 | 156,332 | 100.0 |
| Cost of sales | (509,580) | (69.8) | (495,411) | (66.9) | (392,573) | (62.2) | (77,231) | (58.7) | (108,936) | (69.7) |
| **Gross profit** | **220,854** | **30.2** | **244,965** | **33.1** | **238,495** | **37.8** | **54,343** | **41.3** | **47,396** | **30.3** |
| Other income, gains and losses, net | 19,094 | 2.6 | 26,997 | 3.6 | 17,083 | 2.7 | 1,063 | 0.8 | (4,137) | (2.6) |
| Selling and distribution expenses | (21,317) | (2.9) | (22,480) | (3.0) | (19,323) | (3.1) | (3,323) | (2.5) | (3,759) | (2.4) |
| Administrative expenses | (105,823) | (14.5) | (96,552) | (13.0) | (83,584) | (13.2) | (17,387) | (13.2) | (17,190) | (11.0) |
| Research and development expenses | (62,740) | (8.6) | (70,101) | (9.5) | (59,923) | (9.5) | (17,318) | (13.2) | (15,165) | (9.7) |
| Impairment losses reversed (recognised) on financial assets, contract assets and contract costs, net | (1,532) | (0.2) | (8,772) | (1.2) | (13,782) | (2.2) | (4,414) | (3.4) | 2,826 | 1.8 |
| Finance costs | (666) | (0.1) | (644) | (0.1) | (162) | (0.0) | (16) | 0.0 | (40) | 0.0 |
| **Profit before tax** | **47,870** | **6.6** | **73,413** | **9.9** | **78,804** | **12.5** | **12,948** | **9.8** | **9,931** | **6.4** |
| Income tax (expense) credit | (490) | (0.1) | (6,049) | (0.8) | (4,523) | (0.7) | (51) | 0.0 | 680 | 0.4 |
| **Profit for the year/period** | **47,380** | **6.5** | **67,364** | **9.1** | **74,281** | **11.8** | **12,897** | **9.8** | **10,611** | **6.8** |

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| **Other comprehensive expense** | | | | | | | | | | |
| Fair value change on equity instruments designated at fair value through other comprehensive income ("**FVTOCI**"), net of tax | (3,320) | (0.5) | (3,413) | (0.5) | (14,231) | (2.3) | (2,713) | (2.1) | (290) | (0.2) |
| Exchange differences arising on translation of foreign operations | 215 | 0.0 | 1,281 | 0.2 | (4,648) | (0.7) | (360) | (0.3) | (978) | (0.6) |
| Other comprehensive expense for the year/period | (3,105) | (0.4) | (2,132) | (0.3) | (18,879) | (3.0) | (3,073) | (2.3) | (1,268) | (0.8) |
| Total comprehensive income for the year/period | 44,275 | 6.1 | 65,232 | 8.8 | 55,402 | 8.8 | 9,824 | 7.5 | 9,343 | 6.0 |
| Earnings per share for profit attributable to owners of the Company *(RMB per share)* | | | | | | | | | | |
| — Basic | 0.09 | 0.0 | 0.13 | 0.0 | 0.14 | 0.0 | 0.02 | 0.0 | 0.02 | 0.0 |
| — Diluted | 0.09 | 0.0 | 0.13 | 0.0 | 0.14 | 0.0 | 0.02 | 0.0 | 0.02 | 0.0 |

## DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

### Revenue

During the Track Record Period, we have demonstrated a strategic focus on enhancing profitability, as reflected in our financial performance. Our total revenue was RMB730.4 million, RMB740.4 million and RMB631.1 million in 2023, 2024 and 2025, respectively, while our profit for year was RMB47.4 million, RMB67.4 million and RMB74.3 million in 2023, 2024 and 2025, respectively. This revenue decline was primarily the result of a deliberate strategic shift implemented by our management to optimize profitability by prioritizing core, high-margin business activities while systematically streamlining our business portfolio. Specifically, our revenue from Chinese Mainland decreased by 58.3% from RMB293.9 million in 2024 to RMB122.4 million in 2025, as we proactively scaled back our participation in certain lower-margin projects in the Chinese Mainland market. This strategic repositioning was partially offset by a 13.9% increase in our overseas revenue from RMB446.5 million in 2024 to RMB508.7 million in 2025, driven by the continued expansion of our business in Hong Kong and other overseas markets. As a result of this strategic shift, our overall gross profit margin improved from 33.1% in 2024 to 37.8% in 2025, and our profit for the year increased by 10.3% from RMB67.4 million in 2024 to RMB74.3 million in 2025, demonstrating enhanced operational efficiency and profitability despite the decrease in revenue. In the three months ended March 31, 2026, our total revenue increased by 18.8% to RMB156.3 million from RMB131.6 million in the same period of 2025, primarily driven by the increase in customer demand and the recognition of revenue upon delivery and completion of certain projects during the period. Our profit for the period decreased by 17.7% to RMB10.6 million from RMB12.9 million in the same period of 2025, primarily attributable to a decrease in our gross profit margin and a reduction in our bank interest income.

***Revenue by Business Line***

During the Track Record Period, we derived revenue from contract by goods and services including (i) fintech software development services, (ii) consulting services, (iii) system integration services. The table below sets forth our revenue breakdown by business line in an absolute amount and as a percentage our total revenue for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| **Fintech software development services** | | | | | | | | | | |
| Banking technology services | | | | | | | | | | |
| — Banking product portfolio | 361,755 | 49.5 | 343,839 | 46.5 | 251,346 | 39.8 | 50,326 | 38.3 | 64,031 | 40.9 |
| — Digital banking channel solutions | 146,789 | 20.1 | 146,221 | 19.7 | 138,572 | 22.0 | 33,322 | 25.3 | 35,099 | 22.5 |
| — Banking operation and data services | 124,069 | 17.0 | 135,391 | 18.3 | 95,242 | 15.1 | 16,895 | 12.8 | 22,109 | 14.1 |
| | 632,613 | 86.6 | 625,451 | 84.5 | 485,160 | 76.9 | 100,543 | 76.4 | 121,239 | 77.5 |
| Financial infrastructure and fintech innovation services | 67,306 | 9.2 | 94,970 | 12.8 | 119,918 | 19.0 | 26,430 | 20.1 | 31,249 | 20.0 |
| **Subtotal** | **699,919** | **95.8** | **720,421** | **97.3** | **605,078** | **95.9** | **126,973** | **96.5** | **152,488** | **97.5** |
| **Consulting services** | **29,987** | **4.1** | **19,487** | **2.6** | **24,046** | **3.8** | **4,601** | **3.5** | **3,561** | **2.3** |
| **System integration services** | **528** | **0.1** | **468** | **0.1** | **1,944** | **0.3** | **—** | **—** | **283** | **0.2** |
| **Total** | **730,434** | **100.0** | **740,376** | **100.0** | **631,068** | **100.0** | **131,574** | **100.0** | **156,332** | **100.0** |

During the Track Record Period, our revenue from the banking product portfolio decreased by 5.0% from RMB361.8 million in 2023 to RMB343.8 million in 2024, and further decreased by 26.9% to RMB251.3 million in 2025. This continuous decline, particularly the significant decrease in 2025, was primarily the result of a deliberate strategic shift implemented by our management starting from the fourth quarter of 2024 to optimize our overall profitability. In the three months ended March 31, 2026, our revenue from the banking product portfolio increased by 27.2% to RMB64.0 million from RMB50.3 million in the same period of 2025, primarily attributable to (i) the increased customer demand for digital transformation; and (ii) the concurrent completion and subsequent revenue recognition of multiple projects, primarily attributable by customer B.

In recent years, we observed intensifying market competition in the Chinese Mainland market, which led to significantly narrowed profit margins for certain conventional banking product projects. We strategically decided to scale back our participation and gradually withdraw from certain highly competitive, low-margin business areas within the banking product portfolio in the Chinese Mainland market. Instead, we reallocated our resources and focus towards higher-margin opportunities, such as expanding our overseas business presence and developing innovative financial infrastructure services. While this strategic repositioning resulted in a short-term decrease in revenue generated from the banking product portfolio sub-category, it effectively optimized our business structure and contributed to the improvement of our overall gross profit margin and net profit during the Track Record Period.

### *Revenue Breakdown by Geographic Location*

In terms of geographic coverage, we generated revenue from our sales network in (i) Chinese Mainland and (ii) overseas during the Track Record Period. The following table sets forth a breakdown of our revenue by geographical location, in an absolute amount and as a percentage of our total revenue, for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | (unaudited) | | | |
| **Chinese Mainland** | 285,368 | 39.1 | 293,863 | 39.7 | 122,396 | 19.4 | 16,913 | 12.9 | 28,908 | 18.5 |
| **Overseas** | | | | | | | | | | |
| Hong Kong(1) | 441,547 | 60.4 | 442,879 | 59.8 | 506,702 | 80.3 | 114,280 | 86.9 | 127,069 | 81.3 |
| Others(2) | 3,519 | 0.5 | 3,634 | 0.5 | 1,970 | 0.3 | 381 | 0.2 | 355 | 0.2 |
| **Subtotal** | **445,066** | **60.9** | **446,513** | **60.3** | **508,672** | **80.6** | **114,661** | **87.1** | **127,424** | **81.5** |
| **Total** | **730,434** | **100.0** | **740,376** | **100.0** | **631,068** | **100.0** | **131,574** | **100.0** | **156,332** | **100.0** |

(1) Our revenue from Hong Kong is primarily derived from our fintech software development services, which amounted to RMB411.6 million, RMB425.2 million, RMB485.0 million, RMB109.7 million and RMB124.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

(2) Others mainly include Macao and France.

The disparity in our Chinese Mainland and overseas performance reflects a deliberate strategic realignment. We proactively optimized our Chinese Mainland project portfolio by reducing exposure to highly competitive, lower-margin segments in favor of accelerating our expansion in overseas markets. Looking ahead, we anticipate that our Chinese Mainland business will consolidate at the current scale with a continued focus on optimizing revenue quality and profitability.

During the Track Record Period, our revenue generated from Hong Kong demonstrated a steady upward trend, primarily driven by two underlying factors: (i) our management implemented a strategic shift to actively expand our business footprint in overseas markets starting from the fourth quarter of 2024, particularly in Hong Kong. We reallocated our core R&D resources and market expansion efforts from certain lower-margin segments in the Chinese Mainland to focus on capturing the robust demand in the Hong Kong market; (ii) the growth was also fueled by the evolving business needs of our key customers in Hong Kong, driven by the region's continuous digital finance transformation. Specifically, we successfully deepened our relationships with existing major clients, securing additional work orders and participating in foundational projects related to Hong Kong's Web3 financial infrastructure. In the three months ended March 31, 2026, our revenue from the Chinese Mainland increased to RMB28.9 million from RMB16.9 million in the same period of 2025. This increase was primarily driven by the concurrent completion of certain Chinese Mainland projects during this period, the revenue of which was recognized upon acceptance, against a relatively low revenue base in the same period of 2025. Our overseas revenue increased to RMB127.4 million from RMB114.7 million over the same period, primarily driven by the continued expansion of our business presence in Hong Kong and the deepening of relationships with existing major customers, including additional work orders and participation in foundational projects related to Hong Kong's financial infrastructure and digital financial innovation, which is consistent with our strategy of accelerating expansion in higher-margin overseas markets.

## Cost of Sales

Our cost of sales amounted to RMB509.6 million, RMB495.4 million, RMB392.6 million, RMB77.2 million and RMB108.9 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. During the Track Record Period, our cost of sales primarily consisted of (i) employment compensation, (ii) procurement cost, and (iii) other expenses.

### *Cost of Sales by Nature*

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

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Employment compensation | 489,197 | 96.0 | 479,432 | 96.7 | 376,563 | 95.9 | 74,528 | 96.5 | 105,302 | 96.7 |
| Procurement cost | 11,659 | 2.3 | 10,166 | 2.1 | 3,596 | 0.9 | 657 | 0.9 | 807 | 0.7 |
| Other expenses | 8,724 | 1.7 | 5,813 | 1.2 | 12,414 | 3.2 | 2,046 | 2.6 | 2,827 | 2.6 |
| **Total** | **509,580** | **100.0** | **495,411** | **100.0** | **392,573** | **100.0** | **77,231** | **100.0** | **108,396** | **100.0** |

The decrease of our cost of sales in 2025 was primarily driven by we proactively adjusted our business expansion strategy and strategically withdrew from certain business areas with narrow profit margins, our overall revenue decreased, which consequently led to a corresponding reduction in our project inputs and delivery costs. Specifically, (i) the decline of our employment compensation was in line with our strategic shift and the proactive withdrawal from certain lower-margin business areas, the reduction in the number of such projects resulted in a corresponding decrease in the human resource inputs and associated compensation costs required for project delivery; (ii) the decline of our procurement cost was mainly due to the aforementioned strategic shift which reduced our overall project volume and associated inputs and the completion of certain projects during 2024 that had specific procurement requirements, leading to a notable drop in related procurement activities in 2025; (iii) the increase of other expenses from 2024 to 2025 was primarily attributable to the **[REDACTED]** of certain leased premises, resulting the relevant expenses were shifted from administrative expenses to project delivery costs, driving up the other expenses under cost of sales.

### *Cost of Sales by Business Line*

The following table sets forth a breakdown of our cost of sales by business line in absolute amount and as a percentage of our total cost of sales for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | (unaudited) | | | |
| Fintech software development services | 487,973 | 95.7 | 477,710 | 96.4 | 372,479 | 94.9 | 74,093 | 95.9 | 106,195 | 97.5 |
| Consulting services | 21,203 | 4.2 | 17,336 | 3.5 | 19,659 | 5.0 | 3,138 | 4.1 | 2,741 | 2.5 |
| System integration services | 404 | 0.1 | 365 | 0.1 | 435 | 0.1 | — | — | — | — |
| **Total** | **509,580** | **100.0** | **495,411** | **100.0** | **392,573** | **100.0** | **77,231** | **100.0** | **108,936** | **100.0** |

### *Cost of Sales by Geographic Location*

The following table sets forth a breakdown of our cost of sales by geographic location, by the locations where respective revenue being recognized, in absolute amount and as a percentage of our total cost of sales for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | (unaudited) | | | |
| **Chinese Mainland** | 227,155 | 44.6 | 245,666 | 49.6 | 92,682 | 23.6 | 13,601 | 17.6 | 30,391 | 27.9 |
| **Overseas** | | | | | | | | | | |
| Hong Kong | 280,748 | 55.1 | 247,202 | 49.9 | 298,843 | 76.1 | 63,258 | 81.9 | 78,322 | 71.9 |
| Others[(1)] | 1,677 | 0.3 | 2,543 | 0.5 | 1,048 | 0.3 | 372 | 0.5 | 223 | 0.2 |
| **Subtotal** | **282,425** | **55.4** | **249,745** | **50.4** | **299,891** | **76.4** | **63,630** | **82.4** | **78,545** | **72.1** |
| **Total** | **509,580** | **100.0** | **495,411** | **100.0** | **392,573** | **100.0** | **77,231** | **100.0** | **108,936** | **100.0** |

(1) Others mainly include Macao and France.

### Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB220.9 million, RMB245.0 million, RMB238.5 million, RMB54.3 million and RMB47.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our gross profit margin was 30.2%, 33.1%, 37.8%, 41.3% and 30.3% in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | (unaudited) | | | |
| **Fintech software development services** | **211,946** | **30.3** | **242,711** | **33.7** | **232,599** | **38.4** | **52,880** | **41.6** | **46,293** | **30.4** |
| — Banking technology services | 179,354 | 28.4 | 195,310 | 31.2 | 173,741 | 35.8 | 39,202 | 39.0 | 30,943 | 25.5 |
| — Financial infrastructure and fintech innovation services | 32,592 | 48.4 | 47,401 | 49.9 | 58,858 | 49.1 | 13,678 | 51.8 | 15,350 | 49.1 |
| **Consulting services** | **8,784** | **29.3** | **2,151** | **11.0** | **4,387** | **18.2** | **1,463** | **31.8** | **820** | **23.0** |
| **System integration services** | **124** | **23.5** | **103** | **22.0** | **1,509** | **77.6** | **—** | **—** | **283** | **100.0** |
| **Total** | **220,854** | **30.2** | **244,965** | **33.1** | **238,495** | **37.8** | **54,343** | **41.3** | **47,396** | **30.3** |

The gross profit margin of our fintech software development services increased from 30.3% in 2023 to 33.7% in 2024, and further to 38.4% in 2025. This consistent improvement was primarily driven by the structural optimization of our revenue mix within this business segment, specifically the increasing proportion of higher-margin business sub-lines and geographic regions. Driven by our strategic shift, the proportion of our overseas revenue increased substantially, which commands significantly higher gross profit margins compared to the Chinese Mainland market. In line with this strategy, the gross profit margin of our banking technology services consistently improved from 28.4% in 2023 to 31.2% in 2024, and further to 35.8% in 2025, primarily as we gradually phased out certain lower-margin engagements in the Chinese Mainland market while simultaneously increasing the proportion of higher-margin overseas engagements. Notably, while the gross profit of this sub-business line recorded the lowest during 2023 to 2025 at RMB173.7 million in 2025, its gross profit margin reached the highest level of 35.8%, reflecting the effectiveness of our profitability optimization. Concurrently, within the fintech software development services segment, we proactively focused on expanding high value-added sub-lines, particularly our financial infrastructure and fintech innovation services. The gross profit of this sub-business line recorded continuous growth, increasing from RMB32.6 million in 2023 to RMB47.4 million in 2024, and further to RMB58.9 million in 2025. The rising prominence of these high-margin engagements within our overall business portfolio effectively optimized the profitability profile of the entire segment. In the three months ended March 31, 2026, the gross profit margin of our fintech software development services decreased to 30.4% from 41.6% in the same period of 2025, primarily attributable to the concurrent completion and delivery during the period of a number of loss-making projects (primarily attributable to Customer B within our banking technology services sub-business line), resulting in the recognition of accumulated implementation costs as cost of sales. This short-term margin contraction reflected the delivery schedule of these specific projects and the withdrawal from lower-margin engagements under our strategy.

The following table sets forth a breakdown of our gross profit and gross profit margin by geographic location for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| **Chinese Mainland** | 58,213 | 20.4 | 48,197 | 16.4 | 29,714 | 24.3 | 3,312 | 19.6 | (1,483) | (5.1) |
| **Overseas** | | | | | | | | | | |
| Hong Kong | 160,799 | 36.4 | 195,677 | 44.2 | 207,859 | 41.0 | 51,022 | 44.6 | 48,747 | 38.4 |
| Others[1] | 1,842 | 52.3 | 1,091 | 30.0 | 922 | 46.8 | 9 | 2.4 | 132 | 37.2 |
| **Subtotal** | **162,641** | **36.5** | **196,768** | **44.1** | **208,781** | **41.0** | **51,031** | **44.5** | **48,879** | **38.4** |
| **Total** | **220,854** | **30.2** | **244,965** | **33.1** | **238,495** | **37.8** | **54,343** | **41.3** | **47,396** | **30.3** |

(1) Others mainly include Macao and France.

During the Track Record Period, our gross profit margin in the Chinese Mainland experienced a decrease from 20.4% in 2023 to 16.4% in 2024, followed by a significant rebound to 24.3% in 2025. The decrease from 2023 to 2024 was primarily attributable to: (i) the contraction in market demand intensified industry competition, resulting in prevalent price wars that significantly squeezed project profit margins; and (ii) an overall increase in domestic labor costs due to upward adjustments in employee compensation levels during this period. Conversely, the significant rebound of the gross profit margin in the Chinese Mainland in 2025 was primarily driven by the strategic shift. We strategically decided to withdraw from certain highly competitive business areas with narrow profit margins in the Chinese Mainland. Furthermore, we implemented effective cost control and efficiency enhancement measures, which optimized our project delivery costs. This strategic repositioning improved the overall profitability profile of our remaining project portfolio in the Chinese Mainland. In the three months ended March 31, 2026, our gross profit margin in the Chinese Mainland decreased to (5.1)% from 19.6% in the same period of 2025, primarily because certain Chinese Mainland loss-making projects completed and delivered during the period incurred higher input costs, and because our relatively small revenue base in the Chinese Mainland magnified the impact of these higher-cost projects on the segment's overall gross profit margin.

## Other Income, Gains and Losses, Net

During the Track Record Period, our other income, gains and losses, net was primarily consisted of (i) exchange gains (losses), net, (ii) bank interest income, (iii) government grants, and (iv) others. Our net other income and gains amounted to RMB19.1 million, RMB27.0 million, RMB17.1 million, RMB1.1 million and net other losses of RMB4.1 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

The following table sets forth a breakdown of our other income, gains and losses, net for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | (unaudited) | | | |
| Exchange gains (losses), net | 3,504 | 18.4 | 5,441 | 20.2 | (9,996) | (58.5) | (7,351) | (691.5) | (7,170) | 173.3 |
| Bank interest income | 9,844 | 51.6 | 18,848 | 69.8 | 24,429 | 143.0 | 6,931 | 652.0 | 3,355 | (81.1) |
| Government grants[1] | 5,063 | 26.5 | 2,765 | 10.2 | 5,620 | 32.9 | 697 | 65.6 | 22 | (0.5) |
| Others[2] | 683 | 3.5 | (57) | (0.2) | (2,970) | (17.4) | 786 | 73.9 | (344) | 8.3 |
| **Total** | **19,094** | **100.0** | **26,997** | **100.0** | **17,083** | **100.0** | **1,063** | **100.0** | **(4,137)** | **100.0** |

(1) Our government grants primarily consisted of subsidies granted by local government authorities for our contribution to service trade development, software industry space support, listed company office space support, R&D investments, and employment stabilization, the majority of which were granted on a one-off basis. During the Track Record Period, none of these government grants was subject to any repayment obligation or future performance requirement. While our eligibility to apply for certain grants was contingent upon the satisfaction of certain historical performance thresholds, no continuing performance requirements were imposed on us upon or after the receipt of such grants. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

(2) Others mainly include: additional value added tax deductions, loss on disposal of property, plant and equipment.

During the years ended December 31, 2023, 2024 and 2025, government grants of approximately RMB5.1 million, RMB2.8 million and RMB5.6 million, respectively. The decrease in 2024 was primarily attributable to a decrease of RMB2.4 million in central government service trade grants received from the Shenzhen Commerce Bureau, which dropped from RMB3.0 million in 2023 to RMB0.6 million in 2024 as a result of a reduction in the annual budget of the Service Trade Division of the Shenzhen Commerce Bureau. In addition, we did not receive the talent housing rental subsidy and high-tech enterprise cultivation grants in 2024, compared to RMB0.5 million and RMB0.2 million received in 2023, respectively. This increase in 2025 was primarily driven by new government grants received in 2025 in accordance with local government policies, including (i) software industry space support grants of RMB2.8 million from the Nanshan District Bureau of Industry and Information Technology, and (ii) listed company office space support grants of RMB1.7 million from the Nanshan District Financial Development Service Center. This increase was partially offset by the absence of R&D investment support grants in 2025, compared to RMB1.0 million received in 2024, as well as a decrease of RMB0.4 million in service trade development grants. Our government grants decreased from RMB0.7 million in the three months ended March 31, 2025 to RMB0.02 million in the three months ended March 31, 2026, primarily because we received a government grant in the first quarter of 2025, while we did not receive such government grant in the first quarter of 2026.

### Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses primarily consisted of (i) staff cost, (ii) tax and surcharges expenses and (iii) business development expenses. Our selling and distribution expenses amounted to RMB21.3 million, RMB22.5 million, RMB19.3 million, RMB3.3 million and RMB3.8 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

The following table sets forth a breakdown of our selling and distribution expenses in absolute amounts and as a percentage of our total selling and distribution expenses for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | (unaudited) | | | |
| Staff cost | 16,212 | 76.1 | 16,089 | 71.6 | 13,420 | 69.4 | 2,859 | 86.0 | 3,262 | 86.8 |
| Tax and surcharge expenses[1] | 4,098 | 19.1 | 4,501 | 20 | 4,380 | 22.7 | 190 | 5.7 | 152 | 4.0 |
| Business development expenses | 657 | 3.1 | 850 | 3.8 | 677 | 3.5 | 146 | 4.4 | 149 | 4.0 |
| Exhibition expenses | — | — | 161 | 0.7 | 198 | 1.0 | 25 | 0.8 | — | — |
| Travel expenses | 249 | 1.2 | 568 | 2.5 | 242 | 1.3 | 31 | 0.9 | 62 | 1.6 |
| Office expenses | 67 | 0.3 | 274 | 1.2 | 380 | 2.0 | 68 | 2.1 | 127 | 3.4 |
| Others | 34 | 0.2 | 37 | 0.2 | 26 | 0.1 | 4 | 0.1 | 7 | 0.2 |
| **Total** | **21,317** | **100.0** | **22,480** | **100.0** | **19,323** | **100.0** | **3,323** | **100.0** | **3,759** | **100.0** |

(1) Tax and surcharge expenses mainly include building taxes, city maintenance and construction tax and education surcharges during the Track Record Period, City maintenance and construction tax and education surcharges are calculated based on VAT liabilities. As these are statutory obligations arising from our business operations, they are classified under selling and distribution expenses to reflect their correlation with sales activities.

## Administrative Expenses

During the Track Record Period, our administrative expenses primarily included (i) staff cost, (ii) office expenses, and (iii) depreciation and amortization expenses. Our administrative expenses amounted to RMB105.8 million, RMB96.6 million, RMB83.6 million, RMB17.4 million and RMB17.2 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | (unaudited) | | | |
| Staff cost | 51,600 | 48.7 | 40,739 | 42.2 | 46,399 | 55.5 | 8,430 | 48.5 | 9,126 | 53.1 |
| Office expenses | 30,972 | 29.3 | 34,259 | 35.5 | 18,459 | 22.1 | 4,457 | 25.6 | 4,473 | 26.0 |
| Depreciation and amortization expenses | 19,961 | 18.9 | 18,516 | 19.2 | 15,702 | 18.8 | 4,120 | 23.7 | 2,977 | 17.3 |
| Business development expenses | 429 | 0.4 | 399 | 0.4 | 732 | 0.9 | 110 | 0.6 | 428 | 2.5 |
| Travel expenses | 239 | 0.2 | 297 | 0.3 | 358 | 0.4 | 83 | 0.5 | 50 | 0.3 |
| Others | 2,622 | 2.5 | 2,342 | 2.4 | 1,934 | 2.3 | 187 | 1.1 | 136 | 0.8 |
| **Total** | **105,823** | **100.0** | **96,552** | **100.0** | **83,584** | **100.0** | **17,387** | **100.0** | **17,190** | **100.0** |

### Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) staff cost, (ii) office expenses, (iii) depreciation and amortization expenses and (iv) travel expenses. Our research and development expenses amounted to RMB62.7 million, RMB70.1 million, RMB59.9 million, RMB17.3 million and RMB15.2 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

The following table sets forth a breakdown of our research and development expenses in absolute amount and as a percentage of our total research and development expenses for the periods indicated:

| | Year ended December 31, | | | | | | Three Months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentage) | | | | | | | | | |
| | | | | | | | (unaudited) | | | |
| Staff cost | 56,968 | 90.8 | 67,614 | 96.5 | 55,844 | 93.2 | 16,531 | 95.5 | 14,278 | 94.2 |
| Office expenses | 3,521 | 5.6 | 517 | 0.7 | 846 | 1.4 | 178 | 1.0 | 159 | 1.0 |
| Depreciation and amortization expenses | 1,500 | 2.4 | 1,311 | 1.9 | 2,631 | 4.4 | 588 | 3.4 | 677 | 4.5 |
| Travel expenses | 243 | 0.4 | 202 | 0.3 | 326 | 0.5 | 18 | 0.1 | 19 | 0.1 |
| Others | 508 | 0.8 | 457 | 0.6 | 276 | 0.5 | 3 | 0.0 | 32 | 0.2 |
| **Total** | **62,740** | **100.0** | **70,101** | **100.0** | **59,923** | **100.0** | **17,318** | **100.0** | **15,165** | **100.0** |

### Impairment Losses on Financial Assets, Contract Assets and Contract Costs, Net

During the Track Record Period, our impairment losses on financial assets, contract assets and contract costs, net consisted of trade receivables, other receivables, contract assets and contract costs. We had impairment losses on financial assets, contract assets and contract costs, net amounted to RMB1.5 million, RMB8.8 million, RMB13.8 million and RMB4.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025, respectively. We recorded net reversal of impairment losses on financial assets, contract assets and contract costs of RMB2.8 million in the three months ended March 31, 2026.

### Finance Costs

During the Track Record Period, our finance costs represent interest on lease liabilities, which amounted to RMB0.7 million, RMB0.6 million, RMB0.2 million, RMB0.02 million and RMB0.04 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

### Income Tax Expenses/(Credit)

Our income tax expenses amounted to RMB0.5 million, RMB6.0 million, RMB4.5 million, RMB0.1 million in 2023, 2024, 2025 and the three months ended March 31, 2025, respectively. We recorded income tax credit of RMB0.7 million in the three months ended March 31, 2026. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and operated. See note 10 to "Appendix I — Accountants' Report".

During the Track Record Period, our effective tax rates were 1.0%, 8.2%, 5.7%, and 0.4% for the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2025, respectively. We recorded an income tax credit of RMB0.7 million for the three months ended March 31, 2026 despite recording a profit before tax of RMB9.9 million, resulting in a negative effective tax rate of approximately 6.8%. These effective tax rates were generally lower than the statutory tax rate, primarily attributable to the preferential tax treatments and additional tax deductions on research and development expenses we enjoyed as described below.

We were entitled to a preferential tax rate and additional tax deduction on R&D expenses in the PRC. Pursuant to the PRC EIT Law, our operations in the PRC are liable to EIT at a rate of 25% unless otherwise specified. During the Track Record Period, we were entitled to several preferential PRC enterprise income tax policies. Our Company was qualified as a High and New Technology Enterprise and entitled to a preferential EIT rate of 15% during the Track Record Period. Our certain subsidiaries were also entitled to preferential EIT rates, which were qualified as Small Low-Profit Enterprises, enjoying a preferential EIT rate of 20%.

Under the PRC EIT Law and its relevant regulations, an additional tax deduction is allowed for our qualified research and development expenses during the Track Record Period. Specifically, for R&D expenses actually incurred that are not capitalized as intangible assets but are charged to profit or loss, we are entitled to a pre-tax deduction of 100% of such expenses in addition to the actual deduction, effective from January 1, 2023.

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax. Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of a qualifying group entity will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. The profits of other group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. During the Track Record Period, Hong Kong profits tax was calculated at the applicable rates on the estimated assessable profits arising in Hong Kong. The effective tax rate in Hong Kong was lower than the statutory rate due to the effect of the two-tiered profits tax rates.

As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigation, enquiries, penalties or surcharges.

## PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

### Three Months ended March 31, 2025 Compared with Three Months ended March 31, 2026

***Revenue***

*Fintech software development services*

- ***Banking technology services:*** Our revenue from banking technology services increased by 20.6% from RMB100.5 million in the three months ended March 31, 2025 to RMB121.2 million in the three months ended March 31, 2026, primarily due to (i) an increase of 27.2% in revenue from our banking product portfolio, from RMB50.3 million in the three months ended March 31, 2025 to RMB64.0 million in the three months ended March 31, 2026, primarily due to continuous business expansion in overseas markets, particularly in Hong Kong, and certain projects with Customer B was delivered and corresponding revenue was recognized; (ii) an increase of 5.3% in revenue from digital banking channel solutions, from RMB33.3 million in the three months ended March 31, 2025 to RMB35.1 million in the three months ended March 31, 2026, primarily due to the increasing demand from existing customers for digital transformation and revenue contribution from certain new customers; and (iii) an increase of 30.9% in revenue from banking operations and data services, from RMB16.9 million in the three months ended March 31, 2025 to RMB22.1 million in the three months ended March 31, 2026, primarily due to certain projects with Customer B was delivered and corresponding revenue was recognized.

- ***Financial infrastructure and fintech innovation services:*** Our revenue from financial infrastructure and fintech innovation services increased by 18.2% from RMB26.4 million in the three months ended March 31, 2025 to RMB31.2 million in the three months ended March 31, 2026, primarily due to the increasing demand from existing customers for digital transformation and the revenue recognition of several large-scale digital financial innovation projects.

*Consulting services*

Our revenue from consulting services decreased by 22.6% from RMB4.6 million in the three months ended March 31, 2025 to RMB3.6 million in the three months ended March 31, 2026, driven by the demand shift of certain overseas customers from consulting services to fintech software development service.

*System integration services*

Our revenue from system integration services increased by 100.0% from nil in the three months ended March 31, 2025 to RMB0.3 million in the three months ended March 31, 2026, driven by our continued pursuit of strategic expansion into new business areas during the first quarter of 2026.

***Cost of Sales***

Our cost of sales increased by 41.1% from RMB77.2 million in the three months ended March 31, 2025 to RMB108.9 million in the three months ended March 31, 2026, compared to an 18.8% increase in revenue over the same period. This was primarily due to (i) an increase in employment compensation, driven by an increase of our key delivery personnel in our overseas markets; (ii) the concurrent completion and delivery during the period of a number of loss-making projects undertaken in prior periods, the accumulated fulfilment costs of which were recognized as cost of sales upon delivery and acceptance and exceeded the revenue recognized from such projects; and (iii) the proportion of revenue recognized at a point in time under the project-based model increased during the period. For such projects, fulfilment costs are first accumulated and carried as contract cost during execution, and are only recognized as cost of sales upon delivery and acceptance, resulting in a larger amount of previously accumulated costs being released as cost of sales within the period. Our cost control and efficiency enhancement measures remained in place, and the increase in the cost-to-revenue ratio reflected the delivery schedule of these projects rather than any structural deterioration in our unit delivery costs.

***Gross Profit and Gross Profit Margin***

As a result of the foregoing, our gross profit decreased by 12.8% from RMB54.3 million in the three months ended March 31, 2025 to RMB47.4 million in the three months ended March 31, 2026. Our gross profit margin decreased from 41.3% in the three months ended March 31, 2025 to 30.3% in the three months ended March 31, 2026, primarily due to the concurrent completion of a number of loss-making projects during the period, the accumulated fulfilment costs of which were recognized as cost of sales upon delivery and exceeded the corresponding revenue.

***Gross Profit and Gross Profit Margin by Business Line***

- Fintech software development services: Our gross profit from fintech software development services decreased by 12.5% from RMB52.9 million in the three months ended March 31, 2025 to RMB46.3 million in the three months ended March 31, 2026. The gross profit margin for this segment decreased from 41.6% to 30.4% during this period. This is primarily due to the concurrent completion of several loss-making projects with Customer B within our banking technology services, the accumulated fulfilment costs of which were recognized as cost of sales upon delivery and exceeded the corresponding revenue, consistent with our strategy of withdrawing from such lower-margin engagements.

- Consulting services: Our gross profit from consulting services decreased by 44.0% from RMB1.5 million in the three months ended March 31, 2025 to RMB0.8 million in the three months ended March 31, 2026. The gross profit margin for this segment decreased from 31.8% to 23.0% during this period. This is primarily due to the change in the mix of consulting projects delivered during the period, as certain overseas customers shifted their demand from consulting services towards fintech software development services.

- System integration services: The revenue was recognized on a net basis so no corresponding cost of sales was recorded for this arrangement, resulting in a gross profit margin of 100.0% for our system integration services in the three months ended March 31, 2026.

***Gross Profit and Gross Profit Margin by Geographic Location***

Our gross profit margin in the Chinese Mainland decreased from 19.6% in the three months ended March 31, 2025 to (5.1)% in the three months ended March 31, 2026, primarily because certain Chinese Mainland loss-making projects completed during the period incurred higher costs and our relatively small Chinese Mainland revenue base magnified the impact of such projects, while our gross profit margin for overseas markets decreased from 44.5% to 38.4% in the same periods, primarily due to higher costs associated with certain overseas projects during the period.

***Other Income, Gains and Losses, Net***

We recorded net other losses of RMB4.1 million in the three months ended March 31, 2026, as compared with net other income of RMB1.1 million in the same period of 2025, representing a change of RMB5.2 million. This change was primarily attributable to (i) a decrease in bank interest income of RMB3.6 million, as the scale of our foreign currency time deposits decreased and was correspondingly converted into Renminbi time deposits, which bear lower deposit interest rates than foreign currency deposits; and (ii) a decrease in government grants of RMB0.7 million recognized during the period.

***Selling and Distribution Expenses***

Our selling and distribution expenses increased by 13.1% from RMB3.3 million in the three months ended March 31, 2025 to RMB3.8 million in the three months ended March 31, 2026, primarily attributable to an increase in staff costs of RMB0.4 million, resulting from the increase in the number of our sales personnel during the period.

***Administrative Expenses***

Our administrative expenses remained relatively stable at RMB17.2 million in the three months ended March 31, 2026, as compared with RMB17.4 million in the same period of 2025, primarily reflecting a decrease in depreciation and amortization expenses, which was partially offset by an increase in staff costs.

***Research and Development Expenses***

Our research and development expenses decreased by 12.4% from RMB17.3 million in the three months ended March 31, 2025 to RMB15.2 million in the three months ended March 31, 2026, primarily due to the decrease in staff costs resulting from the reduction in the number of our R&D personnel during the period.

***Impairment Losses on Financial Assets, Contract Assets and Contract Costs, Net***

We recorded a net reversal of impairment losses of RMB2.8 million in the three months ended March 31, 2026, as compared with a net impairment loss of RMB4.4 million in the same period of 2025, primarily attributable to the reversal of impairment losses on trade receivables resulting from the increased collection of trade receivables during the period.

***Finance Costs***

Our finance costs increased by 150.0% from RMB0.02 million in the three months ended March 31, 2025 to RMB0.04 million in the three months ended March 31, 2026, primarily due to the fluctuations in the interest on our lease liabilities.

***Income Tax Expenses/(Credit)***

We recorded an income tax credit of RMB0.7 million in the three months ended March 31, 2026, as compared with an income tax expense of RMB51,000 in the same period of 2025, primarily attributable to the decrease in our profit before tax during the period.

***Profit for the Period***

As a result of the foregoing, our profit for the period decreased by 17.7% from RMB12.9 million in the three months ended March 31, 2025 to RMB10.6 million in the three months ended March 31, 2026, primarily attributable to the decrease in our gross profit and the decrease in our bank interest income during the period.

**Year ended December 31, 2024 Compared with Year ended December 31, 2025**

***Revenue***

Our revenue decreased by 14.8% from RMB740.4 million in 2024 to RMB631.1 million in 2025, primarily attributable to the following changes:

*Fintech software development services*

Our revenue from fintech software development services decreased by 16.0% from RMB720.4 million in 2024 to RMB605.1 million in 2025. This decrease was primarily driven by the execution of our efforts, for which we proactively shifted our focus from certain highly competitive, low-margin Chinese Mainland projects to expand our presence in overseas markets. This realignment allowed us to prioritize higher-value opportunities and improve our gross profit margin profile, optimizing our overall profit structure amidst intensified competition in Chinese Mainland market.

- ***Banking technology services:*** Our revenue generated from banking technology services decreased by 22.4% from RMB625.4 million in 2024 to RMB485.2 million in 2025. This decline was primarily attributable to our strategic decision to scale back participation in certain lower-margin projects in the Chinese Mainland market, which was the primary driver of the decrease in our fintech software development services revenue. Specifically, this decline was primarily attributable to: (i) a decrease of 26.9% in revenue from our banking product portfolio, from RMB343.8 million in 2024 to RMB251.3 million in 2025, as we selectively reduced our involvement in lower-margin banking product projects in Chinese Mainland; (ii) a decrease of 29.7% in revenue from our banking operations and data services, from RMB135.4 million in 2024 to RMB95.2 million in 2025, reflecting a similar strategic withdrawal from lower-margin engagements; and (iii) a decrease of 5.2% in revenue from our digital banking channel solutions, from RMB146.2 million in 2024 to RMB138.6 million in 2025, which was relatively stable as we maintained our core digital banking channel engagements with key customers.

- ***Financial infrastructure and fintech innovation services:*** Our revenue from financial infrastructure and fintech innovation services increased by 26.3% from RMB95.0 million in 2024 to RMB119.9 million in 2025. This growth was primarily driven by the successful delivery of several projects based on our FINNOSafe Web3 platform and our active participation in benchmark central financial infrastructure platform projects in Hong Kong. This growth was driven by the continued expansion of our business with financial infrastructure customers in Hong Kong, where we have been actively involved in the development of foundational projects related to Hong Kong's Web3 financial infrastructure, digital currency scenarios, and real-world asset tokenization initiatives.

*Consulting services*

Our revenue from consulting services increased by 23.4% from RMB19.5 million in 2024 to RMB24.0 million in 2025. This increase was primarily driven by the demand for our high value-added consulting services, particularly from overseas financial institutions seeking comprehensive digital transformation solutions, reflecting our strategic expansion of overseas consulting engagements and the deepening of our advisory relationships with financial institutions in Hong Kong and other overseas markets.

*System integration services*

Our revenue from system integration services increased significantly by 315.4% from RMB0.5 million in 2024 to RMB1.9 million in 2025. This increase was primarily driven by our continued and resolute pursuit of strategic expansion into new business areas during 2025. As part of our broader business diversification strategy, we actively sought and secured additional system integration projects, which resulted in a substantial increase in the volume of system integration services delivered during the year.

### *Cost of Sales*

Our cost of sales decreased by 20.8% from RMB495.4 million in 2024 to RMB392.6 million in 2025. This decrease was in line with the decrease in our revenue during the year, as the reduction in project volume led to a corresponding decrease in project delivery costs, including employment compensation and procurement costs. The decline of our cost of sales was further attributable to the effective implementation of our cost control and efficiency enhancement measures. Specifically, our cost of sales in Chinese Mainland decreased by 62.3% from RMB245.7 million in 2024 to RMB92.7 million in 2025, in line with the significant reduction in Chinese Mainland revenue, while our cost of sales for overseas markets increased by 20.1% from RMB249.7 million in 2024 to RMB299.9 million in 2025, corresponding to the growth in overseas revenue.

During the Track Record Period, particularly in response to evolving market dynamics, we proactively implemented a series of comprehensive cost control and efficiency enhancement measures, alongside the continuous optimization of our business and delivery team structures. These strategic initiatives primarily include:

- *Strategic Resource Allocation and Client Focus:* We strategically directed our core resources, including capital, manpower, and technology, towards high-value and high-potential clients with long-term collaboration prospects. By systematically evaluating clients' industry standing, historical collaboration, and contribution margins, we prioritized our service targets. Furthermore, to effectively control technical investment costs during the pre-sales phase, we rigorously evaluated Proof of Concept requirements, significantly reducing participation in low-value Proof of Concept projects. For resource-intensive Proof of Concept projects, we implemented clear pricing policies to offset costs and improve the conversion rate of project implementation. To further support this strategic focus, we actively expanded our overseas customer base and operations, with the revenue contribution from overseas markets remained stable at 60.9% in 2023 and 60.3% in 2024, and increased to 80.6% in 2025. This expansion is supported by the gross profit margin of our overseas markets, which was 36.5% in 2023, 44.1% in 2024, and 41.0% in 2025, consistently higher than that of the Chinese Mainland market, 20.4% in 2023, 16.4% in 2024, and 24.3% in 2025. Concurrently, we intensified our efforts in financial infrastructure and fintech innovation services, where the gross profit margin increased from 48.4% in 2023 to 49.9% in 2024, and remained at a relatively high level of 49.1% in 2025.

- *Optimization of Software Development and Delivery Processes:* We introduced advanced software development models and engineering practices to address complex project requirements and enhance team collaboration. This included the adoption of agile development and the implementation of Continuous Integration and Continuous Deployment pipelines. We also integrated technical measures such as automated testing, test-driven development, code reviews, and software vulnerability scanning. These systematic upgrades streamlined our development workflows, shortened delivery cycles, minimized errors, and effectively reduced additional costs arising from code remediation. For instance, in a mobile banking project for a major client, the adoption of agile development enabled us to decompose complex development tasks into multiple lightweight iterations, increasing the frequency of functional upgrades from five centralized rollouts per year under the traditional delivery model to over 12 iterations within a year, thereby significantly improving iteration efficiency and our ability to rapidly respond to market demands.

- *R&D Alignment with Market Demand:* We ensured our research and development directions were closely aligned with actual customer needs, driven by continuous market research and user feedback. Our R&D outcomes were specifically dedicated to providing solid technical support for the delivery process, clearing technical obstacles, and accelerating project execution. The alignment between our R&D outcomes and customer delivery requirements was primarily delivered through our two proprietary technology platforms, FINNOSafe and FINNOSmart, which provided technical support for the delivery process, cleared technical obstacles and accelerated project execution. FINNOSafe automates the full lifecycle compliance of tokenized assets by embedding regulatory rules into smart contracts, and FINNOSmart is an enterprise-grade generative AI platform ensuring data sovereignty. Since 2023, we have successfully delivered 21 projects based on our FINNOSafe Web3 platform, covering Web3 financial infrastructure, digital currency wallets, retail digital currency scenarios and the tokenization of real-world assets. Leveraging our FINNOSmart platform, we have implemented generative AI systems for 7 financial institutions, enabling them to innovate their service offerings and enhance operational efficiency.

- *Delivery Team Structure and Management Enhancement:* We continuously optimized the architecture and technical proficiency of our software delivery teams. We strengthened team management by implementing monthly performance assessments, focusing on continuous improvement for personnel with lower efficiency. We also enhanced the leadership and communication skills of our management personnel across all levels to establish highly efficient communication channels among clients, the Company, and the delivery teams. Moreover, we established customized delivery protocols tailored to the specific management requirements of different clients, thereby minimizing ineffective resource inputs and ensuring a highly reliable and efficient software delivery process. In line with our strategic realignment, we increased approximately 18% of our delivery personnel on our strategic and high-value clients in 2025 compared to 2024, and correspondingly reduced the delivery personnel allocation for general clients. To further optimize team efficiency and reduce redundant labor costs, we improved the **[REDACTED]** efficiency of idle personnel upon project completion, resulting in a 22% year-on-year decrease in idle personnel hours in 2025. Furthermore, through strict performance-based evaluations, we optimized our management structure by achieving a net reduction of over 20 management positions during the year, effectively compressing redundant labor costs and improving the overall efficiency of the management team.

### *Gross Profit and Gross Profit Margin*

As a result of the foregoing, our gross profit decreased by 2.6% from RMB245.0 million in 2024 to RMB238.5 million in 2025. Our gross profit margin increased from 33.1% in 2024 to 37.8% in 2025. This increase was primarily attributable to the optimization of our business structure and the effective implementation of cost efficiency measures across our business lines. Although our gross profit decreased slightly due to the overall decline in revenue, our gross profit margin improved significantly from 33.1% in 2024 to 37.8% in 2025. This margin improvement was primarily attributable to our strategic shift towards higher-margin overseas projects and the proactive withdrawal from lower-margin Chinese Mainland engagements, which resulted in a more favorable revenue mix.

***Gross Profit and Gross Profit Margin by Business Line***

- *Fintech software development services:* Our gross profit from fintech software development services decreased by approximately 4.2% from RMB242.7 million in 2024 to RMB232.6 million in 2025. The gross profit margin for this segment increased from 33.7% to 38.4% during this period. The margin improvement was driven by: (i) our proactive withdrawal from certain lower-margin Chinese Mainland projects, which improved the overall profitability profile of our project portfolio; and (ii) the effective implementation of cost control and efficiency enhancement measures, including the optimization of our delivery team structure and project resource allocation, which effectively controlled our project delivery costs. The proportion of our overseas revenue within fintech software development services increased significantly, contributing to the overall margin improvement.

- *Consulting services:* Our gross profit from consulting services increased by 104.0% from RMB2.2 million in 2024 to RMB4.4 million in 2025. The gross profit margin for this segment was 18.2% in 2025, compared to 11.0% in 2024.

- *System integration services:* The gross profit of our system integration services increased significantly from RMB0.1 million in 2024 to RMB1.5 million in 2025, representing an increase of approximately RMB1.4 million. The gross profit margin of this segment increased substantially from 22.0% in 2024 to 77.6% in 2025. Such significant improvement was primarily attributable to the change in the nature and mix of system integration projects undertaken during the year.

***Gross Profit and Gross Profit Margin by Geographic Location***

In Chinese Mainland, our gross profit decreased by 38.4% from RMB48.2 million in 2024 to RMB29.7 million in 2025, primarily driven by the 58.3% decrease in Chinese Mainland revenue as we strategically scaled back our participation in lower-margin engagements. However, our gross profit margin for Chinese Mainland improved significantly from 16.4% in 2024 to 24.3% in 2025, reflecting the effectiveness of our strategy to optimize our project portfolio by proactively withdrawing from lower-margin projects and focusing on higher-value engagements, as well as our efforts to optimize cost expenditure and achieve cost control and efficiency enhancement.

In Hong Kong, our gross profit increased from RMB195.7 million in 2024 to RMB207.9 million in 2025, primarily driven by the continuous expansion of our business scale. Our gross profit margin decreased from 44.2% to 41.0% during this year. This decrease was principally due to increased project implementation costs resulting from our deployment of highly skilled R&D personnel to meet the rigorous standards of our overseas projects.

***Other Income, Gains and Losses, Net***

Our other income, gains and losses, net decreased by 36.7% from RMB27.0 million in 2024 to RMB17.1 million in 2025, primarily attributable to the net exchange losses of RMB10.0 million recognized in 2025, as compared with net exchange gains of RMB5.4 million in 2024, representing an unfavorable swing of RMB15.4 million due to fluctuations in the foreign currency exchange rate during this period. This decline was partially offset by (i) an increase in bank interest income of RMB5.6 million, resulting from our enhanced fund management and higher deposit rates achieved through the optimization of our cash management strategy; and (ii) an increase in government grants of RMB2.9 million.

***Selling and Distribution Expenses***

Our selling and distribution expenses decreased by 14.0% from RMB22.5 million in 2024 to RMB19.3 million in 2025, primarily attributable to a reduction in staff costs of RMB2.7 million, resulting from the decrease in the number of sales personnel in our Hong Kong operations. Specifically, the decrease in staff costs comprised a decrease in salaries due to the reduction in headcount and a decrease in performance-based bonuses, reflecting the alignment of variable compensation with revenue performance.

***Administrative Expenses***

Our administrative expenses decreased by 13.4% from RMB96.6 million in 2024 to RMB83.6 million in 2025, primarily attributable to the decrease in our office expenses and depreciation and amortization expenses. This decrease was primarily attributable to: (i) a decrease in office expenses mainly driven by a decrease in office rental costs of RMB7.2 million as certain leased premises were reclassified, and a decrease in consulting and agency fees; and (ii) a decrease in depreciation and amortization expenses of RMB2.8 million.

***Research and Development Expenses***

Our research and development expenses decreased by 14.5% from RMB70.1 million in 2024 to RMB59.9 million in 2025, primarily attributable to a decrease in staff costs of RMB11.8 million, resulting from the reduction in the number of R&D personnel as part of our ongoing efforts to optimize our R&D team structure and improve research efficiency. This decrease was partially offset by an increase in depreciation and amortization expenses of RMB1.3 million and an increase in office expenses of RMB0.3 million, primarily due to increased utility costs for R&D IT server cabinets and data center operations.

***Impairment Losses on Financial Assets, Contract Assets and Contract Costs, Net***

Our impairment losses on financial assets, contract assets and contract costs, net increased by 57.1% from RMB8.8 million in 2024 to RMB13.8 million in 2025, primarily attributable to (i) an increase in impairment provision for contract costs of RMB3.2 million, recognized for certain project-based contracts mainly from Chinese Mainland, where the estimated delivery costs exceeded the expected revenue; and (ii) a provision for impairment losses on trade receivables of RMB1.4 million in 2025, as compared with a net reversal of RMB0.4 million in 2024, representing an unfavorable change of RMB1.8 million, primarily due to the slower collection pace of certain trade receivables during the year.

***Finance Costs***

Our finance costs decreased by 74.8% from RMB0.6 million in 2024 to RMB0.2 million in 2025, primarily attributable to the expiration of certain lease agreements during the year. Upon renewal, the lease terms of certain renewed agreements did not exceed 12 months, and accordingly, these leases were classified as short-term leases, for which no right-of-use assets or lease liabilities were recognized, resulting in a corresponding decrease in interest expenses on lease liabilities.

***Income Tax Expenses***

Our income tax expenses decreased by 25.2% from RMB6.0 million in 2024 to RMB4.5 million in 2025, primarily attributable to (i) the non-recurrence in 2025 of certain prior-year under-provision adjustments that were recognized in 2024, which resulted in higher tax charges in the prior year; and (ii) the decrease in current income tax provision in line with the decrease in taxable income of certain subsidiaries during the year.

***Profit for the Year***

As a result of the foregoing, our profit for the year amounted to RMB67.4 million and RMB74.3 million in 2024 and 2025 respectively.

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

***Revenue***

Our revenue increased by 1.4% from RMB730.4 million in 2023 to RMB740.4 million in 2024, primarily attributable to the following changes:

*Fintech software development services*

Our revenue from fintech software development services increased by 2.9% from RMB699.9 million in the year ended December 31, 2023 to RMB720.4 million in the year ended December 31, 2024. This was mainly due to the continued expansion of our business with existing major customers, particularly in Hong Kong, driven by our strategy to shift focus on overseas markets.

- ***Banking technology services:*** Our revenue from banking technology services decreased slightly by 1.1% from RMB632.6 million in 2023 to RMB625.4 million in 2024. This decrease was primarily attributable to our strategic shifting focus as project selection in Chinese Mainland market, where we limited our participation in certain lower-margin projects to optimize resource allocation.

- ***Financial infrastructure and fintech innovation services:*** Our revenue from financial infrastructure and fintech innovation services increased by 41.1% from RMB67.3 million in 2023 to RMB95.0 million in 2024. This substantial growth was principally driven by the increased demand from our financial infrastructure customers in Hong Kong.

*Consulting services*

Our revenue from consulting services decreased by 35.0% from RMB30.0 million in the year ended December 31, 2023 to RMB19.5 million in the year ended December 31, 2024, mainly due to the shift in service focus for certain overseas projects from the preliminary consulting phase to the implementation and development phase.

*System Integration Services*

Our revenue from system integration services remained relatively stable at RMB0.5 million in 2023 and 2024, primarily because the scale of such business was small during the period following the scale-down of our operations in Thailand.

***Cost of Sales***

Our cost of sales decreased by 2.8% from RMB509.6 million in 2023 to RMB495.4 million in 2024, primarily attributable to the implementation of cost control and efficiency enhancement measures, which optimized our project delivery costs despite the increase in revenue.

For details of our cost control and efficiency enhancement measures and the optimization of the delivery team structure, see "— Year ended December 31, 2024 Compared with Year ended December 31, 2025 — Cost of Sales".

***Gross Profit and Gross Profit Margin***

As a result of the foregoing, we incurred a gross profit of RMB220.9 million in 2023 and RMB245.0 million in 2024. Our gross profit margin amounted to 30.2% in 2023 and 33.1% in 2024, primarily attributable to our strategic focus on high-margin overseas businesses (particularly in Hong Kong) and our proactively shifting our focus from certain lower-margin Chinese Mainland projects.

***Gross Profit and Gross Profit Margin by Business Line***

- *Fintech software development services:* Our gross profit from fintech software development services increased by 14.5% from RMB211.9 million in 2023 to RMB242.7 million in 2024. The gross profit margin for this segment increased from 30.3% to 33.7%. This improvement was primarily attributable to our proactively shifting focus from certain low-margin Chinese Mainland projects to optimize our overall profit structure.

- *Consulting services:* Our gross profit from consulting services decreased by 75.5% from RMB8.8 million in 2023 to RMB2.2 million in 2024. The gross profit margin for this segment decreased from 29.3% to 11.0%. These declines were mainly due to (i) our strategic expansion into new customer segments which initially yielded lower gross margins; and (ii) the decrease in segment revenue as the service focus of certain overseas projects shifted from the preliminary consulting phase to the implementation phase.

***Gross Profit and Gross Profit Margin by Geographic Location***

In Chinese Mainland, our gross profit decreased from RMB58.2 million in 2023 to RMB48.2 million in 2024. Correspondingly, our gross profit margin decreased from 20.4% to 16.4% during the same period. This performance was primarily influenced by intensive market competition and prevailing price wars in Chinese Mainland market during this period, coupled with our bank customers reducing their IT budgets and the general increase in domestic labor costs.

In Hong Kong, our gross profit increased from RMB160.8 million in 2023 to RMB195.7 million in 2024. Correspondingly, our gross profit margin increased from 36.4% to 44.2% during the same period. This performance was primarily driven by our strategic focus on higher-margin engagements and the effective implementation of cost control and efficiency enhancement measures for our overseas operations.

***Other Income, Gains and Losses, Net***

Our other income, gains and losses, net increased by 41.4% from RMB19.1 million in 2023 to RMB27.0 million in 2024, primarily attributable to the increase in bank interest income resulting from our enhanced fund management and higher deposit rates, partially offset by a decrease in government grants received.

***Selling and Distribution Expenses***

Our selling and distribution expenses increased slightly by 5.5% from RMB21.3 million in 2023 to RMB22.5 million in 2024, primarily attributable to the increase of tax and surcharge expenses.

***Administrative Expenses***

Our administrative expenses decreased by 8.8% from RMB105.8 million in 2023 to RMB96.6 million in 2024, primarily attributable to the decrease in staff costs following the optimization of our personnel structure.

***Research and Development Expenses***

Our research and development expenses increased by 11.7% from RMB62.7 million in 2023 to RMB70.1 million in 2024, primarily attributable to the increase in staff costs resulting from the recruitment of additional R&D personnel to support certain projects.

***Impairment Losses on Financial Assets, Contract Assets and Contract Costs, Net***

Our impairment losses on financial assets, contract assets and contract costs, net increased significantly by 472.6% from RMB1.5 million in 2023 to RMB8.8 million in 2024. This increase was primarily attributable to (i) the provision for impairment of contract costs of RMB9.2 million recognized in 2024 for certain project-based contracts mainly from Chinese Mainland, where the estimated delivery costs exceeded the expected revenue; (ii) partially offset by a net reversal of impairment losses on trade receivables of RMB0.4 million in 2024 as compared to a provision of RMB1.6 million in 2023; and (iii) our enhanced collection efforts and the improved aging profile of our trade receivables which resulted in such reversal.

***Finance Costs***

Our finance costs decreased by 3.3% from RMB0.7 million in 2023 to RMB0.6 million in 2024, primarily attributable to the decrease in interest expenses on lease liabilities following the expiration of certain lease agreements.

***Income Tax Expenses***

Our income tax expenses increased significantly by 1,134.5% from RMB0.5 million in 2023 to RMB6.0 million in 2024, primarily attributable to (i) the 53.4% increase in our profit before tax; (ii) the recognition of an under-provision of income tax in prior years of RMB2.7 million in 2024 as compared to RMB0.1 million in 2023 relating to final tax settlements; and (iii) the increased contribution of assessable profits from subsidiaries subject to higher statutory tax rates compared to our preferential High and New Technology Enterprise tax rate.

***Profit for the Year***

As a result of the foregoing, our profit for the year amounted to RMB47.4 million in 2023 and RMB67.4 million in 2024.

## DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this document.

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | (RMB in thousands) | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 351,793 | 348,591 | 356,415 | 353,892 |
| Right-of-use assets | 37,611 | 30,516 | 23,149 | 21,886 |
| Intangible assets | 6,359 | 4,085 | 2,395 | 2,088 |
| Equity instruments designated at FVTOCI | 31,213 | 27,198 | 10,456 | 10,115 |
| Deferred tax assets | 11,316 | 12,410 | 15,142 | 16,675 |
| Other non-current assets | 116 | 25 | 6 | 151 |
| **Total non-current assets** | **438,408** | **422,825** | **407,563** | **404,807** |
| **Current assets** | | | | |
| Trade receivables | 155,996 | 127,790 | 203,650 | 155,348 |
| Contract assets | 2,657 | 2,368 | 3,075 | 2,928 |
| Contract costs | 55,932 | 28,178 | 45,852 | 48,949 |
| Other receivables, deposits and prepayments | 12,688 | 18,450 | 29,143 | 39,707 |
| Tax recoverable | 5,655 | 1,345 | 1,376 | 1,375 |
| Restricted bank deposits | 79,833 | 82,046 | 4,383 | 4,008 |
| Bank balances and cash | 999,802 | 1,109,041 | 1,073,113 | 1,128,877 |
| **Total current assets** | **1,312,563** | **1,369,218** | **1,360,592** | **1,381,192** |
| **Current liabilities** | | | | |
| Trade and other payables | 114,065 | 120,208 | 94,563 | 98,056 |
| Contract liabilities | 6,409 | 12,321 | 17,015 | 21,633 |
| Tax liabilities | — | 1,582 | — | 1 |
| Lease liabilities | 10,259 | 9,004 | 3,136 | 2,704 |
| **Total current liabilities** | **130,733** | **143,115** | **114,714** | **122,394** |
| **Net current assets** | **1,181,830** | **1,226,103** | **1,245,878** | **1,258,798** |
| **Total assets less current liabilities** | **1,620,238** | **1,648,928** | **1,653,441** | **1,663,605** |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | 4,343 | 5,778 | 8,573 | 9,373 |
| Lease liabilities | 8,520 | 2,382 | 1,313 | 884 |
| **Total non-current liabilities** | **12,863** | **8,160** | **9,886** | **10,257** |
| **Net assets** | **1,607,375** | **1,640,768** | **1,643,555** | **1,653,348** |

### Current Assets and Current Liabilities

| | As of December 31, | | | As of March 31, | As of May 31, |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | 2026 |
| | (RMB in thousands) | | | | |
| | | | | | *(unaudited)* |
| **Current assets** | | | | | |
| Trade receivables | 155,996 | 127,790 | 203,650 | 155,348 | 166,795 |
| Contract assets | 2,657 | 2,368 | 3,075 | 2,928 | 2,781 |
| Contract costs | 55,932 | 28,178 | 45,852 | 48,949 | 57,704 |
| Other receivables, deposits and prepayments | 12,688 | 18,450 | 29,143 | 39,707 | 39,457 |
| Financial asset at fair value through profit or loss | — | — | — | — | 4,384 |
| Tax recoverable | 5,655 | 1,345 | 1,376 | 1,375 | 1,053 |
| Restricted bank deposits | 79,833 | 82,046 | 4,383 | 4,008 | 3,502 |
| Bank balances and cash | 999,802 | 1,109,041 | 1,073,113 | 1,128,877 | 978,787 |
| **Total current assets** | **1,312,563** | **1,369,218** | **1,360,592** | **1,381,192** | **1,254,463** |
| **Current liabilities** | | | | | |
| Trade and other payables | 114,065 | 120,208 | 94,563 | 98,056 | 47,059 |
| Contract liabilities | 6,409 | 12,321 | 17,015 | 21,633 | 13,470 |
| Tax liabilities | — | 1,582 | — | 1 | 58 |
| Lease liabilities | 10,259 | 9,004 | 3,136 | 2,704 | 2,238 |
| **Total current liabilities** | **130,733** | **143,115** | **114,714** | **122,394** | **62,825** |
| **Net current assets** | **1,181,830** | **1,226,103** | **1,245,878** | **1,258,798** | **1,191,638** |

Our net current assets increased from RMB1,245.9 million as of December 31, 2025 to RMB1,258.8 million as of March 31, 2026, primarily due to an increase in total current assets of RMB20.6 million, which was partially offset by an increase in total current liabilities of RMB7.7 million. The increase in total current assets was primarily attributable to (i) an increase in bank balances and cash of RMB55.8 million, primarily due to the increased collection of trade receivables during the period; and (ii) an increase in other receivables, deposits and prepayments of RMB10.6 million; partially offset by a decrease in trade receivables of RMB48.3 million as the relatively high balances at the end of 2025 were settled during the period. The increase in total current liabilities was primarily attributable to (i) an increase in contract liabilities of RMB4.6 million; and (ii) an increase in trade and other payables of RMB3.5 million.

Our net current assets increased from RMB1,226.1 million as of December 31, 2024 to RMB1,245.9 million as of December 31, 2025, primarily due to a decrease of RMB28.4 million in total current liabilities, which was partially offset by a decrease of RMB8.6 million in total current assets. The decrease in total current liabilities was primarily attributable to: (i) a decrease in trade and other payables of RMB25.6 million, mainly driven by the decrease in payroll and welfare payables as a result of the reduction in average headcount and the decrease in other payables as accrued expenses and litigation-related amounts were settled during the year; and (ii) a decrease in lease liabilities of RMB5.9 million, primarily due to the expiration of certain office leases and the reclassification of certain lease renewals as short-term leases. The decrease in total current assets was primarily attributable to: (i) a decrease in restricted bank deposits of RMB77.7 million, following the release of frozen funds upon the settlement of the relevant litigation; and (ii) a decrease in bank balances and cash of RMB35.9 million, primarily due to the payment of annual bonuses, dividends and building-related expenditures during the year; partially offset by an increase in trade receivables of RMB75.9 million.

Our net current assets increased from RMB1,181.8 million as of December 31, 2023 to RMB1,226.1 million as of December 31, 2024, primarily due to (i) an increase in bank balances and cash from RMB999.8 million to RMB1,109.0 million; partially offset by: (ii) a decrease in contract costs from RMB55.9 million to RMB28.2 million; and (iii) a decrease in trade receivables from RMB156.0 million to RMB127.8 million.

## SELECTED BALANCE SHEET ITEMS

### Property, plant and equipment

Our property, plant and equipment consisted of (i) buildings, (ii) equipment, (iii) construction in progress, (iv) leasehold improvement, (v) motor vehicles and (vi) furniture and fixtures. The following table sets out a breakdown of our property, plant and equipment as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | (RMB in thousands) | | | |
| Buildings | 316,382 | 309,418 | 321,595 | 319,492 |
| Equipment | 17,295 | 21,727 | 20,973 | 20,856 |
| Construction in progress | 8,524 | 8,524 | 8,524 | 8,524 |
| Leasehold improvement | 7,064 | 6,637 | 3,766 | 3,577 |
| Motor vehicles | 2,073 | 1,870 | 1,158 | 1,046 |
| Furniture and fixtures | 455 | 415 | 399 | 397 |
| **Total** | **351,793** | **348,591** | **356,415** | **353,892** |

Our property, plant and equipment remained relatively stable with an amounts of RMB351.8 million, RMB348.6 million and RMB356.4 million as of December 31, 2023, 2024 and 2025, respectively. These fluctuations were primarily attributable to the net effect of (i) the additions of property, plant and equipment, particularly the addition of buildings of RMB20.2 million in 2025 and electronic equipment to support our business expansion; and (ii) the depreciation charges recognized for the relevant periods. Our property, plant and equipment remained stable at RMB353.9 million as of March 31, 2026, as compared with RMB356.4 million as of December 31, 2025, primarily reflecting the depreciation charges recognized during the period.

Our construction in progress remained stable at RMB8.5 million as of December 31, 2023, 2024, 2025, and March 31, 2026. This balance represented unfinished decoration costs incurred for a certain building, the construction work of which was paused throughout the Track Record Period.

**Right-of-use assets**

Our right-of-use assets consisted of (i) land use right and (ii) buildings. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | **(RMB in thousands)** | | | |
| Land use right | 19,540 | 19,019 | 18,498 | 18,368 |
| Buildings | 18,071 | 11,497 | 4,651 | 3,518 |
| **Total** | **37,611** | **30,516** | **23,149** | **21,886** |

Our right-of-use assets amounted to RMB37.6 million, RMB30.5 million and RMB23.1 million as of December 31, 2023, 2024 and 2025, respectively. The continuous decrease was primarily attributable to (i) the continuous depreciation charges and the expiration of certain office leases; and (ii) the annual amortization of the land use right. Our right-of-use assets decreased to RMB21.9 million as of March 31, 2026, primarily attributable to the continuous depreciation charges and the amortization of the land use right during the period.

**Intangible Assets**

Our intangible assets represent our software, which amounted to RMB6.4 million, RMB4.1 million, RMB2.4 million and RMB2.1 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. The continuous decrease was primarily attributable to the amortization charges recognized for our capitalized software costs over their estimated useful lives. No significant additions of intangible assets were made during the Track Record Period.

**Equity Instruments Designated at FVTOCI**

Our equity instruments designated at fair value through other comprehensive income ("**FVTOCI**") primarily represent our minority equity interests in unlisted private companies established in Chinese Mainland. As of December 31, 2023, 2024, 2025 and March 31, 2026, the carrying amount of our equity instruments designated at FVTOCI was RMB31.2 million, RMB27.2 million, RMB10.5 million and RMB10.1 million, respectively. The decrease was primarily attributable to the decline in the fair value of our investments in unlisted private companies during the year. This significant decline was driven by a decrease in the book value of the underlying investee companies, which adversely affected their fair value as determined using the Price-to-Book ratio valuation methodology, adjusted for a discount for lack of marketability. For further details, see note 18 and note 29 to "Appendix I — Accountants' Report".

## Deferred Taxation

Our deferred taxation consisted of (i) deferred tax assets and (ii) deferred tax liabilities. The following table sets forth a breakdown of our deferred taxation as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | (RMB in thousands) | | | |
| Deferred tax assets | 11,316 | 12,410 | 15,142 | 16,675 |
| Deferred tax liabilities | (4,343) | (5,778) | (8,573) | (9,373) |
| **Total** | **6,973** | **6,632** | **6,569** | **7,302** |

Our deferred taxation amounted to RMB7.0 million, RMB6.6 million, RMB6.6 million and RMB7.3 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. These fluctuations were primarily attributable to movements in temporary differences arising from impairment on assets, fair value change and undistributable profits of subsidiaries.

## Trade Receivables

Our trade receivables primarily arise from contracts with customers for the provision of fintech software development services, consulting services and system integration services. The following table sets out a breakdown of our trade receivables as of the dates indicated.

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | (RMB in thousands) | | | |
| Trade receivables, gross | 164,150 | 135,542 | 210,772 | 161,335 |
| Less: Expected credit losses | (8,154) | (7,752) | (7,122) | (5,987) |
| **Total** | **155,996** | **127,790** | **203,650** | **155,348** |

Our trade receivables decreased from RMB156.0 million as of December 31, 2023 to RMB127.8 million as of December 31, 2024. This decrease was primarily due to the acceleration of trade receivable settlement by our customers. Our trade receivables increased from RMB127.8 million as of December 31, 2024 to RMB203.7 million as of December 31, 2025, primarily attributable to the slower pace of trade receivable collection during the year, as certain trade receivables arising from revenue recognized in the second half of 2025 had not yet been settled by the end of the reporting period. Our trade receivables decreased from RMB203.7 million as of December 31, 2025 to RMB155.3 million as of March 31, 2026, primarily attributable to the increased collection of trade receivables during the period, as certain relatively high balances arising from revenue recognized in the second half of 2025 were settled during the period.

The following table sets out an aging analysis of our trade receivables as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | (RMB in thousands) | | | |
| Within one year | 137,402 | 122,235 | 202,819 | 154,609 |
| One to two years | 11,701 | 3,504 | 556 | 517 |
| More than two years | 6,893 | 2,051 | 275 | 222 |
| **Total** | **155,996** | **127,790** | **203,650** | **155,348** |

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

| | Year ended December 31, | | | Three Months ended March 31, |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| Trade receivables turnover days[1] | 92 | 74 | 100 | 107 |

(1) Trade receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables (before allowance for credit losses) for a year/period divided by revenue for the relevant year/period and multiplied by 365 days or 90 days.

Our trade receivables turnover days decreased from 92 days in 2023 to 74 days in 2024, primarily attributable to the continued acceleration of collection speed and improved collection efficiency caused by our customers, which are primarily financial institutions, typically accelerate their internal payment approval and settlement processes towards the end of the calendar year, resulting in a lower trade receivables balance. Our trade receivables turnover days increased from 74 days in 2024 to 100 days in 2025, primarily due to an increase in the balance of trade receivables to RMB203.7 million as of December 31, 2025. The increase was mainly attributable to a relatively slower pace of trade receivable collection during the year, resulting in a higher trade receivables balance as compared to 2024. Our trade receivables turnover days further increased to 107 days for the three months ended March 31, 2026, primarily due to the relatively higher average trade receivables balance during the period.

As of May 31, 2026, RMB92.6 million, or 57.4% of our trade receivables as of March 31, 2026, had been settled.

***Trade Receivables Recoverability and Provision Sufficiency***

Our Directors conclude that we do not anticipate any material recoverability issues with the trade receivables and sufficient provision or impairment loss has been made, on the basis that:

(i) *Provision based on the Expected Credit Loss model:* We measure the loss allowance for trade receivables at an amount equal to lifetime ECL in accordance with IFRS 9. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for forward-looking factors that are specific to the debtors and the general economic conditions of the industry in which the debtors operate. During the Track Record Period, we recognized impairment losses on trade receivables of RMB1.6 million, reversed impairment losses of RMB0.4 million, recognized impairment losses of RMB1.4 million and reversed impairment losses of RMB1.1 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Our Directors have assessed the ECL provision rates for each year during the Track Record Period and consider them to be reasonable and adequate to cover the potential credit risks.

(ii) *High credit quality of our customer base and long-term relationships:* Our customers primarily consist of reputable large and medium-sized banks and financial institutions . We have established long-term and stable cooperative relationships with these customers.

(iii) *Immaterial actual write-offs:* The actual write-offs of our trade receivables were immaterial during the Track Record Period. Specifically, the actual write-offs of trade receivables were approximately RMB0.7 million, RMB0.01 million, RMB2.1 million and nil in 2023, 2024, 2025 and the three months ended March 31, 2026, representing merely 0.4%, less than 0.1%, less than 1.0% and nil of the gross trade receivables for the respective periods.

(iv) *Most trade receivables were within one year:* Our trade receivables demonstrate a healthy aging profile with a high proportion recoverable within one year. Based on the gross carrying amount, trade receivables aged within one year accounted for 85.2%, 92.0%, 98.1% and 97.6% of our total trade receivables as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. Based on the ECL model, 98% of the trade receivables within one year are expected to be recoverable in 2023, 2024, 2025 and the three months ended March 31, 2026.

**Contract Assets**

Our contract assets represent retention monies withheld by customers arising from the provision of fintech software development services and system integration services. The following table sets out a breakdown of our contract assets as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | **(RMB in thousands)** | | | |
| Provision of: | | | | |
| — Fintech software development services | 2,651 | 2,368 | 3,075 | 2,928 |
| — System integration services | 6 | — | — | — |
| **Total** | **2,657** | **2,368** | **3,075** | **2,928** |

Our contract assets remained relatively stable with an amount of RMB2.7 million, RMB2.4 million as of December 31, 2023, 2024, respectively. Our contract assets further increased to RMB3.1 million as of December 31, 2025, primarily representing retention monies receivable from our fintech software development services contracts that were subject to the satisfaction of certain conditions before becoming unconditional receivables. Our Group typically agrees to one year retention period for 10% of the contract value, which is released upon the expiration of the warranty period stipulated in the project-based contracts. The balance of contract assets remained relatively small, representing approximately 0.2% of our total assets as of December 31, 2025. Our contract assets remained relatively stable at RMB2.9 million as of March 31, 2026, as compared with RMB3.1 million as of December 31, 2025. For details, see note 21(b) to "Appendix I — Accountants' Report".

As of May 31, 2026, RMB0.5 million, or 15.5% of our contract assets as of March 31, 2026, had been converted into receivables or had been settled.

**Contract Costs**

Our contract costs represent costs incurred to fulfill our project-based contracts, including fintech software development services contracts, consulting services contracts, and system integration services contracts. These costs amounted to RMB55.9 million, RMB28.2 million, RMB45.9 million and RMB48.9 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. The fluctuations in our contract costs were primarily attributable to (i) the subsequent recognition of costs as cost of sales accompanying project delivery, which drove the decrease from RMB55.9 million as of December 31, 2023 to RMB28.2 million as of December 31, 2024; and (ii) the accumulation of project implementation costs for ongoing projects pending delivery, which resulted in the increase from RMB28.2 million as of December 31, 2024 to RMB45.9 million as of December 31, 2025. The increase in contract costs as of December 31, 2025 was primarily attributable to the normal accumulation of project implementation costs as we continued to invest in ongoing projects that were pending delivery and acceptance by customers. In addition, impairment provisions of RMB9.2 million and RMB12.3 million were recognized in 2024 and 2025, respectively, primarily attributable to the impairment provision for contract costs recognized for certain project-based contracts mainly from Chinese Mainland, where the estimated delivery costs exceeded the expected revenue.

During the Track Record Period, our impairment losses on financial assets, contract assets and contract costs, net, experienced significant fluctuations, primarily driven by the provisions for impairment of contract costs, which represent our inventory in the form of project fulfilment costs. We recorded nil provision in 2023, but recognized substantial impairment provisions for contract costs of RMB9.2 million and RMB12.3 million for the years ended December 31, 2024 and 2025, respectively and we recorded impairment reversal for contract costs of RMB1.7 million for the three months ended March 31, 2026. These impairment provisions were recognized when the carrying amount of the contract costs exceeded their expected net realizable value, which was primarily attributable to the following two scenarios encountered during our project execution: Such provisions primarily corresponded to our ongoing loss-making projects, which fell into two main categories based on the nature of the engagements during our project execution:

- *Strategically driven projects:* We may offer competitive pricing advantages to secure contracts from our new customers. Furthermore, serving new customers or entering new domains may require us to assemble new project teams. The initial learning curve associated with familiarizing the specific business processes and technical environments may lead to lower initial efficiency and higher preliminary costs than we expected. When estimated contract costs exceeded their expected net realizable value, necessitating impairment provisions for the contract costs incurred.

- *Cost overruns arising from scope changes or underestimation of project complexity:* our customers may request technical modifications or incremental work scope that extended beyond our original contracts. In order to maintain long-term customer relationships and ensure the successful delivery of the projects, we may incur additional development and implementation costs. In addition, the final contract prices negotiated with customers may be lower than our initial expectations, primarily due to intensified industry competition and downward adjustments in our customers' IT budgets. Furthermore, there were instances that we commenced project work and incurred preliminary costs based on clear initial intentions from customers. However, due to subsequent changes in their strategic decisions or budget constraints, our contracts were ultimately not signed as anticipated. These factors led to significant cost overruns where the incurred fulfilment costs exceeded their expected recoverable amounts, resulting in corresponding impairment provisions.

As at the end of each reporting period, no provision for onerous revenue contracts has been made since i) the contract revenue of certain contracts are larger than the unavoidable costs to complete those contracts; or ii) the impairment loss on contract costs substantially represented the provision for onerous contracts; or iii) the expected costs to completed are manageable by the Company.

See "Business — Revenue Model — Project-Based Model" for further details of our ongoing loss-making projects.

### Contract Liabilities

Our contract liabilities represent unsatisfied performance obligation for receipt in advance for provision of fintech software development services and consulting services, and amounted to RMB6.4 million, RMB12.3 million, RMB17.0 million and RMB21.6 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. The following table sets out a breakdown of our contract liabilities as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | **(RMB in thousands)** | | | |
| Provision of: | | | | |
| — Fintech software development services | 6,409 | 11,765 | 15,001 | 20,551 |
| — Consultation services | — | 556 | 2,014 | 1,082 |
| **Total** | **6,409** | **12,321** | **17,015** | **21,633** |

Our contract liabilities increased from RMB6.4 million as of December 31, 2023 to RMB12.3 million as of December 31, 2024, driven by an increase in advance payments received from customers for our projects. The balance then increased to RMB17.0 million as of December 31, 2025, primarily due to primarily attributable to the increase in advance project payments received from customers for project engagements. Our contract liabilities increased to RMB21.6 million as of March 31, 2026, as compared with RMB17.0 million as of December 31, 2025, primarily due to the increase in advance project payments received from customers for project engagements during the period.

As of May 31, 2026, RMB10.9 million, or 50.5% of our contract liabilities as of March 31, 2026, had been recognized as revenue.

### Lease Liabilities

As of December 31, 2023, 2024, 2025 and March 31, 2026, we recognized total lease liabilities, including current and non-current lease liabilities, of RMB18.8 million, RMB11.4 million, RMB4.4 million and RMB3.6 million, respectively. Lease liabilities are recognized when a contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Our Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets.

The total lease liabilities amounted to RMB18.8 million as of December 31, 2023. The total lease liabilities decreased to RMB11.4 million as of December 31, 2024, primarily due to the repayment of principal and interest on lease liabilities and the expiration of certain leases. The total lease liabilities further decreased significantly to RMB4.4 million as of December 31, 2025. This significant reduction was primarily attributable to the early termination of certain leases and the reclassification of certain renewals as short-term leases, in addition to continued principal payments. Our total lease liabilities further decreased to RMB3.6 million as of March 31, 2026, primarily attributable to the continued repayment of lease principal during the period.

**Other Receivables, Deposits and Prepayments**

Our other receivables, deposits and prepayments comprise of (i) deposits and advance to staff; (ii) interest receivable; (iii) prepayments; (iv) prepaid **[REDACTED]** and (v) deductible value-added tax. The following table sets forth a breakdown of our other receivables, deposits and prepayments as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | (RMB in thousands) | | | |
| Deposits and advance to staff | 5,099 | 5,453 | 4,608 | 6,588 |
| Interest receivable | 6,271 | 8,988 | 11,475 | 12,904 |
| Prepayments | 1,332 | 4,013 | 3,980 | 3,757 |
| Prepaid **[REDACTED]** | — | — | **[REDACTED]** | **[REDACTED]** |
| Deductible value-added tax | 37 | 51 | 774 | 1,296 |
| | 12,739 | 18,505 | 29,190 | 39,774 |
| Less: Expected credit losses | (51) | (55) | (47) | (67) |
| **Total:** | **12,688** | **18,450** | **29,143** | **39,707** |

Our other receivables, deposits and prepayments amounted to RMB12.7 million, RMB18.5 million and RMB29.1 million as of December 31, 2023, 2024 and 2025, respectively. The fluctuations in our other receivables, deposits and prepayments over time were primarily attributable to (i) the increase in prepaid **[REDACTED]** from nil as of December 31, 2023, 2024 to RMB**[REDACTED]** million as of December 31, 2025, representing upfront professional fees incurred in connection with the **[REDACTED]** of us; (ii) the continuous increase in interest receivable from 2023 to 2025, as a result of our enhanced fund management and the optimization of our cash management strategy, which generated higher deposit interest income; and (iii) the increase in deductible value-added tax from RMB0.1 million as of December 31, 2024 to RMB0.8 million as of December 31, 2025. Our other receivables, deposits and prepayments increased to RMB39.7 million as of March 31, 2026, as compared with RMB29.1 million as of December 31, 2025, primarily attributable to (i) an increase in prepaid **[REDACTED]** of RMB**[REDACTED]** million, representing additional professional fees incurred in connection with the **[REDACTED]**; (ii) an increase in deposits and advance to staff of RMB2.0 million; and (iii) an increase in interest receivable of RMB1.4 million.

As of May 31, 2026, RMB3.7 million, or 9.3% of our other receivables, deposits and prepayments as of March 31, 2026, had been recovered or settled.

### Restricted Bank Deposits

During the Track Record Period, our restricted bank deposits primarily consist of frozen funds and guarantee deposits. The following table sets out a breakdown of our restricted bank deposits as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | (RMB in thousands) | | | |
| Frozen funds | 76,906 | 76,681 | — | — |
| Guarantee deposits | 2,927 | 5,365 | 4,383 | 4,008 |
| **Total** | **79,833** | **82,046** | **4,383** | **4,008** |

Frozen funds represent bank balances that were frozen pursuant to property preservation orders issued by a competent court in the PRC. These orders arose from a commercial dispute regarding construction payments initiated by a third party in July 2021. The funds remained frozen during the legal proceeding. Consequently, such frozen funds constituted the majority of our restricted bank deposits during the Track Record Period. As of March 31, 2026, following the settlement of the legal proceeding, the relevant court orders were discharged, and such frozen funds had been fully released.

Guarantee deposits represent cash collateral pledged to banks for performance guarantees as stipulated in project-based contracts. They secure our contractual performance and delivery quality, and are released and refunded upon satisfactory project completion.

Our restricted bank deposits increased from RMB79.8 million as of December 31, 2023 to RMB82.0 million as of December 31, 2024, primarily attributable to the increase in guarantee deposits. Our restricted bank deposits decreased from RMB82.0 million as of December 31, 2024 to RMB4.4 million as of December 31, 2025, primarily attributable to the release of frozen funds following the settlement of the litigation. Our restricted bank deposits decreased from RMB4.4 million as of December 31, 2025 to RMB4.0 million as of March 31, 2026, primarily due to the decrease of our guarantee deposits.

### Bank Balances and Cash

We had bank balances and cash of RMB999.8 million, RMB1,109.0 million and RMB1,073.1 million as of December 31, 2023, 2024 and 2025. Our bank balances and cash increased from RMB1,073.1 million as of December 31, 2025 to RMB1,128.9 million as of March 31, 2026, primarily attributable to the net cash generated from operating activities resulting from the increased collection of trade receivables during the period.

### Trade and other payables

Our trade and other payables primarily consisted of (i) trade payables, (ii) payroll and welfare payables, and (iii) other payables. The following table sets out a breakdown of our trade and other payables as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | (RMB in thousands) | | | |
| Payroll and welfare payables | 98,030 | 97,771 | 88,420 | 92,662 |
| Other payables[1] | 9,830 | 12,617 | 3,270 | 2,666 |
| Other taxes payables | 3,266 | 8,435 | 2,831 | 2,683 |
| Trade payables | 2,939 | 1,385 | 42 | 45 |
| **Total:** | **114,065** | **120,208** | **94,563** | **98,056** |

(1) Other payables mainly include (i) accrued expenses; and (ii) litigation-related payables (including interest provisions), except for as of December 31, 2025 and March 31, 2026.

Our trade and other payables increased from RMB114.1 million as of December 31, 2023 to RMB120.2 million as of December 31, 2024, primarily attributable to the increase in other taxes payables and other payables representing accrued expenses. Our trade and other payables decreased from RMB120.2 million as of December 31, 2024 to RMB94.6 million as of December 31, 2025, primarily attributable to (i) a decrease in payroll and welfare payables of RMB9.4 million, primarily due to the reduction in average headcount during the year; (ii) a decrease in other payables of RMB9.3 million, primarily attributable to the settlement of accrued expenses and litigation-related amounts during the year; and (iii) a decrease in other taxes payables of RMB5.6 million. Our trade and other payables increased from RMB94.6 million as of December 31, 2025 to RMB98.1 million as of March 31, 2026, primarily attributable to an increase in payroll and welfare payables of RMB4.2 million in connection with the accrual of staff costs during the period.

Our other payables primarily consisted of accrued expenses and litigation-related payables (including interest provisions) arising from a commercial dispute regarding a construction project. For details, see "— Restricted Bank Deposits". As of December 31, 2023 and 2024, our other payables amounted to RMB9.8 million and RMB12.6 million, respectively, which included provisions related to the dispute. The balance decreased significantly to RMB3.3 million as of December 31, 2025. This decrease was primarily attributable to the settlement of the relevant dispute during the period, pursuant to which the litigation-related amounts were fully settled. Our other payable further decreased to RMB2.7 million as of March 31, 2026, primarily attributable to the decrease in our accrued expenses.

The following table sets out an aging analysis of our trade payables as of the dates indicated:

| | As of December 31, | | | As of March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | (RMB in thousands) | | | |
| Within one year | 2,919 | 1,297 | 27 | 30 |
| Over one years | 20 | 88 | 15 | 15 |
| **Total** | **2,939** | **1,385** | **42** | **45** |

The following table sets forth our trade payables turnover days for the Track Record Period:

| | Year ended December 31, | | | Three Months ended March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Trade payables turnover days(1) | 1.3 | 1.6 | 0.7 | 0.0 |

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by 365 days or 90 days.

Our trade payables turnover days remained substantially low throughout the Track Record Period, amounting to 1.3 days, 1.6 days, 0.7 days and 0.0 days for the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. This substantially low level of trade payables turnover days reflected our minimal reliance on external procurement for our business lines. Fluctuations in this ratio were primarily attributable to the immaterial trade payables balance, which magnified the effect of minor timing differences in settlement cut-off dates.

As of May 31, 2026, none of our trade payables as of March 31, 2026, had been settled.

## LIQUIDITY AND CAPITAL RESOURCES

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

During the Track Record Period, we financed our capital expenditure and working capital requirements primarily through cash generated from operating activities. As of December 31, 2023, 2024, 2025 and March 31, 2026, we had cash and bank balances of RMB999.8 million, RMB1,109.0 million, RMB1,073.1 million and RMB1,128.9 million, respectively.

Going forward, we anticipate that our operating cash flows and the **[REDACTED]** from the **[REDACTED]** will collectively fulfill our working capital, capital expenditures, and liquidity needs. Our capacity to meet financial commitments will hinge on our operational performance and cash flow generation, which are influenced by economic conditions and various external factors. Should our current funds prove inadequate, we will consider securing additional credit or engaging in equity financing.

### Working Capital Sufficiency

Our Directors are of the view that, taking into account our available resources including cash and bank balances on hand, and the estimated **[REDACTED]** from the **[REDACTED]**, we have sufficient working capital for our present requirements and for the next 12 months from the date of this document.

### Cash Flow

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

| | Year ended December 31, | | | Three Months ended March 31, | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | **(RMB in thousands)** | | | *(unaudited)* | |
| Net cash generated from operating activities | 127,111 | 168,354 | 62,447 | (35,840) | 72,497 |
| Net cash used in investing activities | (7,232) | (14,225) | (25,072) | (2,973) | (1,682) |
| Net cash used in financing activities | (44,632) | (45,759) | (68,545) | (2,437) | (7,934) |
| **Net increase(decrease) in cash and cash equivalents** | 75,247 | 108,370 | (31,170) | (41,250) | 62,881 |
| Cash and cash equivalents at beginning of year/period | 924,242 | 999,802 | 1,109,041 | 1,109,041 | 1,073,113 |
| Effect of foreign exchange rate changes, net | 313 | 869 | (4,758) | (521) | (7,117) |
| **Cash and cash equivalents at end of year/period** | **999,802** | **1,109,041** | **1,073,113** | **1,067,270** | **1,128,877** |

#### *Net Cash Flows Generated from Operating Activities*

In the three months ended March 31, 2026, we had net cash generated from operating activities of RMB72.5 million. This amount represented our profit before tax of RMB9.9 million, adjusted for non-cash and non-operating items, primarily including (i) depreciation of property, plant and equipment of RMB3.4 million; (ii) net impairment reversal recognized for financial assets, contract assets and contract costs of RMB2.8 million; and (iii) depreciation of right-of-use assets of RMB1.2 million. The amount was further adjusted by changes in working capital, primarily (i) a decrease in trade receivables of RMB56.2 million; (ii) an increase in contract liabilities of RMB4.6 million; and (iii) an increase in trade and other payables of RMB3.7 million.

In 2025, we had net cash generated from operating activities of RMB62.4 million. This amount represented our profit before tax of RMB78.8 million, adjusted for non-cash and non-operating items, primarily (i) depreciation of property, plant and equipment of RMB17.0 million; (ii) net impairment losses recognized for financial assets, contract assets and contract costs of RMB13.8 million; and (iii) depreciation of right-of-use assets of RMB7.5 million. The amount was further adjusted by changes in working capital, primarily (i) decrease in restricted bank deposits of RMB77.7 million; (ii) increase in trade receivables of RMB77.3 million; and (iii) increase in contract costs of RMB30.0 million.

In 2024, we had net cash generated from operating activities of RMB168.4 million, which represented our profit before tax of RMB73.4 million, adjusted for non-cash and non-operating items, primarily (i) depreciation of property, plant and equipment of RMB17.7 million; (ii) depreciation of right-of-use assets of RMB13.1 million; and (iii) net impairment losses recognized for financial assets, contract assets and contract costs of RMB8.8 million. The amount was further adjusted by changes in working capital, primarily (i) a decrease in trade receivables of RMB28.6 million, and (ii) a decrease in contract costs of RMB18.6 million.

In 2023, we had net cash generated from operating activities of RMB127.1 million, which represented our profit before tax of RMB47.9 million, adjusted for non-cash and non-operating items, primarily (i) depreciation of property, plant and equipment of RMB17.7 million; (ii) depreciation of right-of-use assets of RMB14.1 million; and (iii) amortization of intangible assets of RMB3.3 million. The amount was further adjusted by changes in working capital, primarily (i) a decrease in trade receivables of RMB40.0 million and (ii) a decrease in contract costs of RMB32.2 million, partially offset by an increase in restricted bank deposits of RMB43.0 million.

***Net Cash Flows Used in Investing Activities***

In the three months ended March 31, 2026, our net cash flows used in investing activities was RMB1.7 million, which primarily consisted of (i) purchases of property, plant and equipment of RMB1.7 million; and (ii) purchase of intangible assets of RMB0.02 million.

In 2025, our net cash flows used in investing activities was RMB25.1 million, which primarily consisted of (i) purchases of property, plant and equipment of RMB25.0 million; (ii) purchase of intangible assets of RMB0.1 million; and (iii) proceeds on disposal of property, plant and equipment of RMB0.1 million.

In 2024, our net cash flows used in investing activities was RMB14.2 million, which primarily consisted of (i) purchases of property, plant and equipment of RMB14.3 million, (ii) purchase of intangible assets of RMB0.1 million; and (iii) proceeds on disposal of property, plant and equipment of RMB0.1 million.

In 2023, our net cash flows used in investing activities was RMB7.2 million, which primarily consisted of (i) purchases of property, plant and equipment of RMB5.1 million, (ii) purchase of intangible assets of RMB2.1 million.

***Net Cash Flows Used in Financing Activities***

In the three months ended March 31, 2026, our net cash flows used in financing activities were RMB7.9 million, which primarily consisted of (i) prepaid **[REDACTED]** of RMB**[REDACTED]** million; (ii) capital elements of lease rentals paid of RMB1.0 million; and (iii) interest elements of lease rentals paid of RMB0.04 million.

In 2025, our net cash flows used in financing activities were RMB68.5 million, which primarily consisted of (i) dividend paid of RMB53.1 million; (ii) prepaid **[REDACTED]** of RMB**[REDACTED]** million; and (iii) capital elements of lease rentals paid of RMB7.0 million.

In 2024, our net cash flows used in financing activities were RMB45.8 million, which primarily consisted of (i) dividend paid of RMB31.8 million, (ii) capital elements of lease rentals paid of RMB13.3 million, and (iii) interest elements of lease rentals paid of RMB0.6 million.

In 2023, our net cash flows used in financing activities were RMB44.6 million, which primarily consisted of (i) dividend paid of RMB31.8 million, (ii) capital elements of lease rentals paid of RMB12.1 million, and (iii) interest elements of lease rentals paid of RMB0.7 million.

## INDEBTEDNESS

The table below sets forth the breakdown of our indebtedness as of the dates indicated.

| | As of December 31, | | | As of March 31, | As of May 31, |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** | **2026** |
| | **(RMB in thousands)** | | | | *(Unaudited)* |
| Current | | | | | |
| Lease liabilities | 10,259 | 9,004 | 3,136 | 2,704 | 2,238 |
| Non-current | | | | | |
| Lease liabilities | 8,520 | 2,382 | 1,313 | 884 | 739 |
| **Total** | **18,779** | **11,386** | **4,449** | **3,588** | **2,977** |

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Save as disclosed above, we did not have any bank and other loans, or any debt securities issued and outstanding or agreed to be issued, bank overdraft, borrowing or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities as of the Latest Practicable Date for our indebtedness statement. Our Directors confirm that there has not been any material change in our indebtedness since May 31, 2026 up to the date of this document.

As of May 31, 2026, we did not have committed unutilized banking credit facilities.

## CONTINGENT LIABILITIES

At the end of each year/period of the Track Record Period, we did not have any significant contingent liabilities.

## KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

| | As of/Year ended December 31, | | | As of/Year ended March 31, |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| Gross profit margin (%)(1) | 30.2 | 33.1 | 37.8 | 30.3 |
| Net profit margin (%)(2) | 6.5 | 9.1 | 11.8 | 6.8 |
| Current ratio(3) | 10.04 | 9.57 | 11.86 | 11.28 |
| Quick ratio(4) | 9.61 | 9.37 | 11.46 | 10.88 |

(1) Gross profit margin equals gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(2) Net profit margin equals net profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(3) Current ratio equals current assets divided by current liabilities as of the same date.

(4) Quick ratio equals current assets minus inventory and divided by current liabilities as of the same date.

Our current ratio and quick ratio remained exceptionally strong throughout the Track Record Period. Our current ratio remained stable at 10.04 times as of December 31, 2023 and 9.57 times as of December 31, 2024, and further increased to 11.86 times as of December 31, 2025. Our quick ratio remained stable at 9.61 times as of December 31, 2023 and 9.37 times as of December 31, 2024, and further increased to 11.46 times as of December 31, 2025. The improvement in 2025 was primarily attributable to a substantial decrease in our total current liabilities during 2025, specifically: (i) a decrease in payroll and welfare payables, mainly driven by the reduction in our average headcount compared to the previous period as a result of our strategic business optimization; and (ii) a decrease in other payables, primarily because the majority of accrued expenses and litigation-related provisions were settled and paid during the current period. Our current ratio and quick ratio were 11.28 times and 10.88 times as of March 31, 2026, respectively, remaining at strong levels and broadly consistent with those as of December 31, 2025.

## CAPITAL EXPENDITURES

At the end of each year/period of the Track Record Period, we did not have any significant capital expenditures.

We plan to continue capital expenditures to support our business growth and expansion strategy. For details, see "Future Plans and Use of **[REDACTED]** — Use of **[REDACTED]**". We intend to fund these expenditures with available financial resources, including cash generated from operations and **[REDACTED]** from the **[REDACTED]**.

## CAPITAL COMMITMENTS

At the end of each year/period of the Track Record Period, we did not have any significant capital commitments.

## RELATED PARTY TRANSACTIONS

Related party transactions are set out in note 33 to "Appendix I — Accountants' Report" to this document. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and at arm's length basis. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

## PROPERTY INTERESTS AND VALUATION OF PROPERTIES

Greater China Appraisal Limited, an independent qualified property valuer, valued our property interests of us as of May 31, 2026 at no commercial value. Details of the valuation are summarized in Appendix VII to this document due to the strict alienation restrictions imposed on the land use right. The following table sets out the reconciliation between the net book value of the property as of March 31, 2026 and the property valuation report as set out in Appendix VII to this document as of May 31, 2026:

| | RMB'000 |
|---|---|
| Net book value of the property as of March 31, 2026 | 337,860 |
| Less: Depreciation for the two months ended May 31, 2026 | 1,489 |
| Net book value of the property as of May 31, 2026 | 336,371 |
| Valuation deficit as of May 31, 2026 | 336,371 |
| Market value of the property as of May 31, 2026 as set forth in the property valuation report in Appendix VII to this document[1] | nil |

(1) According to the property valuation report, the property interests were valued at no commercial value by the independent property valuer because the property is restricted to self-use and cannot be transferred freely in the market. This valuation methodology is consistent with industry practice for such restricted properties and does not imply an impairment of the asset's carrying amount in our financial statements.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered 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.

## FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate and currency risk. See note 29 to "Appendix I — Accountants' Report".

## DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period and up to the Latest Practicable Date, we did not have a formal dividend policy or a pre-determined dividend payout ratio. Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)》), and pursuant to the requirements under the Articles of Association, if we record profit and positive accumulated undistributed profits for a given year, and our cash flow can satisfy our normal operation and sustainable development needs, we will distribute no less than 20% of the distributable profits realized in that year as cash dividends, except for under special circumstances such as significant investment plans or significant cash expenditures as stipulated in our Articles of Association.

In 2023, 2024 and 2025, we declared dividends of RMB31.8 million, RMB31.8 million and RMB53.1 million in respect of the financial years ended December 31, 2022, 2023 and 2024, respectively. These declared dividends represented dividend payout ratios of 77.3%, 67.2% and 78.8% in 2022, 2023 and 2024, respectively. Dividend payout ratio is calculated by dividing our dividend declared in respect of a financial year by the net profit for the year attributable to the owners of the Company of the same year. As of the Latest Practicable Date, we have paid the dividends declared in 2023, 2024 and 2025 in full. For details, see note 13 to "Appendix I — Accountants' Report" for our declared dividends during the Track Record Period. We did not declare or pay any dividend during the three months ended March 31, 2026.

On April 24, 2026, being subsequent to the Track Record Period, we declared a dividend of RMB31.8 million in respect of the financial year ended December 31, 2025, representing a dividend payout ratio of 42.9% for 2025. As of the Latest Practicable Date, we have paid such declared dividend in full.

Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. We do not have a fixed dividend distribution ratio. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

## DISTRIBUTABLE RESERVES

As of March 31, 2026, our consolidated retained profit amounted to RMB509.3 million, which is available for distribution to our Shareholders.

## [REDACTED]

**[REDACTED]** represent professional fees, **[REDACTED]** and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. Our **[REDACTED]** are estimated to be approximately HK$**[REDACTED]** million (including **[REDACTED]** accounting for approximately **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]**, assuming that an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the **[REDACTED]** stated in this document). Among our **[REDACTED]**, approximately HK$**[REDACTED]** million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the **[REDACTED]**, and approximately HK$**[REDACTED]** million has been or will be charged to our consolidated statement of comprehensive income. The **[REDACTED]** we incurred in the Track Record Period and expect to incur would consist of approximately HK$**[REDACTED]** million **[REDACTED]** expenses and fees (including **[REDACTED]**, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), approximately HK$**[REDACTED]** million **[REDACTED]** expenses and fees including fees for the Joint Sponsors, legal advisors and reporting accountant and approximately HK$**[REDACTED]** million for other **[REDACTED]** fees and expenses. During the Track Record Period, we incurred **[REDACTED]** of HK$**[REDACTED]** million.

The **[REDACTED]** above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

## [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

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

## NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this document, there has been no material adverse change in our financial position since March 31, 2026, and there has been no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

## DISCLOSURE REQUIRED UNDER THE LISTING RULES

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